

Chapter 2

Positioning the Process Approach

2.1 Introduction: From Deal to Process

How do these processes originate? How can we explain that issues that seem to be perfectly reconcilable with straightforward negotiation resulting in a clear deal, still develop into an unpredictable, seemingly never-ending process? The first reason is that in truly controversial cases it is impossible to start negotiating immediately. These issues have a past of negotiations and events that is so heavy with issues and failures that parties cannot simply rejoin the negotiation table. There is no longer any mutual trust, and trust cannot simply be restored by decree. Such negotiations therefore always have to be preceded by a process of ‘pre-negotiations’. If these proceed well, they result in agreements about the ‘real’ negotiations. Pre-negotiations are highly contentious and are characterized by their own specific arrangements. They are usually carried out by ‘unofficial representatives’, they proceed via ‘secret diplomacy’, and may result in ‘staged agreements’ [33].

On 13 September, 1993, Israelis and Palestinians signed the Oslo peace accords. Formal negotiations had commenced in Norway on 11 June 1993. But the move ‘to go to the table’ was preceded by months of unofficial dialogue between the two sides. And even these unofficial dialogues could not simply be initiated. They were preceded by years of careful overtures. The problem in such processes is that groups that do not trust each other and sometimes do not even recognize each other need to talk to each other, and require mutual affirmation of the fact that the negotiations matter and that the negotiation partners have a certain degree of authority. But their official position is that the other party does not even exist—and as a result, affirmation of authority is a contradiction in terms that undermines one’s own position. For how can any authority be assigned by a body that is not recognized and therefore has no authority itself?

For many years, so-called ‘unofficial representatives’ and ‘entrepreneurial co-mediators’ have made overtures towards each other. Unofficial representatives embody a critical combination of connections to important officials and unofficial status. They may for instance be authoritative academics who, under the veil of a scientific seminar, assess each others standpoints and test how far the other party is willing to go. Formally, these unofficial representatives have no governmental relationships. Both governments can easily dismiss any statements and concessions that the unofficial representatives

make—although of course the governments can also take all the credit when it comes to potential successes.

Entrepreneurial co-mediators are ‘moderate partisans’ who reach out to moderate partisans on the other side. Often implicitly, they can build upon the work of the unofficial representatives. These overtures are highly contentious. If they became public, major unrest would immediately arise, and the negotiations would have to be stopped and even denied. At key moments in these negotiations, ‘guardians’ have to take control of the results. Guardians are top leaders who have established their credibility as protectors of their respective groups during crucial periods of danger and struggle. They possess the authority needed to gain widespread, grassroots support for the agreement. Rabin played this role on the Israeli side, and Arafat on the Palestinian side [33].

Pre-negotiation precedes the actual negotiation process. But even after the negotiation *sensu stricto*, a process can easily develop. How is that possible? In truly controversial processes, there is usually a complete lack of mutual trust. But even ordinary agreements require trust—if only the trust that the other party will conform to his part of the deal. What kind of agreements can be made in the absence of trust? The answer is: agreements that are the embodiment of a process themselves.

Watkins and Rosegrant [34] have analyzed a number of international negotiation processes, and have concluded that successful negotiations usually result in agreements about new processes, which in turn would be more focused on the implementation of the agreements [34, p. 63], for instance through:

- ‘verification regimes arranging to observe each other’s actions as a way of reducing mutual uncertainty and increasing transparency
- mutual deterrence making credible mutual commitments to devastating retaliation in the event of noncompliance
- incrementalism proceeding in a series of small and mutually verifiable steps, making future gains contingent on meeting current obligations, and embedding current negotiations in a larger context to avoid endgame effects
- hostage taking having each side deposit resources (such as a large sum of money) into an escrow account supervised by an independent party, with the understanding that the proceeds will be forfeited for noncompliance
- outside guarantors involving powerful external parties as guarantors of the agreement with the understanding that they will punish noncompliance.’

These are contentious and fragile pre-negotiations that precede the real negotiation process, which in turn is followed by processes in which mutually distrustful parties are seeking guarantees that the other party will adhere to the rules. This is how complex processes originate. Something that may enter the history books as an arrangement, a treaty between two parties that was concluded at a certain venue at a certain time, may in fact have a long history and a long future. The historical moment, represented as one point in time, hides a lengthy process.

A second reason why negotiations often turn into complex processes is that even the negotiations *sensu stricto* develop a process-like nature. It turns out that in a step-by-step process, parties are willing to make much more substantial concessions than in a single-leap process. This is what is sometimes referred to as ‘progressive entanglement’ [34, p. 223]:

Suppose the then US Secretary of State, James Baker, had gone to his Russian colleague Edward Shevardnadze right after Hussein’s invasion of Kuwait to request Soviet support for

a resolution authorizing a US-led multinational force to wage war on Iraq. Shevardnadze almost certainly would have refused. Nevertheless the Soviet Union supported such a resolution five months later, through progressive entanglement. First it was invited to support a joint resolution condemning Iraq's aggression, and then to support economic sanctions, next a defensive military operation, and ultimately the offensive military operation [34, p. 224].

A third reason why 'simple negotiations' can turn into complex processes is the fact that the negotiating parties of course have some notion of the functionality of arrangements such as pre-negotiations, post-negotiations and progressive entanglement. Initially such arrangements may have come about spontaneously, but in the second instance they are purposely introduced. This is how the notion of 'designing negotiations' was born [25]. This idea builds upon the assumption that a well-designed process is important in dispute management [2, 25, 32]. Analyses have been made of successful and less successful past negotiations that can generate lessons for future process design. One example is a comparison between the past strategy with regard to the ozone problem and a potential strategy to combat global warming [23]. Another is an analysis of the potential success of various general strategies relating to process design [25, p. 112]. In this regard, one of the key questions is: is it preferable to start by agreeing on a general framework of negotiated rules and principles, or should detailed agreement be reached on each individual issue—when the right moment presents itself—before the next issue can be addressed? Process-like arrangements have consistently proven to be crucial for success. Therefore these arrangements are purposely copied and introduced into ongoing processes. This reinforces the process approach.

2.2 Positioning Process Management

The term 'process management' is often used, and it may have several different meanings. In this chapter we will provide our view on the meaning of 'process management'. We will do this by contrasting the process with four other management styles [7]:

- process versus substance (Sect. 2.3),
- process versus command and control (Sect. 2.4),
- process versus project (Sect. 2.5) and
- process versus structure (Sect. 2.6).

In Sect. 2.7, this positioning results in an overview of the main arguments for process management. We will also set out potential different variants regarding the way parties support the results of a process (Sect. 2.8). We will then discuss a number of risks posed by process management (Sect. 2.9). This will help us to take a closer look at the process phenomenon (Sect. 2.10). We will conclude by briefly comparing the process approach with related approaches (Sect. 2.11).

2.3 Process Management Versus Substance

Process design and process management are the opposites of a substantive approach to decision making.

Many problems are unstructured by nature. We define unstructured problems as problems for which no unequivocal and/or authoritative solution is available. There are three possible reasons for this [10, 17]:

- no *information* is available that can be measured objectively;
- there is no consensus about the *criteria* to be used in solving the problem; and
- problems and solutions are dynamic.

To illustrate this, we will give an example of an unstructured problem that was solved with the help of a process design.

Urged by politicians, businesses intend to decrease the environmental impact of different types of packaging for consumer products. To do so, they have to identify the environmental harm caused by the various packages—such as the carton box, the glass bottle, the polycarbonate bottle and the polyethylene bag for packaging milk.

The environmental impact can be measured by comparing the various packages in relation to different environmental aspects, including toxicity, energy consumption, photochemical smog, emissions and waste.

Although the environmental impact might seem easy to determine, reality is different. The first problem is that objective information on environmental impact is hardly available. To measure a package's energy consumption, one must establish how much energy it takes to produce a package, to transport it to the consumer, to return it, if desired, and so on. Measuring these parameters objectively is hardly possible, if at all. Suppose, for instance, that the wood used for carton boxes is shipped from Latin America. This costs energy, but how much energy? Data is lacking, some of it is obsolete or is over- or under-aggregated. Methods to calculate a package's environmental impact are disputed and can never be fully objective. If the ship also transports washing machines and cars, how should the energy expenditure be divided amongst the wood, the washing machines and the cars? Furthermore, the problems' *system boundaries* are debatable: when a ship is needed to transport the wood, should the environmental impact of the production of the ship—and of other means of transport—also taken into account, for example?

Once information has been gathered about the environmental impact for each of the aspects, a type of package must be chosen. Which package has the lowest environmental impact? One that scores well on energy, poorly on emissions and neutral on waste? Or a package that scores poorly on energy, neutral on waste and well on emissions?

This is the second problem: there are no unequivocal criteria to compare the individual environmental aspects. It is impossible to weigh such arguments neutrally and objectively—especially when environmental aspects are not only weighed against each other, but also against values such as economy and safety [9, 15, p. 23].

The package with the least environmental impact may simply be too expensive. There is also a tension between environment and safety. Baby food, for instance, may be packaged in glass jars that are reusable. The safety of such reusable jars is an issue, however: once cleaned, they may still contain glass fragments or residues of detergent.

It will come as no surprise, then, that different parties hold different views about the environmental impact of one and the same package. They have made

their choices in terms of data, methods, system boundaries and the relative importance of environmental compartments. Each choice is debatable, so each outcome is debatable as well. Nor will it come as a surprise that each party has arguments to challenge the beliefs of the other parties [9].

A third characteristic of the substance of problems requiring a process design is the fact that they are *dynamic* [13]. The problem changes in the course of time. The logical consequence is that the answer to the question whether something is a solution for a problem also changes in the course of time.

Suppose the environmental impact of a package in the above example has been defined for the individual environmental aspects energy consumption, emissions, waste, et cetera). And suppose that there is consensus between companies, government and civil society about the criteria used (1) in the trade-offs between the various environmental aspects and (2) in the trade-offs between environment, economy and safety. Several developments may now take place that call the defined environmental profile into question. Technological innovations may be introduced. For example, it becomes technically possible to generate more energy from burning package waste than before. As a result, a package scoring poorly on energy may suddenly be found to score much better. Furthermore, producers of packages that scored poorly may make an effort to improve the environmental profile of their package, for instance by introducing energy-extensive production processes.

In the above examples, the information used earlier has become obsolete due to technological innovations. Criteria may also change. Suppose a country has a serious shortage of waste incinerators. This will cause waste reduction to become an important standard when assessing different packages. The opinion on the relative weight of criteria may change. Once the capacity shortage is alleviated, the relative importance of energy may increase again.

These dynamics may have a major impact on the way a problem is defined. The intelligent problem solver will find that the problem lies not so much in identifying the most environmentally friendly package, but rather in determining *how to sustain the process of continuous package improvement*.

If the problem is to use the most environmentally friendly package for milk, one of the milk packages will be chosen. If the problem is how to sustain the process of continuous package improvement, the solution might be that it is justified to maintain all four milk packages (carton, glass, polycarbonate and polyethylene), assuming that their mutual competition will minimize their environmental impact.

Dynamics then imply that attention shifts from finding the right problem definition and solution to a *continuous process* of formulating and solving problems. Any solution that was found today may be obsolete tomorrow.

2.3.1 From Objective to Authoritative: Negotiated Knowledge

Those who choose a substantive strategy of change regardless of the unstructured nature of problems will only create conflicts. After all, all choices are debatable. Instead, an initiator should accept the fact that different parties use different definitions of reality and may have good arguments for doing so. Even though a

solution may never be assessed objectively, it may be *authoritative*, in which case it will be accepted by all parties involved. This requires involvement of these parties in the problem-formulating and problem-solving process. Problem definitions and solutions can be authoritative if they are the result of a process that has received input from the parties involved, in terms of their own information and values. During a process, the parties have negotiated about the data, system boundaries, methods and weighing criteria to be used. The result of such a process is what we call *negotiated knowledge*.

2.4 Process Management Versus Command and Control

Decision-making processes tend to take place in a network. Table 2.1 outlines the main characteristics of networks, compared with the characteristics of a hierarchy.¹

When a decision-making process has to take place in a network, this always implies that several actors are involved in the decision making. They have different interests and are interdependent. No single actor can fully realize his own goals (interdependence). However, there are many differences between actors (pluriformity), which hampers cooperation and concerted decision making. In particular situations, particular actors may have no interest whatsoever in cooperating with others (closedness), which hampers decision making even further. Finally, the number of actors involved may change in the course of the decision-making process (dynamics): actors may join and leave.

In a network, hierarchical management stands little chance of success. A manager who wants to implement a project through command and control may seem decisive, but usually lacks the knowledge and power to implement his own views, and will therefore be met with considerable resistance in the network. Other parties can obstruct, delay or change his project. Hierarchical management may therefore be highly counterproductive: while the manager may appear to be decisive, he only creates resistance. The more hierarchy, the stronger the resistance in the network. Goals remain unachieved and plans unrealized.

Table 2.1 Hierarchical and horizontal management

Hierarchy	Network
Dependence on superior	Interdependence
Uniformity	Pluriformity
Openness	Closedness
Stability, predictability	Dynamic, unpredictability

¹ Additional sources about networks and decision making: de Bruijn [8], Chisholm [3], Kenis and Schneider [20, p. 34] and Willke [35, p. 236].

The opposite of command and control is a process approach. As soon as a manager has to function in a network, he cannot simply rely on hierarchical managing mechanisms. After all, he depends on other parties, which will not automatically support him. A manager who recognizes this will not take unilateral decisions, but reach a decision in a process of consultation and negotiation with other parties. After all, such a process reflects the mutual dependencies in a network. This is what literature refers to as ‘interest-based’ decision making (e.g. [12]). It is worth noting here that an interest is regarded as a legitimate perspective on reality, rather than as an ordinary and one-sided perspective.

Thus, the packaging problems might seem a matter for business. After all, packaging is of strategic importance for the sale of consumer products. However, government and civil society, including the environmental movement, will also address these issues. Businesses partly depend on government and civil society. If the environmental movement feels, for instance, that businesses have chosen the wrong kind of packaging, it may seriously disrupt the corporate marketing. It may seek support from a government, which may apply its legal instruments. Moreover, there is not one single business approach. Perhaps the business in question has certain beliefs about the ‘best’ packaging, while other businesses in the chain—for instance the large supermarket chains—may hold other beliefs. And perhaps they hold so much power in the chain that their beliefs cannot simply be ignored. The conclusion is that when choosing their packaging, companies partly depend on other parties’ support [9].

This does not mean, however, that there is no role whatsoever for command and control in networks. This management style may play a role in the process approach (see Chap. 7), but the dominant idea is that networks force those involved to adopt a process approach to decision making.

2.5 Process Management Versus Project Management

Thirdly, a process approach can also be positioned vis-à-vis a project approach. In a project approach it is assumed that problems and solutions are reasonably stable within certain limits. This allows for the use of project management techniques: a clear goal, a time schedule, a clear framework and a predefined end product. This will result in linear and structured decision making. Of course such an approach will only work in a static world. When a situation is dynamic rather than static, a project approach is impossible, and there is a need for a process approach.² This dynamic may have both external and internal causes.

External dynamics implies that an activity starts out as a project, but develops into a process because external parties, which introduce their own problem definitions and solutions, start to interfere with the project.

² This type of argumentation is common in literature about planning. See for instance Healey [16].

This is the familiar course of events in many infrastructural projects. Something starts out as a project (for instance the construction of a stretch of railway), and is met with resistance. A discussion arises, and parties try to obstruct or change the railway construction. After a while, the discussion is likely to be centred on issues that have little connection with the actual railway, for instance access to a certain area, the quality of living, and noise nuisance. As a result, the railway construction may lead to a variety of other issues being placed on the agenda. Something that starts out as a project thus ends up being a process.

Internal dynamics implies that an activity that starts out as a project develops into a process because the project owner realizes during the course of the project that the problem is different from what he anticipated.

A nice example is that of a house owner who decides one morning to move a certain painting. He then realizes that the colour of the wall behind the painting has faded, and decides to redecorate the entire wall, which affects other parts of the interior of the house, and eventually calls for a total refurbishment of the entire house. The next step is that he realizes that his renovation urge is related to the life phase he is going through, and he ends up in a psychologist's office. Something that started out as a simple project ends up being a complex process involving a range of other parties: other members of his household, a building contractor, neighbours, a psychologist, and so on.

Dynamics will be noticeable particularly when decision making has to take place in a network. After all, the various parties hold different views about how a problem and a solution should be defined.

Table 2.2 shows the differences between decision making in a hierarchy and in a network [5, 6, 11, 18, 19, 28, 30].

A hierarchy accommodates a decision-making process that is linear and structured, and that proceeds towards a solution via a number of different phases. The decision-making process is initiated by the actor who is superior in the hierarchy. The other parties participating in this decision-making process behave cooperatively, partly due to their subordination to the actor formulating the problem. Much of the decision making is a matter of project management.

In a network, there is no such project-like and phased development. Many problems may be formulated by one or more parties, but they never become the subject of decision making, or are never solved. The explanation is simple: the other parties see no sufficient reason to place the issue on the agenda, or they lose interest in the problem during the decision-making process. Parties may also notice

Table 2.2 Decision making in a hierarchy and in a network

Hierarchy	Network
Regular	Irregular
Phases	Rounds
Actors are stable, behave loyally and are involved in formulating the problem and choosing a solution	Actors join and leave, behave strategically; there are often winners and losers when the problem is formulated
Starting point and end clear	No isolated starting point and end
Problem → solution	Solution → problem

during the decision-making process that their interests are harmed by the solution that seems to be available. As a result, they may try to obstruct further decision making. In other words, the parties participating in this managerial process behave strategically, partly due to the absence of a hierarchical subordination.

This may be illustrated by the decision making in relation to large infrastructural projects. Suppose the City of Rotterdam and the Rotterdam Port Authority intend to create additional industrial space in the port of Rotterdam through land reclamation. This allows for the construction of a new, large business area, called the Second Maasvlakte. According to the Rotterdam authorities, the underlying problem is the shortage of industrial space in the port area. It is not so difficult to imagine that a project-like approach has little chance to succeed. In order to reclaim land, Rotterdam depends on the support of other parties. Some of these will deny the fact that there is a lack of space, while others may acknowledge the problem but envision entirely different solutions—such as making more efficient use of existing space, rather than expanding. The stronger the City of Rotterdam's project-type steering and the stronger therefore the emphasis on its problem definition (lack of space) and problem solution (land reclamation), the smaller the chance of actual implementation. After all, for parties that do not identify with the problem, there is no incentive to support the City of Rotterdam. They will show either passive or active resistance, rendering the decision making random and unstructured rather than linear.

The idea of a regular and linear decision-making process should therefore be replaced with one of a process that takes place in *rounds* [28]. In a round, actors either reach a decision during a fight, or rather try to prevent doing so. A round will finish at one particular point in time and produce a provisional result, involving winners and losers. This might seem to conclude the decision making, but a new round may suddenly present itself.

This random course of decision making can be explained by the behaviour of the parties involved. The following examples illustrate behavioural patterns that are perfectly rational in a network, but that still result in the randomness mentioned before. We will use the land reclamation example as a reference in each case.

2.5.1 Dynamics

There may be new developments that call for a redefinition of problems or solutions. Parties that regard these new developments as a chance of influencing the decision in their favour will introduce these into the decision-making process.

In the Rotterdam area, the issue of 'recreation' may be high on the agenda: general opinion holds that there is a lack of recreational facilities. This may lead to the original problem being redefined: it includes not just the lack of space, but also the quality of life in the area. This redefinition may be opportune for the City of Rotterdam. Perhaps support for the Maasvlakte area could be swapped for Rotterdam's support for the expansion of recreational facilities. Or perhaps part of the reclaimed land could be designated as a new recreational area. In either case, the chances of implementation of the Maasvlakte area will increase. In this case, it may be clear that a project-like change will be little effective. Those who take a project-like approach will regard a changed problem definition as a problem rather than as a solution or an opportunity.

2.5.2 Compensation of Losers, and Coupling

There are always winners as well as losers when it comes to decision making. In a new round, losers may try to make up for their losses, and thus try to obstruct decisions that have been taken. This ‘making up’ may, however, also be a conscious act on the part of the winners: they may compensate the losers of decision-making process A in a following decision-making process B. The result is a coupling between A and B, which will seriously hamper a project-like approach to issue B.

One of the potential losers in the decision making regarding the Maasvlakte area is Hook of Holland, one of the smaller communities in the broader Rotterdam area. After all, the new industrial area may be constructed within sight of Hook of Holland. It is therefore not unthinkable that this community will be compensated for this, for instance by an increased number of ‘bad weather facilities’. This will make Hook of Holland more attractive to tourists and daytrippers. Suppose the construction of a swimming pool is one of the compensatory measures. The result is a coupling between the decision making about land reclamation and that about a swimming pool in Hook of Holland. While this coupling to Hook of Holland’s problems may help to implement the land-reclamation project, it also shows that a linear, project-type approach is hardly fruitful.

2.5.3 Solution Seeks Problem

When the parties have chosen a particular solution, they tend to look for problems that fit this solution. After all, proving that their own solution solves another party’s problem may gain them this other party’s support.

The construction of an airstrip in the Maasvlakte area may positively affect another sensitive issue in The Netherlands: the spatial problems regarding Amsterdam Airport Schiphol. The Maasvlakte solution would then be coupled to the Schiphol problem. For Rotterdam, this may be an attractive strategy, because it may result in the support of certain actors—perhaps even of the Minister of Transport, Public Works and Water Management, who is troubled by the Schiphol issue and is eager to find a solution. Again, this is an effective strategy. However, it cannot be understood from a project-managerial perspective, because it may make decision making more random. It suddenly involves not just lack of space and land reclamation, but also airport infrastructure.

2.5.4 Blocking Power Towards the End of the Decision-Making Process

A common phenomenon is the fact that actors start acting only towards the end of the decision-making process: they recognize which solutions are likely to be chosen, they disagree with these, and they attempt to obstruct or change any further decision making. To use the terminology of the rounds model: they enter the scene in the final rounds, and only then do they take part in the decision-making battle.

2.5.5 Strategic Behaviour

Finally, it should be mentioned that actors may show strategic behaviour. Those who know that decisions are taken in rounds can adapt their strategic behaviour accordingly. Actors may, for instance, decide to adopt a reserved attitude in round x and accept a loss in order to have a stronger position in round $x + 1$. Alternatively, they may show much resistance in round x and offer compensation in round $x + 1$.

Smaller communities may join in the land reclamation game. It may be little effective for them to resist the expansion of Rotterdam, but resistance may be interesting from a strategic point of view. Even though they are only minor players, the stronger their resistance, the better the chances of being compensated for losses in the future.

Each of these behavioural patterns shows that project management stands little chance of success. Project rationality may even be counter-productive because it fails to make efficient use of the opportunities presented by random and unstructured decision making.

The alternative is process rationality: an initiator acknowledges the fact that he depends on other parties, and invites these parties to join in a negotiation process in which these parties couple their problems and solutions. From the perspective of process rationality, such behavioural patterns are no aberrations, but perfectly normal. The behaviour of these parties will result in some unexpected twists and turns, but as long as the parties in the process engage in negotiation, these will cause little damage and may even prove useful.

2.6 Process Management Versus Structure

An important characteristic of networks and network-like organizations is plurality—an omnipresent theme. Youth care, for instance, is often criticized for being too fragmented: there are too many different authorities, and they sometimes operate in complete isolation. Decision making regarding large infrastructure is always criticized for involving too many parties, which results in sluggish decision making. The same complaint is heard within organizations: the organization has a patchwork-like structure, with too little cooperation between the various units.

Those who are repeatedly confronted with such fragmentation will be tempted to seek a solution based on structural measures. They establish a central authority, for instance, to manage the various organizations. Alternatively, competencies are redistributed, or mergers are planned. Such structural measures may be helpful, but they have a number of important limitations.

The following example will illustrate this:

Many of the world's metropolitan areas are faced with the issue of the right managerial level of scale. There may, for instance, be an issue relating to traffic and transport, and this issue cannot be solved at the level of individual cities. It may become apparent that there is no managerial authority at the level at which these problems can in fact be solved—for

instance at the regional level. In that case it is easy to conclude that there is a need for a structural change. At the right level of scale, a managerial authority is to be installed that can tackle the traffic and transport issue decisively. There are at least two possible objections against this line of reasoning.

Firstly, the right managerial level cannot always be objectively determined. Suppose a major city is divided in two parts by a river with a tunnel underneath it. Suppose this tunnel has at least two functions: (1) it connects the northern and southern parts of the city; and (2) it is an important bottleneck in a motorway. Which is the right level of scale for decision making when it comes to upgrading the tunnel? From the perspective of function 1, the right level is that of the city council; from the perspective of function 2, it is that of the road authority. The city council may hold the opinion that the congestion surrounding the tunnel should be solved as soon as possible, while the road authority may hold entirely different views: the bottleneck has a positive function because it prevents congestion in other parts of the road network. The 'right level of scale' may seem to be a clear and unambiguous criterion, but in practice it is not.

Secondly, this is only one problem among the many other problems that this area undoubtedly has. Suppose we can identify twenty clusters of major problems—which is probably a conservative estimate. And suppose we design the right managerial level of scale for each of these problems. The result will be twenty 'right levels'. Let us make a generous assumption: half of these levels are identical to other levels—so the actual number of levels of scale is ten. The conclusion is obvious: the more issues, the less useful it is to argue in favour of the 'right level of scale'. A structural change that results in the optimal level of scale for issue A can result in a sub-optimal level of scale for issue B. Moreover, the 'right level of scale' is not a static concept. Problems change, perceptions of problems change, and therefore the notion of what constitutes an optimal level of scale also changes.

If structural solutions are ineffective, an alternative approach is to invest in better processes. We accept the fact that there is fragmentation, and try to improve the processes among the different units. How? By making process arrangements which set out mutual cooperation. Or by analyzing the major bottlenecks in the road network jointly—city councils, road managers, businesses together—and designing joint solutions. Attention shifts from structure design to process management.

2.7 The Main Arguments for Process Management

This perspective on process management results in a number of arguments for process management.

2.7.1 Reducing Substantive Uncertainty

Having all the relevant information available is crucial when it comes to solving unstructured problems. In many cases, the parties involved have different information, which is essential for the adequate solution of a problem. Testing the different sources of information against each other may improve the quality of the

information used. In order for such a confrontation to take place, the relevant parties should be involved in the problem solution.

An adequate example to illustrate this is the construction of a space shuttle: a project that is technically highly complex. A major problem when it comes to such projects is *unruly technology*. The construction of various components requires the most advanced technical knowledge, which in many cases has not yet been sufficiently developed. The designs used still contain uncertainties that call for further research, or for an experiment. There are only limited possibilities to test the technical options chosen. The results of such tests tend to be open to more than one interpretation. In short, there is no ‘hard’ and objective knowledge available to solve the technical problems.

As a result, the management is faced with many uncertainties and incomplete information during the construction of the space shuttle. Nevertheless, choices have to be made. It is never certain whether or not the technical choice in question carries too great a risk.

In such a situation, an organization should strive to minimize the risk of these choices. Managers use jargon such as *debugging* (removing errors from the system) and *closure* (soothing a debate between professionals because consensus has been reached). Within the NASA organization, this is put into practice by a type of process management. Every risky decision is subjected to a formal *check and double-check* procedure: every choice made by the technical specialists is subjected to a process of counterchecks within the organization, during which the choice is screened.

These *review procedures* have been formalized. Any uncertainties that remain after such procedures are formulated as accurately as possible and presented to the management. The management will then either decide that a technical risk is justified, that money and time will be allocated for further research within the existing design, or that there is a need for a new technical design. Process management is thus an important tool for the management to uncover technical imperfections [31].

2.7.2 Enriching Problem Definitions and Solutions

Different parties tend to have entirely different perceptions of and (normative) beliefs about problems and solutions. Testing these different views against each other may have an enriching effect [29]. If such a confrontation is to take place, the relevant parties have to be involved in solving the problem.

One argument for the process approach is of course support, as will be explained later. For many people, support has a negative connotation: it is a necessary evil that will compromise the quality of the decision making. As a consequence, they feel that good, substantive ideas are supposed to be watered down for the sake of gaining support. The argument of enrichment contests this line of reasoning. In this argumentation, support and substantive enrichment of ideas may well go hand in hand.

The board or the management of a professional organization wishing to develop a strategy for its organization (a strategy that is more than a paper strategy, i.e. a strategy that actually influences the organization’s functioning) will be unable to do so without involving the professionals. Such involvement will promote support for a strategy, and tends to enrich it as well. After all, the professionals in the organization know the opportunities and threats in the organization’s environment better than anyone else, and they also know the organization’s potential to respond to them.

The argument of enrichment not only concerns the common product of a process (in the above example: a strategy). Enrichment may also relate to the knowledge of an individual party. Thanks to the process, a party may develop a richer view itself. After all, it learns about the perspectives and beliefs of the other parties. The process may also help it to develop a better understanding of and appreciation for the views of the other parties. Both types of enrichment can contribute to gaining support.

2.7.3 Incorporating Dynamics

As has been mentioned before, the chosen problem definitions and solutions can become obsolete fairly soon due to the phenomenon of dynamics. This allows unwilling parties the opportunity to distance themselves from a chosen solution, invoking new information, new solutions available, and so on.

In most cases, the challenge lies in preventing such new insights and information from being available outside, rather than within, the problem-solving process. The only way to achieve this is to involve all relevant parties in the solution-seeking process, since they are the carriers of new insights and information.

Business and civil society consult with each other about the environmental impact of packages. It may be important for particular experts or research institutes to join this process, because in many cases they are the carriers of innovations. If they do not participate in the process, they will publicize their new insights outside the process at some stage. This can lead to a situation in which parties within the process are consulting with each other about particular options, while parties outside the process have known for quite some time that innovations are forthcoming, making this discussion outdated. Involving these innovative parties ensures that the dynamics can be discussed during the process. This is often the reason why parties are willing to consult with highly critical opponents. They prefer this criticism to surface in the context of a process rather than it being made public outside of the process. The process at NASA outlined above makes a good comparison: criticism is organized, because it had better be discussed in the context of the process rather than being allowed to lead a life of its own within the organization (or worse: outside of it) [9].

When a process leads to such incorporation of dynamics, the parties are in a position to learn. After all, they are constantly faced with others and with new views, which can stimulate them to reflect on their own views. (Giddens [14] refers to this as ‘dialogic democracy’, which could lead to an increase in social reflexivity).

2.7.4 Transparency in Decision Making

Decision-making processes are often highly chaotic: there are many parties, many procedures, many issues. A process design may offer a certain amount of transparency. It allows the parties involved to inquire at any time where they stand in the decision-making process, what the nature of a decision is, and so on.

2.7.5 *De-politicizing Decision Making*

Change processes tend to provoke much resistance. Excessive substantive steering at the start of a change process can stimulate resistance. A process approach to change can reduce this resistance, since it does not specify the substance of the change, only the process towards a possible change. (As one of the arguments, Giddens [14] notes that this creates trust among the parties).

Let us look at a simple example: the distribution of offices and equipment within a company. One could note that new offices and new equipment are always allocated to the people who are most proficient at playing the decision-making game: they are the most aggressive and the best informed, and they possess the power instruments to serve their own interests. In other words, the decision making is highly politicized. Those who present substantive arguments every time new space or equipment becomes available, and who challenge the established interests, run the risk of evoking serious conflict.

An alternative is a process intervention. This may imply, for instance, that a process is started to define criteria for distributing space and equipment. This should be done at a time when new space or equipment are not available. The members of the organization are involved in this process, and it should lead to consensus regarding these criteria. There are two ways in which such a process is de-politicizing. Firstly, *reframing* the agenda—‘which are reasonable criteria?’ rather than ‘who gets what?’—leads to a different kind of discussion, which is less driven by the limited interests of the players in the organization. After all, the players suddenly find themselves participating in a discussion, which is about criteria and argumentation rather than about managerial aptitude. Secondly, once the criteria have been formulated, the substantive decision making—who gets which new space and equipment—will become easier, and less dominated by established power relationships [22].

2.7.6 *Support*

Decision making involves a large number of parties, which often have *obstructive power*: they have the ability to stall the decision making, sometimes for prolonged periods of time. These parties will only provide their support if they are involved in the process of problem definition and solution.

2.8 The Result of a Process: Consensus, Commitment or Tolerance

Of course the result of a process partly depends on its goals. The result may for instance be a number of decisions, a number of actions, a physical product, a strategic plan, and so on.

There may be *consensus* about the results of the process: the parties involved fully agree with each other. The process has been fair and the substantive result has everyone’s approval.

In most cases, however, there is such a considerable conflict of interests that consensus cannot reasonably be expected. In that case, a process can still lead to parties' *commitment* to a particular result.

A party that makes a commitment declares that, although it commits itself to the result, it does not do so on substantive grounds. A party may declare such a commitment because, for example, it has learned during the process that it has no alternative. Non-commitment would be more harmful than commitment.

Commitment implies that a party is willing to contribute to the implementation of decisions. Alternatively, a party may state that it will not declare any commitment (and thus will not contribute to the implementation of a decision), but that it will *tolerate* the results. This implies that it will not obstruct or hamper the implementation of a decision. Why? For instance because a party does not want to get into trouble with other parties, or it may be compensated elsewhere.

2.9 The Risks of a Process Approach

Which are the risks of a process approach? (Part of the following is derived from de Bruijn [7]).

Risk 1: Explaining Rather than Discussing This implies that process management is regarded as an instrument to communicate an already taken substantive decision as effectively as possible. In this line of reasoning, process management is not a means to confer with other parties about decisions that have to be taken, but it merely serves to explain future decisions properly. In this case there is already an adequate and deliberate decision, but it still evokes resistance. In order to overcome this resistance it is helpful to use a number of process management techniques.

In organizations, a concrete manifestation of this is the fact that process management tends to be the responsibility of the department of communication. This is because process management has been narrowed down to adequate communication: providing a proper *ex post* explanation of the sensible decisions an initiator has taken.

Risk 2: A Project-Type Template for the Process A second risk is that processes are shaped by means of a project-type template. In such cases, a process is designed with such tight goals, preconditions, budget and planning that there is only limited room for consultation and negotiation. In addition, the sequence followed is that of a project: there is a phase of problem exploration, the next phase serves to determine the goals, then there is a phase of information collection, then a decision is taken, which is implemented and evaluated during the next phase. The process proceeds according to the unshakable logic of project management, albeit with involvement of parties in every phase—within predetermined boundary conditions. This forces the process into a project-like template: once parties have joined the process, they can move in only one direction—towards the next phase—and have limited degrees of freedom.

Much of the disappointment about interactive decision-making processes can be traced back to the project-type implementation of these processes. First, a number of non-negotiable boundary conditions are defined, then the process approach is shaped by means of a project-type template. This leaves hardly any room for the actors involved, despite the expectations raised by the use of the correct process language.

Risk 3: Process Management Results in Sluggish Decision Making A major risk of process management is that it leads to slow and sluggish decision making. If many parties are involved in the decision making, there are many possibilities for these parties to block this decision making. If a manager indicates that he highly values support and organizes a process for that reason, this may even be an incentive for the parties to delay the process. If all parties are involved in the decision making and no decision is taken before there is support, parties will benefit from blocking the decision making. After all, as long as there is no support, there is no decision. A process approach thus gives rise to typical strategic behaviour.

Let us take another look at the decision making regarding the problems of Rotterdam. On the one hand, the supporters of a Maasvlakte area will join in this process. They will send representatives with a mandate. Opponents have much less interest in this process. There is a significant chance that they will send representatives with a limited or no mandate, who have no interest in the advancement of the decision making. These opponents will benefit from obstructing or hampering the process continuously, which leads to the process resulting in the opposite of what has been envisioned: there is no support, and thus no advancement of the decision making. Instead, it is delayed or even blocked.

Risk 4: Process Management Leads to Impoverished Decision Making It is often assumed that process management leads to substantively enriched decision making. An important risk, however, is that the exact opposite is true.

Firstly, if many parties are to be involved in the decision making, the result should do justice to the interests of these parties. Chances are that the quality of these results will be below average: it is a tasteless compromise.

Secondly, there is a risk of bargaining. Losers are compensated more or less randomly, for instance when they block the decision making at a certain point in time. Consequently, the eventual decision consists of a package of issues that are not substantively connected.

There is a difference between bargaining and negotiating. Bargaining is like horse trading: issues are grouped randomly in order to reach a deal. Negotiating also implies that certain issues are grouped, but in this case the parties' criterion will be that this grouping must result in synergy and enrichment, and that the negotiated result must be satisfactory and enriched.

Thirdly, enrichment takes place when ideas are measured against each other. A manager who is fascinated by the process approach runs the risk of limiting his own role to organizing and managing the process. If it is true that enrichment takes place when ideas are measured against each other, such an attitude towards process management will not suffice. Process-like management without substance fails to inspire and to provoke opposition, and therefore it will not result in enrichment.

2.10 Further Observations About Processes

So far, we have made some observations about the positioning of, arguments for and risks of a process-like approach to change. Let us now take a closer look at the kind of processes that we are referring to. After all, everything in life may be a process, and therefore a further description is useful. A process implies movement, change. Therefore we will start with a reflection on change. We will then clarify the concept of change by addressing:

- the relationship between change and negotiations about change;
- the relationship between decisions about change and their implementation; and
- the relationship between process and procedure.

2.10.1 *Change*

What is change? The answer depends on the perspective taken. Let us look at a number of possible and relevant perspectives.

2.10.1.1 Time Perspective

One person may interpret a series of events and decisions as change, while another may only see a static situation. This difference between perception and assigned meaning may relate to the time perspective. From a short-term perspective, changes are often hardly noticeable. A longer-term perspective will reveal patterns, and these are easier to identify as change.

The European Union has become what it is today through a process that has taken over fifty years. Those who compare today's EU to the fragmented Europe of fifty years ago can only conclude that much has changed. Those who look at one year after the next, however, may easily conclude that there is little or no change. Managers and civil servants who actively participate in such processes will tend to take a short-term perspective. They will perceive the situation as inert and difficult to change. Historians who take a longer-term perspective, however, may reach another conclusion. In retrospect, they could characterize the second half of the 20th century as a highly dynamic period, with many changes in a relatively short period of time.

2.10.1.2 Scope

With regard to the question whether a particular EU member state has changed significantly due to the development of the EU, various perspectives are possible. One may either focus on one single aspect or on several different ones. Potentially relevant aspects include social security, employment, economy, and so on. A one-aspect analysis is more likely to reach a radical conclusion, for instance that

little—or much—has changed. A multi-aspect analysis will yield a more moderate result. After all, a broader spectrum of changes will tend towards an average.

2.10.1.3 Scale

Scale is another aspect that determines whether or not change is apparent. A lower level of scale may reveal changes that differ from those at a higher level. At the level of one company, for instance, there may be a significant change, while at the higher level—the economic branch as a whole—the change is much less obvious.

2.10.1.4 Population Versus ‘Delta’

Changes in a system can easily be either trivialized or overrated. Trivialization may happen when one first describes the entire system, and then characterizes the change in the context of the system as a whole. This will almost always demonstrate that the population as a whole has hardly changed, even though some individuals may show some minor changes. Another way of describing the change is by focusing on the individuals that have changed, rather than on the entire population. This may result in a change being overrated. For instance, when describing changes in our energy use in sustainability terms, one can describe the entire energy system and then conclude that only a small fraction of our energy sources are sustainable. In this case the focus is on the population. Another perspective results from zooming in on particular changes in the system, for instance the increasing share of wind energy in some submarkets. The changes in these submarkets can be substantial. In this case, the focus is on the absolute change—or ‘Delta’.

2.10.1.5 Perspective

Many change processes are goal-driven. The goal may for instance be an increased efficiency, a larger market share or a more sustainable production. Suppose that there has been an actual intervention to implement these envisioned changes. Budget streams have been altered, organizations have been restructured or rules have been changed. After certain period of time, there will be an *ex post* evaluation to determine whether the envisioned change has really taken place. Regardless of the way this question will be answered, the changes will be larger if a broader perspective is taken. If not just the envisioned change is taken into account, but all additional changes as well, the actual change will turn out to be more substantial.

Table 2.3 shows an often-used typology of change processes. When only taking into account the changes in the top left-hand cell, one may conclude that the changes are moderate. When looking at all four cells, one will be able to observe quite a few more changes.

Table 2.3 Perspectives to change

	Desired changes	Additional changes
Foreseen changes		
Unforeseen changes		

2.10.2 Negotiation and Change

This book is about ‘negotiated change’, in other words, changes that are the result of negotiations. Complex change processes that are being studied over a longer period of time tend to be a combination of ‘real world changes’ and ‘paper changes’. Real world changes are changes at the level of output in terms of rules, laws, organizations and of course societal outcomes. In addition, there are changes that are agreed upon at the negotiation table. Parties may agree, for instance, to change their behaviour. This agreement may be formalized in documents (such as minutes, treaties, agreements and so on). These also qualify as output. In addition, and partly because of this, changes are implemented in the ‘real world’.

In this kind of processes, ‘negotiation’ should not be taken too literally. Of course, parties negotiate—they are sitting around a table, they follow an agenda and there are journalists who are waiting for an outcome. But in addition, there are more implicit negotiations that are at the basis of real world change. These implicit negotiations are followed by tacit agreements, and may proceed in several different ways. Parties may, for instance, engage in unilateral communication. In that case a party makes statements, gives interviews, or publishes studies that express its views. In turn, the other party reacts by giving interviews, producing reports and so on. This may eventually lead to tacit agreements. Parties may anticipate each other’s preferences, upon which other parties take action to address the first party’s interests, and so on. We regard these movements as an important aspect of processes. It should be emphasized that these processes sometimes remain unanalyzed when the perspective taken is purely that of negotiation.

Regarding the tension between negotiations and change, it is also important to take into account the differences between *outputs* and *outcomes*. Outputs may be the direct result of a negotiation. An output may be, for instance, the amended text of a law that was agreed upon during a negotiation. A cynic may say: ‘So what, a law alone does not change anything.’ But those who make a more detailed analysis will understand that this amended law makes ‘real world changes’—the *outcomes*—much more likely, and sometimes even inevitable, although it may take some time before the *outcomes* are actually implemented.

Special attention should also be paid to the process of assigning a joint meaning to certain concepts as a consequence of negotiation processes. During their negotiation, parties arrive at statements that define a societal situation or development. For instance, they issue a joint statement that declares that ‘the current situation certainly carries certain risks that may lead to major problems’. Such a statement can hardly be called an output, let alone an outcome. Yet the meaning of such a statement may have important implications for the future actions of these parties.

2.10.3 *Deciding and Implementing*

The term ‘change process’ may have two different meanings:

The first is the decision-making process with regard to the change. These processes tend to take place not only within formal decision-making fora such as parliaments or Boards of Directors, but also—often: particularly—in informal, ad hoc-like processes in task forces, project groups or—even more diffuse—in spontaneously arising, network-like configurations of actors that tend to change rapidly in terms of shape and intensity. Activities that manifest themselves in this perspective include consultations, negotiation, research, reporting, media contacts, and the continuous hassle and switch between speeding up and slowing down that seems to characterize the work of many managers and their staff.

The second meaning is the change itself, for instance institutional changes, reorganizations, physical changes such as city expansions and infrastructure transformations, and so on. These can be regarded as the implementation of the decision that has been taken. The implementation itself is often a process as well.

The EU has taken over fifty years to become what it is today. Politicians such as Schuman, Monnet, Churchill and Adenauer, who took the first few steps towards closer cooperation, could not have foreseen that in 2008, 27 European countries would cooperate intensively, supported by a European Parliament, a European Commission, its own official set of rules and policies, and even—to a limited extent—its own European currency. They could not have predicted how this process would move forward: sometimes fast, sometimes extremely slowly. Sometimes with success, in an almost euphoric atmosphere, and sometimes in an atmosphere of crisis.

When it comes to the first meaning of ‘process’, the focus is on the decision making about the EU—in other words, on the many commissions that were established, the many ‘crucial’ conferences that were held, the plans that were launched, and so on. In this perspective, it is relevant to wonder which of these managerial activities have resulted in which outcomes.

With regard to the second meaning, the focus is on the actual institutional changes that have taken place. In this perspective, the ‘real’ change is key—for instance the shift in competencies, the changes in financial flows, new European guidelines or the new European currency. These actual changes are what really matters, and it is possible to analyze how they were accomplished.

The decision making about the establishment of the EU as well as the institutional changes itself may be regarded as a process.

A second example is the process that has resulted in the expansion of infrastructural networks. During the last few decades of the 19th century and the first few decades of the 20th century, initial ideas were launched about major infrastructural works, such as sewage, drinking water and railway systems. From the perspective of the first meaning, attention focuses on the plans for these networks, on the fights to secure financing for their implementation, on the efforts by supporters and opponents of these infrastructures, and so on. The next question would be which of these actions have actually led to concrete implementation.

The second meaning addresses the actual growth of the networks in the course of several decades. The actual development is key, and analysis focuses on how this actual development came about and how it can be explained on the basis of the relevant decision-making processes.

Why does this difference matter? Of course the two meanings tend to be correlated. Decision making about change (meaning 1) results in a change (meaning 2). However, in many cases reality is different. Many managerial activities (meaning 1) do not actually result in ‘real’ changes (meaning 2) and vice versa: ‘real’ changes (meaning 2) cannot necessarily be traced back to decision-making processes (meaning 1). The word ‘process’ in process management refers to both of these meanings. Qualifications like ‘a good process’, an ‘incremental process’ or a ‘politicized process’ may refer to the managerial process as well as to the actual change process.

Why do we emphasize this? Because many sources still refer to decision making or policy making on the one side, and implementation on the other side. The difference between the two, however, is very problematic in network-like environments with a large number of actors.

In their seminal essay called *Implementation*, Pressman and Wildavsky [24] show that any decision will undergo quite some revisions during its implementation. They show that many actors are involved in the decision’s implementation, and in the end hardly any aspect of the decision remains unchanged if each of these actors is allowed to slightly amend the decision. As a result, the eventual outcome hardly relates to the taken decision, while this cannot be attributed to one single actor. They conclude that decisions (or: policies) are shaped during their implementation, which is why there should be no radical distinction between decision making or policy making on the one side and implementation on the other side. This is a first effort to put into perspective the importance of The Decision as it was taken at a given moment. Apparently it is not just the decision that matters; apparently there is not one single moment at which the policy is made. Rather, the policy is shaped at several moments, over a longer period of time [1, p. 252]. If this is true, processes deserve more attention. It is in processes between actors that policy is shaped and decisions are made.

Pressman and Wildavsky do take an actual decision as a starting point. The decision may well change during its implementation, but it remains more or less a definitive decision. Teisman takes this notion one step further [28]. In his research into the decision making about infrastructures, he concludes that there is no empirical evidence for ‘the decision’ about the realization of the infrastructure. There is either no decision, or there are many decisions. Looking back from the point in time when the infrastructure has been implemented (meaning 2), it will be hard to identify the definitive decision. But what can be identified then? There may have been decisions about finances—funds have been made available—but this does not imply that the infrastructure will actually be realized. The sponsor will therefore not consider himself as the actor who allowed the infrastructure to be realized.

Of course there have also been decisions about the spatial implementation of the infrastructure: the regional plan and the land use plan will have undergone certain changes so as to allow the spatial realization of the infrastructure. Neither does this decision constitute the actual decision that the infrastructure would be

realized. It is as if this kind of decision eliminates obstacles to the realization of the infrastructure, but no more than that. None of the actors feel as if they made the all-inclusive and definitive decision.

Despite the fact that *the* decision cannot be identified, the infrastructure has been realized. The infrastructure has, so to speak, *emerged* during the process. The decision itself is no more than a theoretical construction. This is the reason why this book does not focus on decisions per se, but rather on the processes in which decisions are made and that result in actual changes.

2.10.4 Process and Procedure

Processes and procedures may be closely related, but they are not the same thing. Processes can develop spontaneously and they have no fixed shape—the players determine the rules of the game. Procedures, on the other hand, have been laid out, for instance in laws or regulations. Procedures are characterized by pre-described phases, which may have a minimum or maximum duration, and by a well-defined order of activities. Procedures have a legal framework; deviation from procedures may cause major damage.

Procedures are usually a part of the process. Procedures appear later on in the process, once the ideas in the process are further defined.

Decision making about infrastructures is a process. For years, there may be rather indeterminate talk about a certain infrastructural connection. Once the impression of the infrastructure is consolidated and parties' commitment to the infrastructure is further determined, formal procedures are started. The procedure to raise funds, the procedure for an environmental impact assessment, a change of the regional plan, and so on.

Process and procedure may well go hand in hand. In that case, the procedure is ongoing, while the intermanagerial process proceeds in parallel. Managers continue to negotiate about the infrastructure: in which variety will it be implemented, who will pay for it, how will it be utilized, and so on.

The transition from process to procedure is not always smooth. Certain parties may hold a strong position in a procedure that has to be followed, while their position in the process may only have been minor. Such parties include those that did not participate in the process, but should be consulted, or even have approving authority, according to the procedure. This way, parties may gain influence on the process, which they did not have at first. It may be a question of good process management to anticipate the inevitable procedures already during the process phase. The strategy may also be to generate such massive support and momentum during the process that the procedure becomes a mere walkover.

The way in which process and procedure are coupled may be part of the process architecture, and is a key focus area for the process manager.

2.11 Process Management and Related Approaches

This section will address the positioning of process management vis-à-vis related approaches to decision making. How do our definition of and attitude towards process design and process management relate to procedural rationality, consensus building and interactive decision making?

Our description of these approaches does not aim to be exhaustive; we will only use the comparison with the related approaches to position process design and process management more accurately.

2.11.1 *Procedural Rationality*

In his seminal article called ‘From Substantive to Procedural Rationality’, Simon [26] introduces the distinction between substantive rationality and procedural rationality. Simon identifies behaviour as substantively rational if it contributes to the realization of given objectives; behaviour is procedurally rational if the process that results in a decision is ‘correct’. Simon’s definitions of ‘correct procedures’ include adequate thinking processes and the use of the correct algorithms.

The similarity between process management and procedural rationality is obvious. Both approaches accept that in many cases it is impossible to design the best substantive solution for a substantive problem. This is why in both approaches the choice is made not to continue searching exclusively for substantive solutions to problems, but also to take into account the correct process. This should then result in solutions that are substantively satisfactory. Both approaches are based on the assumption that a well-designed process results in a substantively good solution. There are, however, also important differences between the process approach and the concept of procedural rationality.

2.11.1.1 Process as a Rational Design or as a Result of Negotiation

Firstly, according to Simon, the correct process is again a matter of rational design. In his view, there is an ideal procedure to approach a particular problem. He therefore refers to *procedural rationality*. Finding and designing the correct procedure is therefore, in his opinion, primarily a scientific exercise. Once the best procedure has been designed, it can be prescribed. Where appropriate, problems should be solved by means of that process.

In the process approach, the process design is the result of negotiation. The relevant parties develop a certain level of commitment to a process design because they feel the process is fair and offers them sufficient opportunities to realize their own interests. Every actor makes an individual decision as to whether this is the case for a given draft process design. The fact that every actor arrives at an

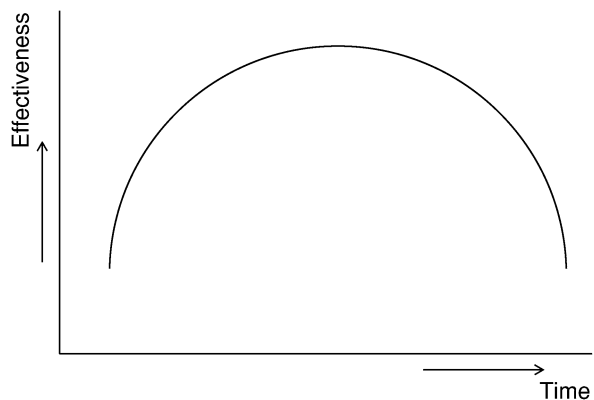
individual judgment about the quality of the process does not seem to correspond with the notion of a process that is objectively the best process thanks to a scientific design. A process is good because it is acceptable and trust-inspiring for the main stakeholders. In short, process management does not imply that a process is designed only once, or that it is universally and perpetually applicable when addressing a particular kind of problem.

Secondly, the parties that are supposed to arrive at a solution in a network, will *learn*. When a certain party attempts to influence another party by applying a certain management tool, the other party will learn how to deal with this instrument and also how to evade its steering effect. In the context of a network, the effectiveness curve of an instrument will therefore look as follows (Fig. 2.1):

The more one single process design is used, the more the relevant parties will learn how to evade its steering effect. They will learn, for instance, to identify the weaknesses of a process design, and use those to advance their own interests. This may diminish the value of the process for other actors. As a result, the effectiveness and usefulness of the same process design will gradually decline. This Law of Diminishing Effectiveness implies that there is no such thing as a ‘best’ process that will always remain the best. Every process design will cease to be effective at some stage.

Diminishing effectiveness also applies to various strategies that parties may use in the process. The following three examples, derived from Cialdini [4], will illustrate this. Firstly, *charm and disarm*: those who are positive and flattering towards others usually increase the likelihood that these other people will join an agreement. Involve *old-timers*: authoritative senior players who share their opinion, making it difficult for other parties to ignore that opinion. Provide *exclusive information*: those who feel they are ahead of others in terms of the information that they have, will use this information and thus be more likely to join an agreement. Regardless of the strategy used, those who have dealt with the situation a few times will learn what the strategies are, and also how to invalidate them. How? For instance by describing these strategies in explicit terms, allowing others to recognize and anticipate them.

Fig. 2.1 The effectiveness of instruments in a network



2.11.2 Consensus Building and Mediating

Process management is of course closely related to consensus building, which may be defined as ‘a process of seeking unanimous agreement. It involves a good-faith effort to meet the interests of all stakeholders’ [27, p. 7]. One of the key techniques of consensus building is to cast parties’ positions in more abstract terms, and focus attention at their underlying interests. The ‘manager’ plays a facilitating and mediating role. *Facilitation* may for instance include methods to stimulate groups to communicate effectively face-to-face. *Mediation* aims to bridge the gap between parties with highly contrasting views. Mediation may take a considerable amount of time. It aims to prevent a ‘zero sum game’, and to steer the process towards new solutions that have an added value for all parties.

Such consensus-building techniques may be an integral part of process management. However, there are some important differences.

2.11.2.1 Process Management is Embedded Both Institutionally and Administratively

Consensus building is presented as universally applicable. The method comprises a large number of steps that have to be taken in order to reach consensus. In many—though not all—cases, the focus is on the interaction between people.

Process management, on the other hand, is embedded in existing administrative processes. In these processes one may identify all sorts of phenomena, which are a part of the managerial game.

- When it suits them, parties will practice power play. They use their dominant position to push their opinion through. Consensus may also be forced (as will be demonstrated in [Chap. 7](#)).
- Parties are aware of the fact that they will meet again during future consultations. They may swap the results of the negotiation in the current process for future results regarding another issue.
- Parties play strategic games: they give misrepresentations, play a waiting game, want to keep all options open above anything else, have no interest in consensus, and so on.

Since process management is embedded in an administrative process, it should be adapted to such types of behaviour. This largely implies that process management allows parties to show their natural behaviour. A party that aims to work with a hidden agenda should be allowed to do so; there is no such thing as a ban on hidden agendas. Nor does it make any sense to establish the rule that parties have to be open towards each other during the process or study each other’s interests. It is wiser to allow parties sufficient room to show their natural behaviour.

In this case, too, the fact that process management is embedded in administrative/managerial processes implies that there are no universally applicable

process designs. Process design is shaped according to the specific administrative/managerial context.

2.11.3 Interactive Decision Making

In interactive decision making, the body that is competent to take a decision involves other actors, such as citizens, companies and interest groups, in the decision making [21]. Interactive decision making has gained much popularity in the context of the development of spatial plans, such as land use plans, regional plans and plans for the construction of infrastructural projects. Interactive decision making builds upon the tradition of participation in the development of (spatial) policy.

Interactive decision making has a number of features in common with process management. The first common feature is that the actor initiating the interactive decision making apparently wishes other actors to participate in the decision-making process. Something similar is true in process management. Here, too, there is an actor with an interest who wishes to arrive at a decision, and who wishes to enter into an exchange of ideas with other actors. The second common feature is that both interactive decision making and process management are highly contingent. Interactive decision making, too, is shaped depending on specific questions that arise, and depending on the nature of the actors whose interests are at stake.

2.11.3.1 Process Management is Administratively Oriented

However, there are also a number of differences between process management and interactive decision making. In the interactive decision-making practice, it is usually a public authority that develops a plan in cooperation with relevant citizens, companies and societal organizations. Process management, on the other hand, is oriented towards actors who cooperate in administrative or managerial processes. In other words, process management has a strong administrative or managerial focus, while interactive decision making has a societal focus.

Interactive decision making tends to start with a government that has to take a decision or make a plan. This is why it is this government's task to design the interactive process: the government determines the rules for the process, defines the substance of the process, decides when the interactive process will start and during what period the interactive decision making will take place. In process management, on the other hand, establishing the process is an activity in which several parties are involved. The latter is due to the fact that interactive processes hardly ever concern decisions that have to be taken. They usually concern plans, views or policies. If they concern decision making at all, the relation between the processes and the prospective decisions is very indirect. There is a chance that interactive decision making thus becomes an activity with no strings attached.

Table 2.4 Process management compared to related approaches

Related methods	Similarity to process management: both ...	Difference with process management: process management ...
Procedural rationality	... postulate that only a process can be designed, not its substance	... involves a process resulting from negotiation; ... does not involve 'preservable' processes
Consensus building	... concentrate on interests and on avoiding 'zero sum games'	... is administratively embedded and tolerates administratively strategic behaviour
Interactive decision making	... are open as well as contingent	... is administratively oriented and less non-committal

Managerially intelligent actors who are aware of this will also know that participation in interactive 'decision making' has limited significance. They will either participate in a disorderly manner, or not participate at all. Interactive decision-making processes tend to have a moral connotation as well: from a normative point of view, it is desirable to involve parties in the 'decision making'. This is much less the case for process management; instead, it is an approach that may be useful when decisions have to be taken in a network and when parties know that they depend on each other. Parties will only join a process if it has something to offer them; consequently, the process should indeed concern decisions that have to be taken.

Since process management is about decisions that have to be taken by administrative parties, much attention is being paid to the natural strategic behaviour of these parties, as mentioned before. Interactive decision making, however, takes place against a different background: parties are supposed to adopt an open attitude and be receptive to each other's interests (Table 2.4).

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