

STRATEGIC CEREMONIAL AS A PEDAGOGICAL EXERCISE

Steven J. Maranville
University of St. Thomas

Teaching a business-policy course introduces substantial challenges as well as opportunities for meeting the demands of preparing students for managerial careers. As a capstone course, the business-policy course shoulders certain expectations of conveying a general base of knowledge and skills. Yet, at the same time, the development of strategic management as a specific field of study has added a specialized body of knowledge and skills to the business-policy course.

This integration of general and specialized content offers the potential for a rich learning experience. Such an experience, however, would require an integrative process that can capture the fullness of the content. This article proposes a pedagogical exercise, described as the strategic ceremonial, that attempts to capitalize on content complexity by consolidating this content within the context of simulated organizational strategy making. The strategic ceremonial exercise is designed to simulate the channel through which top management makes a formal strategic accounting to the board of directors.

This article begins with a review of the literature that evaluates the effectiveness of management education in achieving knowledge and skill outcomes. The strategic ceremonial is then presented as a possible means to effectively achieve these educational outcomes. In presenting the strategic ceremonial exercise as a viable pedagogical approach, I introduce the concept of a strategic ceremonial as a rite of interface and describe the activities associated with the strategic ceremonial exercise.

Author's Note: Requests for reprints should be sent to Steven J. Maranville, Cameron School of Business, University of St. Thomas, 3800 Montrose Blvd., Houston, Texas 77006-4696.

JOURNAL OF MANAGEMENT EDUCATION, Vol. 21 No. 1, February 1997 97-109
© 1997 Sage Publications, Inc.

Management Knowledge and Skill Development

In their book that critically assesses the state of management education and development, Porter and McKibbin (1988, pp. 64-65) proclaim two vital deficiencies: (a) insufficient integration of functional knowledge and skills, and (b) insufficient emphasis on the development of vision. Although directed at the field of management education in general, these two criticisms specifically reflect the challenges of the business-policy course. The capstone course is charged with the mission of integrating a wide range of functional knowledge and skills, while exposing students to the value of strategic vision.

Louis (1990) further elaborates on these challenges by delineating the inadequacies of management education in regard to specified knowledge and skill outcomes. Her study advances five areas of knowledge and skill development, which are addressed with various degrees of attention in management education. These five categories are technical competence, analytical skills, people skills, macro business perspective, and organizational realism.

In Louis' (1990) framework, technical competence refers to the acquisition of knowledge in functional disciplines that will enable the student to "speak the language" of business. Analytical skills concern the ability to translate data into useful information and then to use that information to solve organizational problems. People skills include the abilities to build effective relationships, work in groups, influence without formal authority, and communicate both in person and in writing.

A macro business perspective entails the gaining of knowledge and skills with regard to the strategic integration of organizational functions for the purpose of interfacing with the organization's environment. Last, organizational realism refers to the development of an appreciation for organizational characteristics such as ambiguity; change; the fragmented, repetitious, and high-pressure nature of tasks; the politics, networking, and creativity involved in decision making; and the formation and impact of culture.

Through the findings of her longitudinal study, Louis (1990) concludes that students are being well prepared with respect to technical competence and analytical skills. However, with respect to people skills, macro business perspective, and organizational realism, students are much less well prepared. This questioning of students'—whether undergraduate or graduate—level of preparedness for entering managerial careers offers a stimulus for creating pedagogical approaches that address these areas of inadequate knowledge and skill development.

The Strategic Ceremonial

To realize the richness of knowledge and skills possible in organizational studies, a pedagogical approach must possess a capacity parallel to the fertile context of the organizational activities being studied. This article proposes that one such approach to the study of strategic management that addresses the issues of technical knowledge, analytical skills, interpersonal/group skills, a macro business perspective, and a sense of organizational realism is the strategic ceremonial exercise. This exercise, useful at undergraduate or graduate levels, attempts to simulate the formal channel by which the management team provides an accounting to the board of directors.

The concept of a strategic ceremonial is grounded in a study of organizational culture that has attempted to classify various cultural phenomena such as rites and ceremonials. A rite is defined as a relatively elaborate, dramatic, planned set of activities that consolidates various forms of cultural expression into organized events, which are carried out through social interaction, usually for the benefit of an audience (Trice & Beyer, 1984, p. 655). Organizations experience many rites, that is, rites of passage, enhancement, degradation, conflict resolution, integration, and renewal (Beyer & Trice, 1988; Trice & Beyer, 1984). The organized event that embodies these various rites is classified as a ceremonial.

The strategic ceremonial occurs as organizational strategists prepare their organization to interface with the competitive environment. Once operationalized, the rite of interface between organization and environment is exhibited through the ceremonial of management's presentation of the organization's strategy to the board of directors. Therefore, utilizing a form of the case method of instruction, the strategic ceremonial exercise places students in the roles of management team members and directors on the board who must jointly solve a strategic problem.

The Strategic Ceremonial Exercise

The strategic ceremonial exercise simulates the events of an organization's strategic ceremonial, that is, the events by which a competitive strategy is formulated, proposed, and sanctioned. These events initially transpire as students work in groups outside of the classroom setting and ultimately culminate with the in-class strategic ceremonial. The steps of the exercise can be structured into three general phases: preparation, presentation, and negotiation. Appendix A presents these three phases and their corresponding steps.

PREPARATION

The processes leading to the in-class strategic ceremonial begin with the students forming groups of about five members. These groups each select from the course syllabus a case for which that group will be responsible for preparing and presenting. The course syllabus is designed in such a way that two groups will analyze each case. For example, if 10 groups are anticipated from the class size, then five cases should be scheduled. Therefore, 2 groups are responsible for the same case.

The next step is to determine which of the two groups will perform the roles of the management team or the board of directors. Both of these roles comprise distinctive characteristics that deserve special attention.¹ The role of the top management team is to present the team's analysis and proposed strategy, clarify and address the strategic issues of the board and other stakeholders, and collaborate with the board in negotiating a mutually agreed upon strategy. The role of the board is to evaluate top management's proposed strategy, present the board's analysis and proposed strategy, and direct the ensuing negotiation. Groups should be permitted to select which of the two roles they prefer to perform. In the case of two groups that designate the same or no preference, the instructor can expedite the decision by flipping a reasonably well-balanced coin (the executive decision maker).

During the preparation phase, the group members in their roles as top management and as the board of directors will analyze the case for problems, causes, and solutions.² Students are faced with the challenge of using analytical frameworks to transform the case's data into information that reveals problems and causes as well as informs the formulation of strategic decisions. The result of this analysis is a written report that will serve as the basis for the in-class oral presentation.

The instructor during this phase of analysis can be as involved or unobtrusive as deemed necessary. Some process consultation (e.g., Schein, 1969) may prove beneficial, because this exercise requires a group effort as opposed to an individual effort. Because one of the learning objectives of the strategic ceremonial exercise is the development of interpersonal and group skills, the analysis phase provides the instructor with an opportunity for offering the groups some directed assistance.

What's more, if the instructor is permitted entry into the group as a process facilitator, the instructor may find the students to be particularly receptive to expanding their knowledge of strategic content issues. This enhanced receptiveness may be due in large part to the less formal climate of group work outside of the classroom, as well as to a genuine need to solve a specific organizational problem.

Intervention by the instructor into group activities, however, is risky and should not be entered into carelessly. If the instructor is serious about offering process consultation to student groups, the instructor should, through the course syllabus and/or class discussion, make the availability of this service known and establish the boundaries of assistance.

If the instructor is perceived as being willing and available for group consultation, the best indicator that a group is desirous of help is that the group members themselves ask for that help. Consequently, students encounter organizational realism by taking the initiative for learning and problem solving. Appendix B presents an overview of the roles and responsibilities of the instructor during each phase of the strategic ceremonial exercise.

PRESENTATION

The formal interaction between the top management team and the board of directors occurs during the in-class strategic ceremonial. The initial role of the management team is to make a formal presentation of the proposed strategy to the board of directors. The role of the management team is one of stewardship for organizational resources, productivity, and performance. Therefore, the management team is accountable to the board of directors as agents of stockholders as well as to a variety of additional stakeholders.

During the management team's presentation, members of the board of directors—ceremoniously seated as a group in the front row of the classroom—train their attention on the large strategic picture as well as on the analytical details being presented. This group performing as the board of directors—having invested time, effort, and ego into the analysis—should be quite familiar with the situation and will no doubt have strong thoughts on how the situation should be addressed. This encounter between the roles of the management team and the board of directors makes possible the potential for a serious but lively discussion of the organization's strategic issues.

For a 2-hour class period, the management team's presentation should be a maximum of 30 minutes. This presentation should include the management team's proposed strategy as well as the analysis that supports the selection of that strategy. At the conclusion of the management team's oral presentation, the board of directors is given priority over other class members for asking questions of the management team. The board of directors is urged to limit questions to 10 minutes and to concentrate their questions on clarification of strategic issues.

These constraints are placed on the board of directors at this stage of the ceremonial for two reasons. First, board members are pressed to concentrate on strategic rather than operational issues. Second, board members are

encouraged to gain a complete understanding of the management team's strategic analysis and recommendations, whereas they are also discouraged from debating the issues without having that complete understanding.

As the dialogue proceeds between the board and the management team, the role of the management team is to follow the lead of the board, providing interpretations, recommendations, and clarification as needed. When the board of directors' questions have been answered, the board members are invited to leave the classroom and organize their thoughts for a formal response to the management team's strategic proposal.

While the board of directors huddles for 10 minutes, the remaining class members are provided with the opportunity to share in an exchange of ideas with the management team. In a similar fashion to a corporation's annual meeting, the strategic ceremonial exercise poses as a microcosm of interactions among the management team and the organization's varied stakeholders. This microcosmic context is created through the involvement of audience members as organizational stakeholders.

In preparation for the strategic ceremonial exercise, all class members who compose the audience should have analyzed the case. Each student should select a stakeholder constituency of which he or she will perform as a representative member.³ A stakeholder is defined as any individual or group that can influence or be influenced by organizational decisions (Freeman, 1984; Maranville, 1989). Therefore organizations must consider the competing positions of many external and internal stakeholders: customers, distributors, suppliers, competitors, employees, unions, governments, regulators, stockholders, creditors, and other special interest groups.

The differing perspectives that naturally arise from the vantage points of these different stakeholders beget the opportunity—if not the need—for leadership of the multivocal discussion. Hence, as the board caucuses, the management team assumes the role of discussion leadership by establishing a climate for stakeholder commentary and questions. The role of discussion leadership requires the application of audience-management skills that facilitate open communication among the multivocal audience of stakeholders. Further, the role of discussion leadership suggests that the management team must manage strategic issues as the issues arise spontaneously (Ansoff, 1980).

Upon returning, the board of directors presents its formal response to the management team's proposed strategy. A corporation's board of directors represents the interests of stockholders. Hence the board of directors is responsible for evaluating the economic soundness of the top management team's competitive strategy (Zahra, 1990). The practice of strategy evaluation implies the use of some type of blueprint providing a systematic approach.

In essence, this blueprint constitutes a theory of effective strategy content. The key pedagogical issue herein concerns the development of this theory or blueprint.

One approach is to draw upon existing theories of strategy evaluation that are found in the literature (e.g., Aaker, 1984; Andrews, 1971, pp. 27-31; Henderson, 1979, p. 41; Richards, 1986, pp. 126-127; Rumelt, 1980; Thompson & Strickland, 1993, p. 49; Tilles, 1963). The instructor could incorporate these theories into general class discussions or group consultation sessions, or students could be given the assignment to conduct a literature search for theories of strategy evaluation. Another approach that draws on the creative capacities of the students is to give students the assignment of creating their own theory of strategy evaluation.

The board of directors is expected to address the management team's proposal by referencing the board of directors' own analysis of the situation and concluding with its own proposed strategy. For a 2-hour class period, the board's presentation should be a maximum of 30 minutes. After being presented with the board's analysis and proposed strategy, the management team may take the opportunity to ask questions for clarification. Stakeholders are also encouraged to participate in this questioning period.

Throughout this phase of the strategic ceremonial, the role of the instructor is that of a host (see Appendix B). This role carries a responsibility of furnishing appropriate physical accommodations and fostering a positive classroom climate. By joining the interaction as a stakeholder, the instructor can use this phase of the strategic ceremonial as a valuable opportunity for emphasizing notable strategic issues.

NEGOTIATION

Having completed the presentation phase of the strategic ceremonial, the board of directors is in a position—by virtue of its position within the organizational hierarchy—to initiate the final phase of negotiation. The strategic directions and/or the implementation plans of the two proposals may reveal disparities, either of kind or degree, to a greater or lesser extent. During the negotiation phase the board of directors attempts to engage the management team in a dialogue with the intent of resolving any gaps that may exist between the two proposed strategies and arriving at a well-defined strategy.

Negotiation leadership entails initiating the negotiation, preparing a jointly defined negotiation agenda, and collaborating toward a mutually accepted and agreed-upon strategy. In contrast to the board of directors' earlier questioning of the management team during which commentary by the board was kept to a minimum, the negotiation phase compels both groups

to immerse themselves in an inquiry and evaluation of the underlying assumptions of both proposals.

The ultimate outcome of this process should be a negotiated strategy that best satisfies the organization's needs. Toward this end, the board and management team receive real-time feedback from their stakeholder constituencies, as class members representing these constituencies lobby for their interests. Consequently, the negotiated strategy will require a sensitivity to and skillful combination of vision, power, bargaining, and compromise on behalf of all involved—the board of directors, the management team, and the organization's stakeholders. These dynamics are crucial forces in the political art of strategic management.

Because of the "fishbowl syndrome,"⁴ achieving a candid negotiation of strategies may at times necessitate a special incentive. Agency theory (Fama & Jensen, 1983) suggests that the way to focus the attention of the board of directors and the management team is by structuring incentive systems that incorporate mutual interests and consequences. One type of incentive system evaluates the two groups on the content of the ultimately negotiated strategy. This approach could also serve as a useful example and basis for discussion of the contributions of agency theory to corporate governance.

The quality of the negotiation can be further enhanced by familiarizing the groups with this phase of the strategic ceremonial during the preparation phase. Confrontation over issues and the interpretation of their meaning is an inherent organizational activity—especially when coping with ambiguous decisions of a strategic nature. Therefore, the political art of organizational negotiation should be explicitly addressed by the instructor. In preparation for the strategic ceremonial, groups may feel more equipped for this responsibility if the instructor has provided them with a primer on negotiation (e.g., Fisher & Ury, 1981) and has coached them with respect to these negotiation methods.

In some class settings the instructor may take an active role by moderating the negotiation. The role of a moderator may be most beneficial under circumstances of severe conflict in which the board and management team are at an impasse in the negotiation. However, for the fullest impact of the strategic ceremonial to be gained, the instructor should yield the responsibility for leading the discussion to the presenting groups and serve solely as a stakeholder participant and discussant (see Appendix B).

At the conclusion of the negotiation, a phase of debriefing is beneficial. The instructor can move toward closure of the exercise by directing questions

to the class about issues concerning both the content of the negotiated strategy and the process of negotiating that strategy. Appendix C presents some examples of the types of questions that could be addressed. The questions in Appendix C are also representative of the criteria that could be used by the instructor in evaluating the performance of the groups participating in the strategic ceremonial. After these debriefing issues have been addressed by the class members, the instructor might close the strategic ceremonial with commentary on interesting angles to the case and on the proceedings of the strategic ceremonial.

Conclusion

By working within the simulated setting of a strategic ceremonial, undergraduate or graduate students can acquire a significant appreciation for both the content of strategies and the process of strategy formulation. Students learn about strategy content through case analysis that requires that students identify the strategic problem, analyze that problem, and make specific recommendations as to the content of the proposed strategy for addressing the strategic problem. Students learn about strategy processes first through the interaction among their own group members performing the roles of either the top management team or the board of directors and second through the ceremonial interaction between the group representing the management team and the group representing the board of directors.

The strategic ceremonial exercise offers a microcosmic forum for a valuable exchange of ideas among the board of directors, top management, and organizational stakeholders. By selecting specific stakeholder constituencies to represent, students in the audience broaden their view of organizations through the perspective of an "outsider." The process of sharing these various perspectives at the border of the organization and society confronts students with social responsibilities and ethical dilemmas that necessitate skillful negotiation.

These experiences expose students to a viscous situation in which an integrated body of knowledge and skills can be developed. With the case approach to learning being the foundation of the strategic ceremonial exercise, the development of technical competencies and analytical skills are fundamental objectives. Moreover, by working in a group to analyze the case, students are provided the opportunity for developing interpersonal and group skills such as leadership, conflict resolution, and team building.

These learning objectives of developing technical, analytical, and group skills, however, are primarily met outside of the classroom and are not substantively different from the objectives of traditional case teaching methods. But the extension of the learning experience brought about through the in-class strategic ceremonial offers an occasion for further development of knowledge and skills related to a macro business perspective and the realities of organizational life.

Appendix A

Phases of the Strategic Ceremonial Exercise

PREPARATION

Students form into groups of about five members.

Each case is prepared by two groups.

Roles of top management team and board of directors are assigned.

Analysis consists of the typical case approach which is to identify problems, investigate causes, and recommend solutions.

Instructor offers process consultation to the groups.

PRESENTATION

Top management begins by presenting recommended strategies and rationale to the board of directors.

Board members ask questions of clarification and adjourn to prepare evaluation of top management's proposal.

Stakeholders interact with top management team.

Board members return and present evaluation of top management's proposal while offering their own proposal.

NEGOTIATION

Board of directors invites management team to join in a negotiation of the gaps between the proposals.

Class members—including the instructor—are encouraged to offer comments and suggestions on the content and process of negotiations.

Instructor concludes the strategic ceremonial with a debriefing of the strategic content and process.

Appendix B

Roles of the Instructor

Phase	Role	Responsibilities
Preparation	Process consultant	<p>Offer process consultation services, but students should extend the invitation for entry into their groups.</p> <p>Reveal strategic management concepts, theories, and models during classroom meetings.</p> <p>Reinforce the concepts, theories, and models of strategic management during invited group sessions.</p> <p>Provide technical expertise to groups on problem-solving tools and methods.</p> <p>Aid groups in understanding and improving their own group's processes.</p> <p>Prepare students during class sessions and invited group sessions for the dynamics of professional presentations as well as negotiations.</p>
Presentation	Host	<p>Assist the groups in arranging the accommodations for the strategic ceremonial.</p> <p>Support the board of directors and management team in their roles.</p> <p>Encourage the raising of strategic issues by class members who represent organizational stakeholders.</p> <p>Promote a positive climate in which the management team, board, stakeholders, and instructor can have a meaningful learning experience.</p>
Negotiation	Moderator/Discussant	<p>Participate as a stakeholder in the negotiation.</p> <p>Encourage the active and vocal participation of class members who represent various stakeholder constituencies.</p> <p>Lead a class discussion that debriefs the strategic content of the negotiated strategy as well as the strategic process by which that content was formulated.</p> <p>Conclude the exercise with insights into the nuances of the organization's strategic situation and the nature of the strategic ceremonial.</p>

Appendix C Sample Debriefing Questions

STRATEGY CONTENT

Is the negotiated strategy internally reliable, that is, consistent with organizational values, mission, and competencies; and externally valid, that is, relevant to external dynamics in the remote and competitive environments?

Does the negotiated strategy reflect any key assumptions that have not been surfaced or challenged?

What stakeholder issues had the most influence on the negotiated strategy?

How will the strategy actually be implemented?

Do any areas of concern still exist with regard to the agreed-upon strategy?

STRATEGY PROCESS

What was good about each presentation?

What areas of each presentation could be improved?

What worked well during the negotiation?

What did not work so well during the negotiation?

How can any remaining barriers to agreement and/or acceptance be overcome?

Notes

1. This article's description of the strategic ceremonial exercise depicts a situation in which the board of directors and the management team are mutually exclusive groups. Consequently, the board's composition is representative of an outside board, which is uncharacteristic of most U.S. corporations. The CEO of many corporations performs not only as the head of the management team, but also as the chair of the board of directors. In an attempt to portray organizational realism, the instructor may use a model of group composition permitting this boundary-spanning role of the CEO.

2. Although the board and management team are expected to produce their own analysis and recommendations, they are not discouraged from working with each other. As in real organizational settings, a collaborative relationship between the board and management is indicative of a healthy strategy formulation process.

3. One approach to making this analysis meaningful is to require students in the audience to prepare a one-page strategic brief for submission. The strategic brief should consist of a concise synopsis of the problematic issues existing between the organization and that particular stakeholder constituency. This brief should further contain the stakeholder's action plan for addressing those issues to the organization's management team. Other supplemental activities that could also achieve the same purposes of attracting the audience's attention and engaging them in the problem-solving effort would include having students perform an evaluation of the proposed strategies using criteria advanced by the strategic management literature and/or having students conduct a literature search of the business press to determine the reported effectiveness of the proposed strategies.

4. This syndrome suggests that the actions of participants can be influenced by the presence of observers, leading to inhibition, abandon, or behavior that is otherwise anomalous to the participants' ordinary interactions.

References

- Aaker, D. A. (1984, Spring). How to select a business strategy. *California Management Review*, 22(3), 167-175.
- Andrews, K. R. (1971). *The concept of corporate strategy*. Homewood, IL: Dow-Jones Irwin.
- Ansoff, H. I. (1980). Strategic issue management. *Strategic Management Journal*, 1, 133.
- Beyer, J. M., & Trice, H. M. (1988). The communication of power relations in organizations through cultural rites. In M. O. Jones, M. D. Moore, & R. C. Snyder (Eds.), *Inside organizations: Understanding the human dimension* (pp. 141-158). Newbury Park, CA: Sage.
- Fama, E., & Jensen, M. (1983). Separation of ownership and control. *Journal of Law and Economics*, 26, 301-325.
- Fisher, W., & Ury, W. (1981). *Getting to yes*. New York: Houghton Mifflin.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Henderson, B. D. (1979). *Henderson on corporate strategy*. New York: New American Library.
- Louis, M. R. (1990, Winter). The gap in management education. *Selections*, 6(2), 1-12.
- Maranville, S. J. (1989, Spring). You can't make steel without having some smoke: A case study in stakeholder analysis. *Journal of Business Ethics*, 8, 57-63.
- Porter, L. W., & McKibbin, L. E. (1988). *Management education and development: Drift or thrust into the 21st century?* New York: McGraw-Hill.
- Richards, M. D. (1986). *Setting strategic goals and objectives*. St. Paul, MN: West.
- Rumelt, R. P. (1980). The evaluation of business strategy. In W. F. Glueck (Ed.), *Business policy and strategic management* (3rd ed., pp. 359-367). New York: McGraw-Hill.
- Schein, E. H. (1969). *Process consultation: Its role in organizational development*. Reading, MA: Addison-Wesley.
- Thompson, A. A., Jr., & Strickland, A. J., III. (1993). *Strategic management: Concepts and cases*. Homewood, IL: Irwin.
- Tilles, S. (1963, July-August). How to evaluate corporate strategy. *Harvard Business Review*, 41(4), 111-121.
- Trice, H. M., & Beyer, J. M. (1984). Studying organizational culture through rites and ceremonials. *Academy of Management Review*, 8(4), 653-669.
- Zahra, S. A. (1990). Increasing the board's involvement in strategy. *Long Range Planning*, 23(6), 109-117.