

# The Role of Critical Incidents in Managing Supplier Relations

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## Summary

Purchasing managers *do* things different from the text books we claim they should follow or even *they* claim to follow. Critical incidents play a role in changing their set of recipes applied in certain situations. In order to understand the role of critical incidents, this paper looks at the cause of those incidents, the role and nature of perception, the frame of reference of purchasing managers and the way purchasing managers make sense out of their experiences. We finish with recommendation to prevent such incidents occurring or their negative consequences.

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**Key words:** supplier management; learning; critical incidents

## Introduction

Management literature - in particular purchasing and supplier management - should enable us to predict the theoretical type of relations purchasers would choose in a particular situation, given certain and factors and aspects<sup>1</sup>. However, when such a model was tested (Kamann et. al. 2000), it expired that many relations did not meet the hypothesised expectations. Further research revealed that purchasers deviate from the ideal type behaviour as a result of three important factors (Kamann & Bakker, 2004): (1) their personal past trajectory through various networks, determining their personal interpretation of the real world; (2) their position in the company, termed their 'status' in the Negotiated Social Order; (3) the company's world view on 'how things have to be, including purchasing': the Socially Negotiated Order. These three factors were – as part of a conceptual model - empirically tested and proven to be relevant in interviews with Dutch and British purchasing managers (Bakker & Kamann, 2003). However, while they explained most of the actions and ways of dealing with suppliers, we encountered some '*unforeseen*' empirical findings in our search for determinants of supplier relations. During the interviews, practitioners mentioned events disrupting the usual way of working, when they explained the '*why*' behind their supplier relation management practices. Some examples of these experienced disruptions: fire in the factory, sudden hold in supply, accidents and subsequent bankruptcy, failure and success of cooperation in so-called partnerships, poor behaviour of a foreign supplier.

## Experiences as Critical Incidents

*An incident becomes a critical incident because of its perceived seriousness in its consequences.* In practice, we find that when these consequences can be dealt with within the boundaries or scope of 'normal' corrections, routines or feedback loops – viewed from a cybernetic perspective – they are not perceived as critical but are viewed as routine deviations

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which can be dealt with adequately. Only when routine feedbacks do *not* ensure rectification of the registered deviation from ‘normal practices’, thus jeopardising activities perceived as ‘important’ or even ‘vital’, we will classify them as ‘critical’ events. Typically, examples from real life are related to fires, destroying single supplier’s production facilities, strikes stopping production in a vital component or ill functioning or even life threatening failures of components that receive publicity. It can even start when ‘normal’ responses fail to occur at all: a supplier does repeatedly not respond to a message to dispatch a certain amount of goods. We could also name them Highly Traumatizing Experiences – *HTE* – referring to the consequences for the mindset of the problem owner, including its set of recipes to be applied. With reference to the *HTE*; events are only perceived critical if so experienced by the ‘problem owner’. This implies that even when an event takes place *resembling* an event that is *associated* with a critical event – for instance because it started with a similar signal- the same response – “*Oh no, not again!*” – is given, which could well start a chain of panic reactions or over-reactions. It is clear from our definition, that what a critical event is for one actor – e.g. a certain supplier went up in smoke and production capacity elsewhere is only available after 21 days – does not have to be a critical event for another actor, for instance because he has dual suppliers for that product. In other words: critical events are actor specific.

This paper will focus on two questions: (1) *What is the role of these experiences in determining behaviour?* (2) *What can we do about it?* We therefore will with (a) the way managers observe and perceive things, (b) the process of interpretation of what they see and how they relate that to a repertory of actions; (c) the role of disruptions or deviations from the expected real world behaviour or pattern of stimuli; (d) the causes of critical events.

## **Perception: how do managers observe and perceive things**

### *The colour of perception*

Perception is biased. What we have seen in our previous contributions (Kamann & Bakker, 2001/2004; Bakker & Kamann, 2003) was that events purchasing managers actually ‘see’ are coloured by their experiences: *what* they see and *how* they see it. Which of course is translated in a biased choice of what they are going to do as a result of what they see: their behaviour. The reason for this is that their subjective perception is driven by their frame of reference (Burrell en Morgan; 1979, Weick; 1979). A frame of reference that is the result of individual past experiences, individual histories. These managers have – as all human beings - been conditioned to do and see certain things: “*they see what they believe*” (cf. Weick, 1979, p. 154). They have been socialised in a certain type of approved behaviour; approved by their teachers, by their peers, by their friends in social interaction. Because of this, their knowledge base, their frame of reference is a result of past experiences through all the networks they were – and are – part of in their entire life: the *habitus* that moulded their thinking (Bourdieu, 1972; 1977), their set of recipes and preferred, routinised actions to be taken in certain situations given a certain context. Hence, what kind of signals they *expect*, what they actually look for, is driven by this coloured perception, induced by their subjective frame of reference. And, what *they make out of those signals* they actually (wish to) see is determined by that perception and frame of reference (fig 1). In previous contributions, we focused on the behavioural aspect of perception: what is the result in terms of behaviour, as illustrated in figure 1. In this contribution, however, we will open the ‘black box’<sup>2</sup> of perception to get a better understanding of critical incidents.

### *Perception: process, activity and result*

‘Perception’ can be seen as (1) an activity: ‘making observations’; (2) a process, which means that (a) the observations originate in nature and orientation from a certain frame of

reference that tells the observer what (s)he should expect to see in the given context and situation; (b) the stimuli, looked for and observed as a result of (2a) are interpreted in the light of the same frame of reference; (3) a result: the resulting world view one has on something which guides the nature of behaviour: an opinion, an idea. One link between steps (2) and (3) which is not part of the process of perception as described in literature is ‘filing or retaining the result in the memory’. This step does exist in what is called the process of sense making (Weick, 1979, 1995). Figure 2 represents all these aspects.

Figure 1: The colour of perception: role of past experiences

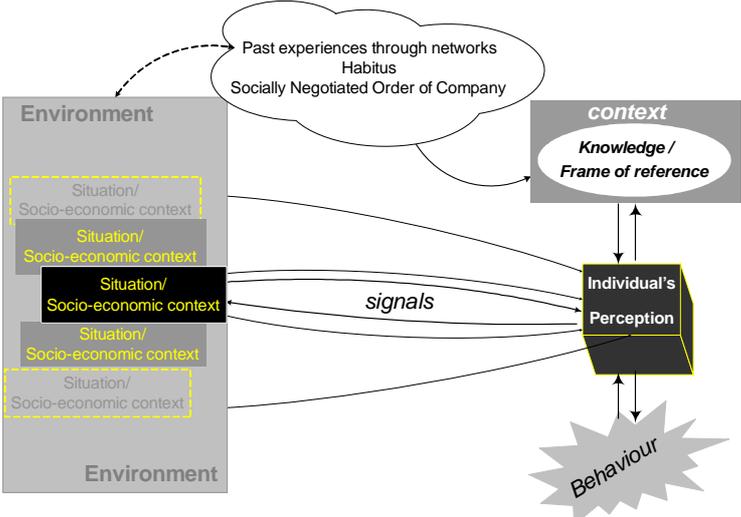
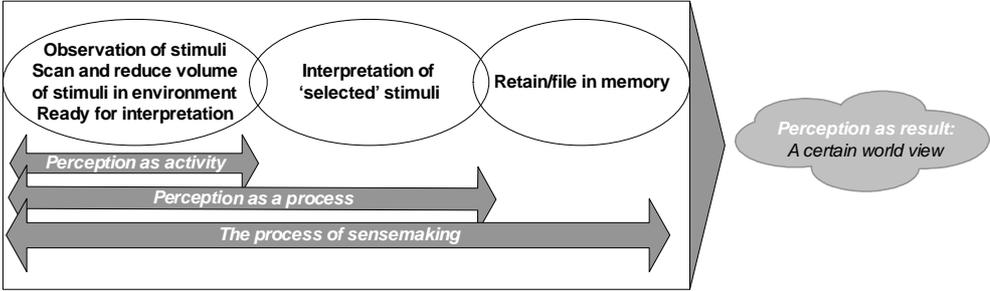


Figure 2: Perception in three senses and sensemaking



Perception as *activity* refers to scanning the environment and observing signals (Daft & Weick, 1984): the individual “perceives” certain signals. Actually, Atkinson et. al. (2000, p. 111/151) describe perception as something more than ‘just’ observing signals. They state that perception has to do with interpreting – asking the meaning of – sensations or signals and the integration of these meanings in our frame of reference in order to enable us to function properly in a given state of the environment. The sensations people experience, are products of their senses. In other words: our senses enable us to experience sensations. In this view, perception reflects a *process* of ‘receiving’ and ‘observing’ signals where interpretation – assigning meaning – is part of. The process starts or is ‘triggered’ when the individual notices a difference in his environment – organisational or external. At the end of the process, perception has the connotation of ‘individuals have perceived signals they responded to’. This refers to the *result* of the entire chain of activities, a completed process result, a perceived environment: a picture, the perceived image of the environment or ‘world view’ that conditions, socialises and polishes one’s conduct. This result depends on the way the process ran. Hence, a better understanding of the process is a prerequisite for a better understanding of the result. To create that understanding, we will make use of the description of the process of

sensemaking by Karl Weick. As we described above with figure 2, the process of sensemaking explicitly includes the stage of storing experiences in the human memory: ‘filing’, the simple ‘Ctrl S’ function applied to the human memory bank. Weick (1995, p. xii) defines sensemaking as an external representation of the – internal - mental process. It is a “frame of reference about frames of reference”. To prevent confusion: ‘interpretation’ is *not* the same as sensemaking. Interpretation is *part* of the process of sensemaking. In other words: a description of the process of sensemaking gives a frame of reference to describe how people try to understand the world around them with their frame of reference, and how they understand and direct their behaviour in relation to that world (Starbuck and Millikan, 1988). “[...] sensemaking is about such things as placement of items into frameworks, comprehending, redressing surprise, constructing meaning, interacting in pursuit of mutual understanding, and patterning” (Weick, 1995, p. 6).

### **The process of sensemaking**

The basic assumption for the sensemaking process is that humans are information digesting beings that employ a frame of reference in processing information. Human beings use simplified representations of the Real World – models – for the simple reason that they are unable to deal with all stimuli at a given point in their time space continuum (Kelly, 1955; March & Simon, 1958; March, 1994). We all are ‘scientists’ who work with a personal theory about the world around us (Kelly, 1955; Hinde, 1997, p.4). What we use for that theory in a particular situation and context, depends of what we learned to be relevant knowledge for that situation: the past experiences and socialisation that took place in the ‘habitus’ people were part of, as we described above. People learned to apply only selected knowledge to a particular situation. They are selective in their attention, focus and perception: *what* is being selected originates from the frame of reference in use (Weick, 1979). In literature, this usually is referred to as the limited capacity in processing information; people have a ‘bounded rationality’ (March & Simon, 1958). Because of this, *people are able to identify things they think are of importance to them, while the rest is ignored or not even seen* (we will come back to this point later when discussing ‘catastrophe events’). It results in selective perception. Because of this, people are not only ‘bounded’ in what they see, they also are *prejudiced* in what they see; they will tend to explain or interpret signals the way that fits their frame of reference<sup>3</sup>. This may well result in repetition of behaviour, using familiar recipes, establishing routines (Nelson & Winter, 1982). Even, when the Real World may have changed, which however escaped the biased attention and interpretation scheme of the individual<sup>4</sup>. Routines can develop into ‘tacit knowledge’, which is difficult to make explicit and to communicate; they become ‘intuitive’ by nature (Nelson & Winter, 1982).

To make ‘sense’ of something, something out there should exist to make sense of. We state, that the influence on our behaviour of whatever is ‘out there’ – other individuals, objects, events – is created because *we* named it in our perception – our World View – that we use as our frame of reference. We gave it a meaning, a role, a function<sup>5</sup>. This would imply that what people make sense of, and what they perceive, actually is a result of past experiences. An individual can only understand that reality, he has lived through. “*People only can know and understand what they do, after they have done it*” (Weick, 1995, p. 24). This means that telling and doing; *behaviour*, precedes thinking. For, this creates the required subject one can reflect on (Bood, 2001). Through actions we undertake as individuals, we create the relations we have with other subjects and objects in our environment, which precedes whatever we think about this. While this may not sound rather stimulating for people who think they can ‘rationally’ plan everything in advance, even the unknown, it fits Bourdieu’s description of the ‘habitus’. He states that the way future, unknown situations will

be treated and approached is determined by the cultural heritage, the sum of all built-up routines and embodied knowledge – of an individual. This also implies that sensemaking is a social activity, where frames of reference are matched, moulded and conditioned – socialised – into a group – or organisational – homogeneous World View<sup>6</sup>.

The sensemaking process is dynamic and iterative; it is a continuous process that does not have a clear starting point. People move around in a constant flow of events, are in the middle of experiences in their life where sensemaking is the constant factor. That people are in the midst of this flow of experiences and events, does not necessarily mean that they are indifferent; they do not spend attention to everything to the same extent. That implies that some of this sensemaking happens while we are not even aware of it: it is part of our routines. When we drive a car, many signals reach us: the speedometer, the oil pressure, the traffic behind us and in front of us, roads crossing ours and so on. In fact, most people, when they drive, only notice deviations: the speedometer passes the 50 km/h point, the oil pressure lights starts blinking, someone behind us makes a dangerous move in the passing lane, a car in front of us steps on the brakes, that is: we see three red lights glowing and conclude that he stepped on the brakes<sup>7</sup>. And so on. That means: about some things, we do not explicitly reflect to reach a desired result: we just apply a routine recipe. However, in *some* situations we *do* reflect. In particular when interruptions or disruptions occur in the continuous flow of experiences that create an emotion; these disruptions create the start of sensemaking that we are more aware of. Weick uses the term ‘*cue*’ for these ‘detonators’<sup>8</sup>. Sensemaking makes use of three elements: a ‘*cue*’, a ‘*frame*’ and a ‘*connection*’. Someone can only make sense of something when he can make a connection between an experienced stimulus – the trigger, detonator or ‘*cue*’ – and an existing frame of reference. ‘Cues’ are indications that people use to develop a picture of what is going on. ‘*They need a cue to get a clue*’. The detonator, trigger or cue ignites the process by drawing attention. For instance, sharply rising prices on the spot market; a fax from a supplier or a client about something. We use the metaphor of the radar here. Until something lights up on the screen - a change in the situation - usually reinforced when coming with a bleep, there is peace on the bridge. Weick (1995, p. 100) states that problems (shortcomings, interruptions) may occur for two reasons: (1) something popped up that was not expected; (2) something did *not* occur that was expected to happen<sup>9</sup>. Then, the sensemaking process starts. Is it a boat, a lighthouse? When more bleeps appear: what pattern does it show? A fleet of fishing boats, a coastline? Weick (1969, 1979) points here at the phenomenon of *ecological change*: discontinuities or other types of disruptions that take place in the existing frame of reference of an individual. The main drivers for ecological change are ambiguity – disruption because of an over dose of possible interpretations – and uncertainty – disruption because of ignorance.

### **Critical incidents**

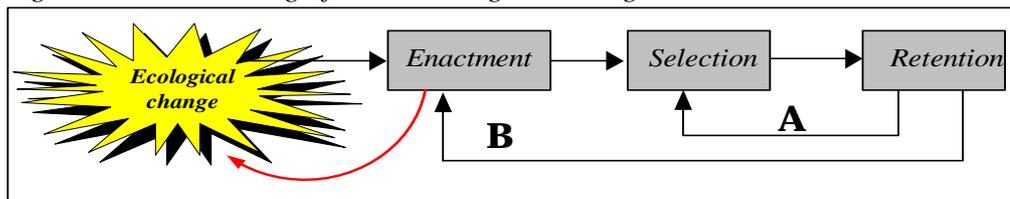
Robinson and Faris (1967, p. 121) refer to interruptive or disruptive experiences as ‘*significant events*’. These match the concept of ‘*critical incidents*’ referred to by Schein (1985), defined as: “*any major event that threatened survival, or caused re-examination or reformulation of goals or ways of working, or involved membership or inclusion issues*” (1985, p.120). Something is experienced as critical if it arouses a high level of emotion. The definition shows that someone becomes aroused if something is perceived as a problem endangering survival or goal attainment due to obstacles or threats. When an incident requires a new reaction as the usual response does not work anymore *and* when this new reaction leads to a successful result, then the incident will be remembered and marked as critical (Schein; 1985). This means that an event or incident itself does not lead to being regarded as critical; it is considered critical in association with the new reaction and is hence used as argumentation

for that behaviour to take place. Practitioners not only mentioned negative experiences that led to change, but also positive ones. In the latter sense, people experience something that exceeds their goals and expectations. These findings fit the ‘critical incidents technique’ found in literature (e.g. Greenberg en Baron; 1993, Gümnesson; 2000). Two main sorts of incidents’ are distinguished: (1) behaviour of an individual that is directly related to fulfilling the buying need, which is the reason why relations emerge in the first place; (2) the disturbance of one’s influence in decisions about actions, which is indirectly related to the actions<sup>10</sup>. Incidents practitioners mentioned were either directly experienced, but also referred to *indirect* incidents, experienced by others. Others used those experiences as an argument for “*how things are done here*” when socialising new members.

### The process of sensemaking after a critical incident

An ecological change implies that an individual experiences a problem, a shortcoming of any sort<sup>11</sup>. It leads to “*a lack of fit between one’s encounter with a tradition and the schema-guided expectation by which one organizes experience*” (Agar, 1986. p.21). Without such shortcomings, the process of sensemaking runs smoothly; an individual is not distracted by any disruptions, no emotions are aroused. Figure 3 represents the sensemaking process – after ecological change (derived from Weick, 1979, p. 132).

Figure 3: Sensemaking after an ecological change



The ecological change provides the raw material for the *enactment process* and activates the attention of the individual. ‘Enactment’ isolates the ecological change for more detailed attention. During enactment, the individual starts collecting raw data – signals – without attaching any meaning to them yet. This happens in the second stage, which in fact sometimes is difficult to separate from the first stage (Weick, 1979, p. 185): selection. While the enactment stage of the process selects raw data – without interpretation – the selection stage deals with selecting the meaning of these raw data: they become information. Enactment for instance in our case of rising spot market prices means collecting data on wars, yields, production capacities, strikes, closures, volumes, take-overs, and so on. The selected information can be “there is a shortage on the supply market for product *x* as a result of a strike at a large French production site”

In the *enactment* stage, part of all experiences and signals that are part of the continuous flow of experiences and signals is highlighted. Whatever is received – or experienced – as a signal depends on someone’s frame of reference at that very moment. What is highlighted is determined by someone’s context specific knowledge and experience with signals, being relevant in such a situation.<sup>12</sup>.

In the *selection* stage, a ‘meaning’ is selected for the ‘enacted’ signals; interpretation of the highlighted, selected signals or data. Here, people look for an answer to the “what is going on here” question. Again, the frame of reference directs and restricts which meaning is found and in doing so, *constructs the environment, of importance to an individual*. Purchasing managers in the Netherlands see their supply base as a collection of leverage suppliers, bottleneck suppliers and so on. Other purchasing managers may see their supply base as friends or enemies and so on. This way, at a higher aggregate, entire organisations or even

networks *construct the reality they perceive as the Real World*. “For the most part, the world is interpreted and understood today in the way it was interpreted yesterday. Decision makers look for information, but they see what they expect to see and overlook unexpected things” (March, 1994, p. 11; cf. last line of end note 12).

The *retention* stage files signals and interpretations for future recall. The outcome of this stage is a ‘reservoir of beliefs’ and becomes part of the frame of reference: somebody’s ‘knowledge’, somebody’s ‘know-how’. This determines which future experiences will be produced and which signals will be looked for in the future as regarded being of relevance, including the interpretation scheme followed in the selection stage.

## **Incidents and learning**

If it would be true that people only can *confirm* their frame of reference, since - by definition - they only see the things they already believed in, those frames of reference would be static and unable to change: learning would not exist. However, people - like other beings - *do* learn. Changes or adaptations in perceptions and frames of reference and the resulting changes in behaviour - referred to as learning (Swieringa & Wierdsma; 1992) - occur because of ‘new combinations’ or associations between parts of the frame of reference. Humans can associate new signals with new interpretations and hence new solutions or recipes. This means – in terms of figure 3 – that we either learn to look for *new signals* (loop B), or we learn to *respond differently* to existing signals (loop A), that is, we attach a different meaning to them. When an individual ‘trusts’ earlier experiences, Weick (1979, p. 217/218) names this *crediting*; in the opposite case, it is called *discrediting*. He states that ‘total discrediting’ – both loops A and B – does not take place since some minimal stability and trust in one’s frame of reference is necessary for survival; people need some certainty.

Individuals during our interviews, mentioned incidents in the past to which they reacted in a way that - after successfully being applied - became a recipe for future action. “*It becomes an implicit rule or recipe that will be applied in the future and gradually leaves people’s conscious attention*” (Agar; 1986. p.22). In other words: it becomes a routine (Hammond et. al. 1998). Many incidents of the past cause today’s behaviour; they became a sort of ‘*myth*’ or ‘*heroic story*’ of which managers today not even always are aware (See: Schein; 1985, pp. 90-92). Hence, critical incidents become part of one’s mental map, either being influenced by one’s own experiences or through ‘stories’ by others used for ‘conditioning’. Related to the conceptual model presented earlier (Kamann & Bakker; 2004), they either are part of the Socially Negotiated Order or one’s personal historical trajectory through networks (own experiences).

## **What to do about it? Conclusions and recommendations.**

What did we learn about purchasing managers? We learned that they are bounded by their frame of reference that determines how they make sense of things; what they see as relevant and on its turn how they behave. Their action is based on expectation, which is driven by their *existing* frame of reference. This directs attention for expected signals for input and interpretation, which on its turn strengthens their belief. When faced with an ecological change, purchasing managers have to rely on this frame of reference in the ‘enactment stage’: where they select the signals to look for. If they never had that experience, they simply do not know what to look for. To make things worse: during the ‘selection stage’, they do not know *which* meaning to select that would fit the collected data – the observed signals. For, to do so, he has to draw on signals and interpretations filed in the past for future recall in a retention phase: the ‘*reservoir of beliefs*’ that became part of his frame of reference: his ‘knowledge’,

'know-how'; which he sadly and badly missed. For these managers, events rapidly become *critical incidents* simply because of what we mentioned as the main drivers for ecological change: ambiguity – disruption because of an over dose of possible interpretations – and uncertainty – disruption because of ignorance.

Further, individual managers responsible for an action, commit themselves to their actions (Weick; 1995). Managers select those signals that argument for their action. Action and belief strengthen each other, which leads to development of a routine definition of the situation and matching reaction. Routines also develop because of limitation in attention through constraints within the organisation (e.g. given direction through strategy and goals, limited resources, time constraint). Of course, it may well be, that they persist in applying standard recipes from the handbook and blame the resulting failure on the supplier, their predecessor, or any other party. Which is another routine recipe the particular manager may have developed to survive. In that case, the incident has negative consequences for the organisation but the manager 'goes free' and learned a valuable routine in survival technique.<sup>13</sup>

To prevent the occurrence of critical incidents, we distinguish two types of incidents, differing in the way they develop into a critical incident: (1) *calamities* like fires, strikes and natural disasters; here, we apply risk theory and propose to employ techniques such as Failure Mode and Effect Analysis; (2) events that, if studied in detail *in fact* slowly build up; seemingly nothing shows at the surface until a sudden total system break down happens; here we use *catastrophe theory*. As to the first type: every production plant *can* burn down. However, the risk that it will have serious consequences can be reduced during supplier evaluation schemes, where risk prone activities can be isolated – in the first place, physically to reduce spreading of the fire – and fire alert measures can be installed; further, scenarios can be prepared for switching to other suppliers for parts of the production in case of a calamity – strikes, wars or fires. In general, companies should ask themselves, keeping the whole supply chain in mind: "*what could possibly endanger our supply?*" Based on this, contingency plans can be developed and discussed with back-up suppliers depending on the likelihood of calamities taking place; staff should receive calamity training just like any fire or bomb scare routine, so they don't panic.

A typical example of catastrophe theory is the lake that slowly 'dies' because of pollution; apparently, nothing happens during a long time, although appropriate tests would show an increased weakening of the system because of some parameter changes. Suddenly, the lake is dead: a critical threshold has been passed and all systems collapse. This, in fact, seems to take place with many *critical incidents* when we analyse them: suppliers not meeting specifications, deadlines or volumes; late arrivals of inputs; improper ingredients or components. In many cases, they could have been prevented *if and only if* the proper 'tests' had been performed; if only people had looked at the proper indicators, had adequately monitored processes, products and activities. But then: *what* to monitor? We have seen above, that what we look for is based on what we found relevant in the past. In other words: *experience with these events – either direct or through training simulations – should incorporate the proper guidelines for signals to look for among purchasing managers*. Much of this experience is likely to be tacit knowledge. "The communication of tacit knowledge generally provides opportunities for multiple interpretations and is therefore associated with a high level of equivocality [ambiguity]" (Ten Pierick & Beije, 1998, p. 522). They point at the need to use 'rich transfer mechanisms' (Daft & Lengel, 1984, p. 197): face-to-face contacts and instructions, instead of books and manuals.

Hence: we have to (1) develop (familiarity with) indicators that should reveal the pre-brake down stage of a catastrophe; (2) run simulations and intensive face-to-face rich training sessions to condition managers in adequate responses in their enactment stage; (3) internalise

new skills in relation management, enabling routines in picking up ecological changes in the world of the suppliers.

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## End notes

- <sup>1</sup> Examples are type of company, type of sector, technology applied, strategy, personality, leadership style, degree of innovativeness, market characteristics and so forth (Kamann et. al. 2001).
- <sup>2</sup> A cognitive perspective is used, interpreting and describing how perception works in *terms* borrowed from cognitive psychology, but from an outside perspective.
- <sup>3</sup> We distinguish those looking for 'system *supportive*' information from those looking for 'system *relevant* information'. The first category of 'dogmatists' are named 'system *consonants*' - agreeing with whatever is the gospel - or 'system *resonants*' -riding on the waves of fashionable thinking without questioning what is being taught. They will tend to come with arguments why certain recipes are valid and certain models are accurate descriptions of the Real World. The second category, of 'critical minds', usually consists of 'system aliens'; they just arrived or are outsiders and have not been conditioned into the 'group think' frame of reference (yet). They ask questions, which even may touch on certain '*doxa*': things you simply do not question. Hence, all people suffer from bounded rationality but *some* are quite happy with it and take things at face value, *some* tend to be more 'open minded' and accept the possibility that *the* 'truth' is only one representation out of a range.
- <sup>4</sup> A purchasing manager, coming from Philips, took up the same position with a subsidiary of an US based medical company in the Netherlands. When faced with a proposed new supplier evaluation method, specially geared towards the severe US medical regulations, he responded that he would prefer *his* methods, used at Philips. He rather used *his* existing - not appropriate - frame of reference.
- <sup>5</sup> According to Weick (1995), people derive their identity in the same way: who we are, is derived from what we are in relation to others.
- <sup>6</sup> As we saw earlier (Kamann & Bakker, 2004), this World View or Socially Negotiated Order (Eden, 1992) is subject to the social status of the participants in that process: the Negotiated Social Order.
- <sup>7</sup> The very reason for having three brake lights is to prevent an improper interpretation of two lights glowing in the dark; too many drivers thought they were 'just' the tail lights of a car until they came close and grew painfully aware they were brake lights, resulting in '*HTE*'.
- <sup>8</sup> What will be considered as a 'cue' and what kind of emotion it evokes or provokes, depends of someone's experiences in the past. This influences for which signals and aspects one is sensitive. *Experiences* with a high Traumatizing Impact tend to emotionalise look-alike signals. Furthermore: what we *feel* as human beings influences our *thinking*; what we *think* has an impact on our *feelings*, what we think *and* feel determines what we do - our attitudes, actions and behaviour - and what we do has an impact on what we feel and think (Hinde, 1997, p3.).
- <sup>9</sup> We hypothesise that the appearance of new elements in the environment is more effective in drawing attention than the disappearance of existing ones.
- <sup>10</sup> The second type matches the 'inclusion issues' - being included or excluded in decisions; *i.e. being overruled* - mentioned in the definition of critical incidents by Schein.
- <sup>11</sup> Famous words in this context are "Houston, we have a problem here..."
- <sup>12</sup> Equally plausible behaviour would have been to investigate the possibilities of conspiring behaviour - cartels. When cooperation of the major suppliers was proven - even if this was to counteract the problems for customers caused by the strike - Government action would be asked for, "*to punish the villains*". Another excellent example of a socially constructed reality, of course, is the reason for having the war in Iraq...
- <sup>13</sup> It is our sad experience with even the most portrayed Dutch leading firms that purchasing managers *talk* about tools and techniques, but when we studied their results, they either did not do it at all or did it completely wrong. Their frame of reference was not based on experience, but on 'hearsay'. This would indicate a shortcoming in the training procedures, where apparently managers are *told* about things but where they are not *trained* to experience it. Most of the routines among managers in those firms were focused on their own career advancement and survival in the rat race; ignorance often was covered up by arrogance: "*we from X*".