

The "What" in Top Management Group Conflict: The Effects of Organizational Issue Interpretation on Conflict Among Hospital Decision Makers

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Organizational issues play a particularly important role in the top management group decision-making process by affecting information processing and, ultimately, the decisions made by the team (Dutton and Jackson, 1987). Likewise, previous research has shown that issue interpretation impacts the decision-making process (Ginsberg and Venkatraman, 1992; Thomas, *et al.*, 1993; Thomas and McDaniel, 1990). The present study focuses on the interpretation of organizational issues as a pivot point for decision making and subsequent action in organizations (Dutton and Dukerich, 1991). Such a focus starts with an issue, as defined by a collec-

tivity of top managers, and proceeds forward to find relevant actions and organizational processes. Issues are events, developments, and trends that an organization's members collectively recognize as consequential to the organization (Dutton and Dukerich, 1991). Indeed, organizations respond to their environments by interpreting and acting on issues (Daft and Weick, 1984; Dutton and Jackson, 1987). Top management groups tend to focus on key organizational issues that have the potential to affect organizational performance or survival (Ansoff, 1980; Kuvaas, 2002). Because such issues are often uncertain and ambiguous (Lyles, 1981), sub-

stantial interpretation by decision makers is often necessary (Daft and Weick, 1984).

Despite extensive research on decision making and substantial knowledge about issue interpretation, research has yet to focus on the relationship between the interpretation of organizational issues and group conflict. This is a great oversight because conflict deals more with the task elements of the team decision-making process than other variables (Hogg, 1987), and is directly related to the overall performance of the organization (West and Meyer, 1998). So, while some recent research has demonstrated the importance of conflict between team members (e.g., Chenhall, 2004; Ensley and Pearce, 2001) and multiple studies have related conflict to previous group performance (Peterson and Behfar, 2003) and various demographic differences (Harrison *et al.*, 1998; Jehn, *et al.*, 1997; Nibler and Harris, 2003; Thatcher and Jehn, 1998), it appears that the interpretation of specific issues being addressed during the group decision-making process have been ignored in understanding group conflict.

To address this oversight, we investigate the relationship between organizational issue interpretation and conflict during the top management group decision-making process. We begin by discussing the nature of issue interpretation and its relationship to different types of conflict in the decision-making process. We continue with the development of a series of hypotheses that relate issue interpretation to the different forms of conflict that exist in the decision-making process: cognitive and affective (Amason, 1996). A second series of hypotheses focuses on the moder-

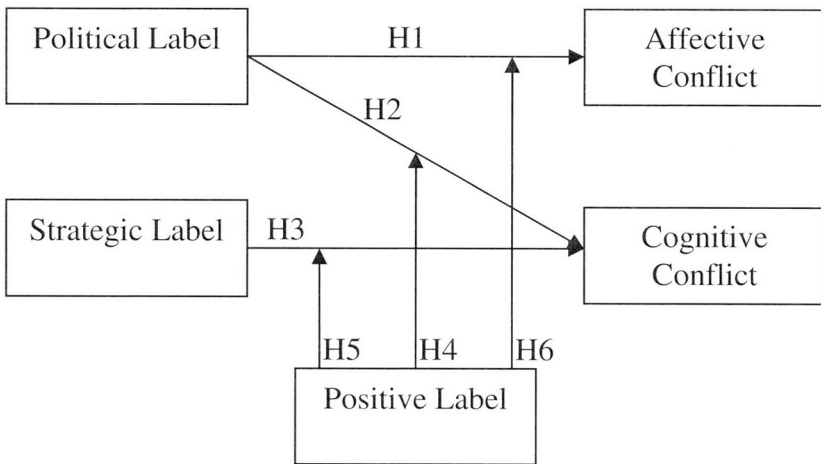
ating influence of the positive-negative nature of the issue on conflict. Specifically, the group's assessment is investigated with respect to the threat-rigidity thesis, which is proposed to induce a constriction of control and pressure for uniformity (Staw *et al.*, 1981).

To test the hypotheses, we use a longitudinal study of 52 hospital top management groups. We find that issue interpretation, or the "what" in the decision-making process, does impact the amount of affective and cognitive conflict experienced, although in some unexpected ways. These findings lead to a discussion of their implications and directions for future research.

THEORY AND HYPOTHESES

The top management group (TMG) has been the focus of a great deal of attention since Hambrick and Mason (1984) proposed the "upper echelons" theory. The "upper echelons" theory places primary emphasis on the entire TMG rather than just the chief executive and argues that top managers impact organizations through their decision making. One of the key functions of management is to interpret and provide meaning to organizational issues (Daft and Weick, 1984; Kiesler and Sproull, 1982). The process of interpreting organizational issues then drives subsequent cognitions that ultimately affect emotive responses, decision making, and outcomes (Dutton and Jackson, 1987). Once issues are labeled, managers process new information and interact with other team members consistent with their pre-established label assumptions. In other words, issues serve as the foundation for group interaction and conflict re-

Figure I
Model of Theorized Relationships



regarding the resolution of a particular organizational issue (Dutton and Jackson, 1987).

Issues are often labeled as “strategic” and/or “political” (Thomas *et al.*, 1994). These labels provide a basic orientation toward an issue regarding its importance to the organization as a whole (i.e., strategic) and/or its importance to the individuals or subgroups within the TMG (i.e., political). Another common issue label is “positive” or “negative” (Thomas and McDaniel, 1990), which captures the issue’s potential to result in a gain or loss for the organization. In Figure I, we depict the relationships developed in the subsequent paragraphs.

The Effects of Issue Interpretation on Conflict

Interpretation involves the fitting of information into a mental structure in order to gain understanding

and take appropriate action (Thomas *et al.*, 1993). A relatively recent approach to issue interpretation argues that focusing on issues from both the strategic and political perspectives may provide greater insight into the overarching concerns of top managers because both the organization’s strategic position in the external environment and its political underpinnings within the organization are captured (Thomas *et al.*, 1994). An organizational issue is strategic if it represents a trend, dilemma or development that affects an organization’s position in the market place and its performance (Ansoff, 1965; Thomas *et al.*, 1994). At the same time, organizational issues may also be political. Political issues are viewed as involving potential changes that may result in the loss of power or resources for individuals or groups within the organization (Narayanan and Fahey, 1982). The political aspect of organizational issues involves

individuals and groups trying to impose their views on the key issues (Eisenhardt and Bourgeois, 1988). Typically, political actions are not primarily motivated by organizational goals.

Organizational issues are multidimensional and thus can vary along both strategic and political dimensions. For instance, one organization's TMG might view a particular issue as highly strategic and highly political, while another may label it as highly strategic but only marginally political. An example of an issue faced by a hospital in our sample may help illustrate strategic and political interpretations. One hospital CEO identified a key issue as how the hospital should respond to a decreasing population base in a rural area. Most top management groups would likely consider this issue a highly strategic one since it deals directly with the long-term survival of the hospital. However, this same issue may or may not be considered highly political. If the issue were collectively viewed as one that is likely to cause major power or resource changes among the people and/or departments within the hospital, it would likely be interpreted as highly political. Additionally, the issue could be interpreted as either positive or negative. If top managers view it as an opportunity to improve the hospital's performance by focusing the hospital services on certain niches, they would label the issue as positive. Or the same issue may be labeled as negative if the managers believe it holds connotations of poor profitability.

Organizational issues also access "both the 'cool' cognitive processing and the 'hot' affective reactions of decision makers" (Dutton and Jackson, 1987: 79). That is, group decision

making typically involves two types of conflict: cognitive and affective (Amason, 1996). Cognitive conflict refers to judgmental differences about how best to achieve organizational objectives, while affective conflict tends to be emotional and focuses on personal incompatibilities (Amason, 1996). Because of the synthesis that emerges from the divergent perspectives associated with cognitive conflict, it is generally positively related to greater decision quality, understanding of decisions and affective acceptance by top managers. Thus, the effects of cognitive conflict on decision outcomes are largely functional. In contrast, affective conflict fosters cynicism, avoidance and counter efforts that undermine decision quality and acceptance among top managers. Accordingly, the effects of affective conflict are largely viewed as dysfunctional (Amason, 1996).

Research on issue interpretation and conflict in TMGs suggests that political interpretation is a particularly important construct from the standpoint of predicting both cognitive and affective group conflict, while strategic interpretation invokes a more collective view toward the organization and may not induce affective conflict (Burns, 1962; Daft and Weick, 1984; Jehn, 1997; Thomas *et al.*, 1994). Political issue interpretation activates and motivates the protection of power and resources by individual group members (Narayanan and Fahey, 1982). This increases the amount of bargaining, negotiation and compromise that occurs during resolution of the issue (Mintzberg *et al.*, 1976). Political issues involve one team member trying to gain influence at the expense of another (Eisenhardt and Bourgeois, 1988). Thus,

because of self-interest, managers will experience differences of opinion on both the content of the decisions and the potential impact they may have on them personally. Stated differently, when decision makers perceive that an issue is political, some level of personal vulnerability and concern for the rationality, openness and fairness of the impending decision-making process is present. Therefore, we predict that if managers interpret an organizational issue as political, both forms of conflict can exist because both rational cognitive power and resource struggles will spill over into personal and emotional-based conflict. Hence, our first two hypotheses suggest that political interpretations of an issue will increase levels of both types of conflict in top management groups.

Hypothesis 1: Political issues are positively related to affective conflict.

Hypothesis 2: Political issues are positively related to cognitive conflict.

While political interpretation is typically grounded in the imposition of personal views into an issue, strategic interpretation of an issue invokes a more collective view. The focus becomes one of trends, dilemmas or developments that affect an organization's competitive position or performance rather than an individual's domain within the organization (Ansoff, 1965). At a group level, strategic interpretation is related to a group's information-processing capacity and organizational identity (Thomas *et al.*, 1994). An issue interpreted as more strategic will evoke more cognitive conflict because of its general complexity, ill-structured nature (Lyles, 1981) and its importance to the organization's long-term welfare (Ginsberg, 1988). Cognitive conflict

contributes to the synthesis of diverse perspectives (Amason, 1996). However, issues that are less strategic will not evoke the desire to develop multiple perspectives and will not create the need to determine the best possible decision. Thus, we expect strategic interpretations to be positively related to cognitive conflict.

Hypothesis 3: Strategic issues are positively related to cognitive conflict.

The Moderating Effects of Positive Issues

Perhaps the best-known theory regarding the internal processes of organizations confronted with adverse situations is the threat-rigidity thesis (Staw *et al.*, 1981). According to the threat-rigidity thesis, decision-making processes are altered when an organization is confronted with a threat. More specifically, when confronted with an issue that is interpreted as a threat, the decision-making group restricts information processing, exhibits more control, and conserves resources. When dealing with a threat, group cohesiveness tends to increase and managers are drawn together; there is a heightened pressure toward conformity. Only information that confirms the organization's current direction is considered and pressure is put on managers to conform (Staw *et al.*, 1981). Thus, we predict that discussion of differing approaches to handle issues will be curtailed when the issue is negative. Accordingly, we predict that a positive issue will have the opposite impact on conflict. The more positive the interpretation of an issue, the more likely the TMG will be inclined to express ideas and resist conformity. Thus, the following hypotheses are given as predictions of a positive issue's impact on the inter-

pretation and cognitive conflict relationship.

Hypothesis 4: The relationship between political issues and cognitive conflict is enhanced when the issue is positive.

Hypothesis 5: The relationship between strategic issues and cognitive conflict is enhanced when the issue is positive.

Although we predicted that positive labeling would positively impact the relationship between issues and cognitive conflict, positive labeling may have a different effect on the relationship between issues and affective conflict. A positive label implies that an issue offers potential gains to the organization (Dutton and Jackson, 1987), which may reduce power and resource struggles within the organization. There is likely to be less of the "hot" affective reaction from decision makers (Dutton and Jackson, 1987). Thus, we predict that the more positive the issue, the less likely political interpretations will exacerbate affective conflict. The final hypothesis reads:

Hypothesis 6: The relationship between political issues and affective conflict is diminished when the issue is positive.

RESEARCH METHOD

To test our hypotheses, we surveyed top management groups (TMGs) at hospitals. To obtain a sufficiently large sample, we selected hospitals in Arkansas, Texas, and Oklahoma. These three states are in the same geographic region, and their hospitals face similar competitive and regulatory issues. Because hospitals experience heavy competition for resources and a rapidly changing environment (Ketchen *et al.*, 1993), we anticipated that hospital TMGs would confront a wide variety of organizational issues. Thus,

we choose the hospital industry as our context for investigating our hypotheses. We had no relationship with the hospitals other than for research purposes. To maximize the number of responses, the survey was administered in three phases according to Dillman's (2000) total design method. In the first phase, we mailed a letter to the hospital CEO asking him/her to: 1) participate in the study, 2) identify an organizational issue that the hospital would soon address, 3) identify employees who would be involved in the decision, and 4) estimate the timeframe for resolution of the organizational issue.

In the second phase, we mailed a survey (Survey 1), that referenced the organizational issue identified by their respective CEO, to all the individuals in the TMG. Survey 1 contained scale items regarding the specific organizational issue and past conflict. In the third phase of this study, we mailed another survey (Survey 2) to the TMG after sufficient time (as deemed by the CEO) had elapsed for resolving the organizational issue. Survey 2 focused on the collection of data concerning the affective and cognitive conflict experienced by group members in the process of dealing with the specified organizational issue. Note that two separate surveys were used to collect data at two different points of time to improve causal reliability and to remove some potential biases. The timeframe between the two surveys ranged between one month and 1.5 years.

Survey data are very common in organizational research and is often the only means for collecting data (Avolio *et al.*, 1991). Multimethod validation of such responses often cannot be achieved with such data (Podsak-

off and Organ, 1986). Researchers can address the potential for common methods bias in two ways: 1) study design and 2) *post hoc* statistical analyses (Podsakoff and Organ, 1986). We did both. First, in the design of the study, we used multiple items for each construct. Response biases have been shown to be less problematic at the construct level than at the scale item level (Harrison *et al.*, 1996). Second, we collected the data representing the independent and dependent variables at two different times. The separation of measurement should have mitigated the problems of transient mood state and thus reduced common methods bias (Podsakoff and Organ, 1986). We also assessed the evidence for common methods bias statistically with Harmon's single factor test (Podsakoff and Organ, 1986). More than one factor emerged and the independent and dependent variables loaded across three factors. Thus, there was no evidence of sole source bias.

The unit of analysis for this study is the TMG. A total of 799 hospital TMGs were asked to participate in this study and 113 responded. Of these 113 respondents, 28 declined to participate because of hospital policy, while 85 agreed to participate. To be represented in this study, each hospital TMG had to be represented by multiple responses on *both* Survey 1 and Survey 2. This requirement reduced the number of groups in the study to 51. We asked the individuals in the TMG to act as informants for the group (Seidler, 1974). The smallest number of individual member responses representing a hospital TMG was two and the largest was ten, with the average TMG being represented by three members. Before creating TMG-level variables, we performed

ANOVAs to assess that the difference between TMGs was larger than the differences within TMGs (Amason, 1996). All variables had significant differences between groups and therefore support the aggregation; significance was measured at $p < .05$ for cognitive conflict, $p < .01$ for affective conflict, and $p < .001$ for political and strategic interpretations and the positive-negative label. Thus, aggregation into group-level variables was deemed appropriate. We present the correlations among these variables in Table 1.

Measures

Strategic and Political Issues. The political and strategic issue scales items were developed by Thomas and colleagues (1994) for use with their sample of American universities and colleges. Cronbach's alphas for the strategic and political composite measures were .74 and .66, respectively. Summated scores were calculated by averaging the items representing the two constructs. Higher values represent that the TMGs interpreted the issues as more strategic and/or more political.

Positive Issues. The positive-negative issue label was assessed using scale items developed specifically for use in hospital studies by Thomas and McDaniel (1990). We averaged ten items that measured a general positive-negative perception of the issue (Thomas *et al.*, 1993). Higher values represented a more positive interpretation; the alpha for this scale was .94.

Affective and Cognitive Conflict. In Survey 2, we asked about the affective and cognitive conflict experienced with regards to resolving the specific issue referenced by the CEO. We averaged four items to measure affective

Table 1
Correlations Among Study Variables

	1	2	3	4	5	6	7
1. Prior Affective Conflict	1.000						
2. Prior Cognitive Conflict	.798	1.000					
3. Strategic Label	.279	.110	1.000				
4. Political Label	.328	.355	.372	1.000			
5. Positive Label	-.010	-.105	.124	.366	1.000		
6. Affective Conflict	.178	.267	.110	.401	-.287	1.000	
7. Cognitive Conflict	.110	.249	.113	.366	-.222	.722	1.000

All correlations above .28 are significant at $p < .05$.

Table 2
Regression Analysis for Affective and Cognitive Conflict

Equation	Affective Conflict		Cognitive Conflict	
	Model 1	Model 2	Model 1	Model 2
Previous Affective Conflict	.06	.07		
Previous Cognitive Conflict			.13	.11
Political Label	.35*	.27	.30†	.18
Strategic Label	-.01	-3.05	.01	-4.11**
Positive Label	-.24	1.27	-.17	3.40
Political x Positive		2.83		-4.76**
Strategic x Positive		1.43		1.13
Political x Strategic		2.63		4.05**
R ²	.22	.30	.18	.32
Change in R ²		.08		.16*
F	3.70*	2.59*	2.49†	2.97*

Betas are standardized.

† $p < .10$; * $p < .05$; ** $p < .01$

tive conflict and three items to measure cognitive conflict. The conflict scales were developed by Amason (1996) for use in his study of top management teams of food processors and furniture manufacturers. Cronbach's alphas for the affective and cognitive conflict composite measures were satisfactory, both equal to .83.

Past Affective and Cognitive Conflict.

Given that our interest was in isolating the effects that issues have on conflict, past affective and cognitive conflict serve as efficient and effective control variables. In Survey 1, we asked about affective and cognitive conflict experienced in past TMG interactions. By accounting for past levels of conflict, we controlled for the effects of demographic diversity and other nonissue-based influences on the conflict experienced. The alpha for both of these measures was .83.

RESULTS

Because our hypotheses specified interactions among continuous variables, multiple moderated regression was the appropriate data analytic technique (Venkatraman, 1989); the analyses were performed in two stages for each dependent conflict variable. In the first stage, a simple model (Model 1) with the control variables and the main effects are tested. In the second stage (Model 2), the interaction terms are added. To the extent that an increase in the R² between Model 1 and Model 2 is significant, then a moderating relationship is detected and the significant individual interaction terms can be examined (Jaccard *et al.*, 1990).

As shown in Table 2, when affective conflict is the dependent variable, the main effects model (Model 1) is statistically significant ($F = 3.70$; $p <$

.05). The interaction effects model (Model 2) is also statistically significant ($F = 2.59$; $p < .05$), but the increase in R^2 is not. Thus, only the significant terms in the main effects model can be examined with regard to support of the hypothesis. When cognitive conflict is the dependent variable, the main effects model (Model 1) is marginally significant ($F = 2.49$; $p < .10$). Model 2 is significant ($F = 2.97$; $p < .05$), with an increase in the R^2 of .16 ($p < .05$). Because the increase in R^2 was significant, the main effects in Model 1 and the interaction effects from Model 2 can be examined with regard to support of the hypothesis. One interesting finding is that past affective conflict and cognitive conflict were not significant predictors of current affective and cognitive conflict. We used past affective and cognitive conflict because we believed them to efficiently capture the effects of non-issue-based determinants of conflict. However, it would appear that past conflict may not carryover as determinants of present conflict. Our attention now turns toward each of the hypotheses.

Hypothesis 1 was supported. Political issue interpretation is positively related to affective conflict ($p < .05$). Political issue interpretation is also positively related to cognitive conflict, but only moderately ($p < .10$), giving modest support for Hypothesis 2. In Hypothesis 3, we predicted that strategic issue interpretation would be positively related to cognitive conflict. Although Model 2 reflects a significant relationship between strategic issues and cognitive conflict, this relationship was not demonstrated in Model 1 and therefore we cannot claim support for Hypothesis 3. The interaction between political and pos-

itive issues is significant for cognitive conflict ($p < .01$), but is contrary to Hypothesis 4. More specifically, and consistent with Hypothesis 2, if an issue is perceived to be more political in nature, there tends to be higher levels of cognitive conflict. However, the interaction suggests that when the issue is labeled as positive, an antagonistic relationship exists. That is, as the issue becomes more positive, the impact of political interpretation on cognitive conflict decreases. The interaction between strategic issue interpretation and positive labels is not significant, giving no support for Hypothesis 5. Finally, there was no support for a moderating effect of positive issue labeling for the affective conflict dependent variable as suggested by Hypothesis 6.

While we did not predict an interaction effect for the strategic and political issues on cognitive conflict, the results indicate a significant positive relationship ($p < .01$). Thus, there appears to be a synergistic effect such that to the extent an issue is highly political and highly strategic there will be significantly more cognitive conflict than when an issue is either highly political or highly strategic.

DISCUSSION

One of the key findings of this study is that political issue interpretation increases affective conflict (Hypothesis 1) and cognitive conflict (Hypothesis 2); thus, managing political issue interpretation is important. Political interpretations involve a belief that some members of the organization will benefit at the expense of other members (Thomas *et al.*, 1994). In this study, we observed that some issues appear more ambiguously political, while others appear to be more

objectively political. For example, in this study, one issue interpreted as highly political by a hospital TMG was the development of an initiative to reduce errors in patient care delivery; the political nature of this issue is not readily apparent to organization outsiders. On the other hand, another issue that was interpreted as highly political involved how to restructure the hospital. The political nature of this issue is clear; cuts in one department's resources likely mean preservation of another's resources. For issues that are more ambiguous, CEOs may have the opportunity to minimize the political interpretation of issues by avoiding communication that calls attention to threats of personal losses or communication that elicits fear (Janis, 1989). However, for issues that are patently political or when it becomes obvious that an issue has become political in nature, a different approach may be warranted. Top managers should take actions that can help prevent self-serving motives from becoming dominant in decision making. For example, one could explicitly call attention to the ethical norms and role obligations that are safeguards against self-serving motives (Janis, 1989) as well as frequently call attention to the organization's superordinate goals (Fisher, 1993).

We were surprised that strategic issue interpretation was not related to cognitive conflict (Hypothesis 3). It may be that strategic issues with greater consequence for a hospital's long-term welfare may cause the TMG to more quickly unite around a superordinate goal and consider fewer alternatives (Fisher, 1993). Or, the TMG may more readily concede to a single, "more knowledgeable," member's ideas and decisions when

faced with more critical strategic issues. However, an alternative, methodological explanation may be possible that accounts for this non-finding. The mean for the strategic interpretation variable was 4.1 out of 5, which suggests that the CEOs tended to identify only very important organizational issues, which, in turn, were perceived as very strategic by the top management group. Therefore, the relationships among strategic issues and conflict may exist, but were not identified due to an initial range restriction in the organizational issue interpretation construct. On the other hand, it may be that the strategic label is not important for TMGs because, as a group, it deals with only the most important issues that are commonly perceived to be very strategic.

We also did not find support for our predictions regarding the impact of the positive issues on subsequent decision making. Indeed, in contrast to our prediction in Hypothesis 4, we found that a positive issue decreased the amount of cognitive conflict when a hospital TMG was faced with a highly political issue. One explanation for this finding may be that when the issue is associated with a possible gain for the entire organization, it gives individuals in the TMG less reason to propose solutions that protect their own interest because they believe the possible gain for the organization tempers the possible individual loss involved with its political nature.

Positive issue interpretation also did not heighten the effects of a strategic interpretation on cognitive conflict (Hypothesis 5) or lessen the effects of a political interpretation on affective conflict (Hypothesis 6). A potential explanation for the lack of

support for these hypotheses may be that members of the TMG believed that the issue may be positive for the organization as a whole, but would not accrue to their individual interests. This finding is consistent with previous work that identified that self-interest (where individual group members place their own needs or their own department's needs ahead of those of the organization's) can serve to constrain effective decision making (Janis, 1989). Using hospitals as the organization of study may contribute to this effect as well because health care, in general, tends to be highly institutionalized and strongly influenced by professional groups. A more fine-grained measure that taps the aspects for both the individual and the organization should be used in future studies.

Although we did not predict that strategic issue interpretation would interact with political issue interpretation to affect cognitive conflict, we find that the combination of high political stakes and great strategic implications heightens cognitive conflict. Top management group members appear very willing to discuss and propose solutions to issues that have implications for the organization and resource distribution within the organization.

CONCLUSION

In summary, our results are the first to demonstrate the importance of organizational issue interpretation on the conflict experienced during the resolution of the issue. More specifically, we found that a political interpretation increased the likelihood of both cognitive and affective conflict. We also found evidence of an interaction between issue interpretations

such that an issue that is simultaneously interpreted as political and positive discourages cognitive conflict, whereas an issue that is interpreted as political and strategic encourages cognitive conflict.

This study supports the notion that the decision-making process cannot be separated from the nature of the decision itself (Fredrickson, 1984). Thus, the study of decision-making processes should incorporate the content of decisions themselves. Equally important, however, is that researchers include the interpretation of the issue from the decision makers' points of view rather than impose their own interpretation. In this study, there were issues that were interpreted as highly political by the decision makers for reasons that were unapparent to the researchers (e.g., whether or not to construct labor-delivery-recovery suites). Had we tried to impose our interpretations in this study, the results may have been highly inaccurate. Only by capturing the participants' interpretation can a researcher capture the effect of the issue on the participants' decision-making processes.

Our findings also demonstrate that organizational issues are multidimensional, simultaneously being categorized along many dimensions. The complex nature of the interactions noted in our results seems to indicate that configurations of labels are more meaningful and have more impact on conflict and other aspects of decision making than do individual labels. Future research should explore configurations of issues and the relations among the configurations to conflict and other aspects of decision making.

Future research should examine the role of perceived control in subsequent decision making. Uncontrol-

ability may be a key aspect of threatening or negative interpretations. If managers view an issue as uncontrollable, the subsequent decision processes may be very different than if they view the issue as only negative. One key distinction that the threat-rigidity thesis makes is the notion of perceived likelihood of success (Staw *et al.*, 1981); perhaps if the issue situation were viewed as uncontrollable, the issue would also be viewed as a probable failure and, therefore, very apathetically.

As with any study, the findings must be interpreted in the light of limitations. First, our study was limited to a single industry in a limited geographical area. Although we have no reason to believe the relationships among issue interpretation and conflict would differ by industry, a recent study found that national cultural values affect issue interpretation (Barr and Glynn, 2004). Future research should examine whether or not these findings can be replicated in other research settings. Second, given the commitment to complete two surveys, a low percentage of hospital CEOs agreed to participate in this study. Furthermore, only 60% of the hospitals that agreed to participate had multiple managers complete both surveys. There was no discernable difference in terms of size or profitability between the hospitals that participated in the study and those that did not; thus, there is no evidence of non-response bias. Nonetheless, the resultant sample was small and, accordingly, the statistical power achieved was low. However, this low power may increase confidence in the robustness of significant relationships. Given that statistical significance was found with such a small sample, the magni-

tude of the relationships may be very large.

An additional limitation of this study is that we did not account for the conflict within TMGs that is due to the nature of the different roles performed by the TMG members. Although specific managers may have changed over time, it is likely the same roles are represented on the TMG; thus, we believe the use of past affective and cognitive conflict would likely control for the influence of role conflict on cognitive and affective conflict. Nonetheless, future research should explicitly account for role conflict. Likewise, the study did not measure the extent of differences in interpretation of an issue within the group. The extent of homogeneity of the group's interpretation of an organizational issue may contribute to different types of conflict. Future research efforts should also examine the relationship of homogeneity of organizational issue interpretation with types of conflict.

Lastly, interpretations of the full regression models, especially the interaction effects, need to be viewed cautiously. There is a high correlation between the positive interpretation and its interaction terms. These correlations do not limit the ability to obtain a good fit of a regression model, but the common interpretation that a unit change in one predictor variable (holding all other predictor variables constant) leads to an expected value in the response variable is not fully applicable (Neter *et al.*, 1996). Given that we did not attempt to assess the strength of the predictors *vis-à-vis* other predictors, this limitation's impact on this study is minimal.

In conclusion, this study increases our understanding of how the interpretation of issues interact with sub-

sequent decision processes (Dutton and Jackson, 1987), including the type and level of conflict within the TMG. Thus, the broad implication to managers is that actively managing the perceived "what" (i.e., the issue being discussed) is a necessary and important component to managing conflict within the top management group. Framing an organizational is-

sue in terms that accentuate the interest of the whole organization, prior to the decision process, and actively confronting managers' self-interest during decision making may be the difference between massive dysfunctional conflict and a positive exchange of ideas leading to the highest possible quality decision.

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