HIGH MINDS AND LOW DEEDS:
ON BEING BLIND TO CREATIVITY IN STRATEGIC MARKETING

Professor J C Spender*
Mr Douglas Brownlie**

Abstract

This paper attempts to reassert the inherent ambiguity of organizing activities in marketing management. It argues that this ambiguity lies in the things we do not say about organizing in marketing management. In so doing it also attempts to reassert the value of the word Policy in marketing - at a time when it has all but disappeared from our vocabulary, to be replaced by the word Strategy - with all that word's connotations of controllability, instrumentality, rationality and functionality. The word Policy, we believe, conveys Child's (1972) and Pettigrew's (1973) notion of strategic choice as an inherently political process which is acted out in the face of ambiguity and uncertainty through exercising judgement and creativity. It thus argues that there is no one absolute rationality, only interests, so that various rationalities are possible.

The paper departs from the mainstream marketing management literature in several important respects. Building on organizational perspectives of management and strategy, it draws attention to the important role of judgement in almost everything that marketing managers do in and for organisations. It considers the orthodox treatment of uncertainty and judgement in marketing management and strategy and finds it restrictive in that it presupposes an approach to organizing that is the exception, not the norm.

It argues that the existing literature provides an inadequate account of marketing management's creative contribution, especially when viewed through the lens of policy-making in organizations, rather than strategy-formulation. By defining the organization as a black-box, with a series of inputs and outputs, the agency of marketing managers is effectively squeezed out of consideration by the mainstream literature - they become automatons - with normative marketing management theory pre-defining their activity to the execution of a set of decision algorithms. We argue that by trying to eliminate ambiguity and uncertainty in marketing management, this literature has become blind to judgement and creativity. Ambiguity and uncertainty, and thus judgement and creativity, are seen to be the everyday companions of marketing managers, not things that occur, or are mobilised when matters go wrong: they are not exceptional.

The paper attempts to bridge the gap between the mainstream marketing management literature and those views by identifying potential links between the judgement of top marketing managers and the strategy making activities of organisations. It goes on to trace the important role of the personal development and learning of top marketing managers as investments in the quality of marketing judgement and creativity.

*Professor of Business Policy, Rutgers, Graduate School of Management, University Heights, Newark, New Jersey, USA.**Reader, Dept. of Marketing, University of Stirling, UK.
Opening Themes

The paper is informed by three broad themes:

1. A critical analysis of the high mindedness of normative marketing management theory, drawing as it does on classical management theory, focusing on its inability to deal with the low deeds of judgement and as a result managerial creativity.

2. A redefinition of the organization as a body of limited and contextually specific knowledge and a consequent redefinition of marketing management as the task of creating and manipulating this knowledge base.

3. The idea that competitive advantage generally lies in this knowledge base, rather than in a tangible resource, no matter how idiosyncratic.

Introduction

Strategic marketing embraces activities and decisions that draw on some view of the future. There is no logical or empirical way in which anyone can know the future. Yet, it is often taken for granted by marketing scholars that the management of marketing is driven by a sense of direction and purpose that must take a view of the future on some basis. So, strategic marketing typically asserts that the top marketing manager should deal with issues that involve a higher degree of uncertainty than many of the day to day operational marketing activities: time horizons are longer; previous experience of handling similar situations will be limited; the need is greater to re-frame perceptions of the business in its context; and the resource implications of decisions will be greater and irreversible in the medium term.

However, the seeds of premature closure, and thus blindness, are sown in this view of uncertainty. Woody Allen once remarked that of course he was concerned about the future, because he hoped to spend the rest of his life there. If only organizational life was so straightforward. Although this paper is primarily concerned with uncertainty and how judgement and creativity are used to resolve it, it is also concerned with how we can know the future and, specifically, with the way in which it continually escapes our knowledge of the present. This is an important issue for organizations by dint of the fact that all managerial decisions are necessarily based on a selective knowledge of the present, and by association its antecedents in the past, as well as assumptions, often biased, about how this knowledge will project into the future.

This is a non-technical way of saying that our knowledge of the future will always be inaccurate because knowledge of the future cannot be completely fixed in knowledge of the present, which is itself provisional. Notions of uncertainty are typically bounded in notions of the future. Yet, the elements that make the future uncertain cannot be wholly determined before the fact. Of course there are exceptions to this broad rule, as any actuary, armed with the law of large numbers, will testify. However, in the case of looking to the future of
industries and markets, the driving forces of change are so complex and difficult to untangle, that much of the uncertainty of what lies ahead is indeterminate and thus cannot be reduced, even by the most sophisticated of futures techniques. The authors argue that the nature of this uncertainty emerges and becomes knowable only through careful reflection on the passage of time and events. Thus, historical analysis is as important as forecasting. Indeed, as Ronald Regan is reputed to have said, it is easy to interpret the future, its the past that is difficult to predict.

The term uncertainty is used with some care in this paper. It refers not to the a priori specification of possible outcomes, some of which may be knowable, and others speculative. But, rather to those that were, with the benefit of hindsight, unknowable; those that defeated current knowledge, that were the result of the unforeseen and unforseeable combination of social, economic, political, environmental and technological processes. Taking this view of uncertainty draws attention away from the concern for error which typifies much of the technical work on forecasting in strategic planning (Fildes and Hastings, 1991); and from biases (Bazerman, 1986) which typifies much of the work on judgement in managerial decision making. The paper argues that the nature of uncertainty, especially in the context of strategic thinking, cannot be known a priori, it cannot be planned for, but that it emerges and becomes knowable only with the passage of time. Uncertainty cannot be fixed in a limited and necessarily selective view of the present and the past.

Yet, the conventional wisdom has it that marketing managers cope with this uncertainty by means of the strategic marketing planning process (Kotler, 1988; McDonald, 1984; Greenley, 1986) which supposedly provides a technology for coping with the complexity and ambiguity of the real world: this technology aims to somehow fix uncertainty in terms of knowledge of the present and the past. Kotler (1988) goes as far as to say that the marketing plan is the central instrument for directing and coordinating marketing effort. Marketing managers should then carefully gather all the relevant marketing information and process it to reveal the optimum course of action. Clear objectives should be established. Alternative routes should then be mapped out with both risk and return considered. The most efficient route is chosen. Clear and detailed plans are drawn up, operationalising the chosen route and objective. Measurable yardsticks are established against which performance can be evaluated. And so marketing planning becomes a central activity to the management of marketing (Piercy and Giles, 1989; Greenley 1989). Indeed, Kotler (1988) sees the marketing planning process as driving the organisation's overall strategic planning.

The paper argues that in practice the process of strategic marketing does not fit this model very well, even when behavioural and contextual issues are factored-in as suggested by Piercy and Morgan (1990). One reason might be that sophisticated marketing technology is not able to reduce or accommodate much of the ambiguity and uncertainty endemic to strategic thinking.

But, what does this mean for top marketing managers? Should they abandon analysis and depend on intuition? What skills and competencies should they be developing? Could it be that top marketing management is more about people's beliefs and their development, self-knowledge and interpersonal skills, than about decision-making technology, systems and procedures? This paper considers these questions.
Top Marketing Management & Strategy

It is obvious to say that organizations persist only because somewhere within them, there are people who know what needs to be done. But, the paper draws a distinction here between knowing about, and a more pragmatic knowledge of acquaintance, ie knowing how to apply knowledge in the real context of human activity.

Scientists, pilots, actors, concert pianists, artists, writers, film makers, engineers, jazz saxophonists and surgeons, who bring their considerable and sophisticated professional knowledge into contact with the world, know from their experience that knowledge alone is not enough. The situations they confront are seldom as neat or as readily understood as their textbooks imply. They must learn to temper their perfectly appropriate faith in knowledge with skill in its application, learning how and when to compromise and manipulate their theories to fit their experience of the situation. There seems to be an interplay between thought and action. And skill and dexterity seem to lie at the nexus of thought and deed.

Likewise, it is our job as marketing educators to help students see that normative marketing management theory needs to be balanced by skills in dealing with the uncertainties of market behaviour; that for example, market research must be tempered by a nose for customers' changing tastes. In the paper we argue that these skills become progressively more important as we approach the governance of the firm as a whole. Top marketing managers obviously require knowledge. They must have skills with people, bureaucracies, markets, products, technology, money and all the other components of the managerial condition. They must also have the emotional and psychological capacity to be leaders. The paper argues that in addition, they need some special cognitive skills, which following Locke (1928), we call judgement.

Locke writes:

'..the faculty which God has given man to supply the want of clear and certain knowledge in cases where it cannot be had.......is judgement...'

As marketing staff move into the upper strata of their organisations the nature of their work changes (Piercy 1986). Typically, they leave behind much of their involvement in the detail of day to day marketing operations and take a greater part in the process of formulating the longer view and in developing the organisation through new ventures. In practice they may retain ultimate responsibility for the actions of the marketing group, where such exists, despite being involved in the politics of a broader operating arena.

Forming a longer-term view means getting to grips with the ambiguity and uncertainty of the organisation's situation: it means managing the context, both within and without the organization. Ambiguities and uncertainties may be attributable to actions taken by external agents, typically governments, customers, distributors or competitors; or, they may be attributable to the action, or inaction, of internal agents. Each situation may have its own pattern of ambiguity and uncertainty. These make analysis and decision difficult, sometimes impossible.
But, why do top marketing managers deal with more ambiguity and uncertainty than those in less senior posts? One answer is that *that is what they get paid for*. It is where the greatest value is added and where the burdens of decision and responsibility are heaviest in marketing. This is not always true, of course. Neither organisations nor the world are so just. Top managers in marketing, as in other areas, often make others responsible for their failures. But, generally speaking, tough decisions are difficult to delegate until a certain amount of ambiguity and uncertainty has been eliminated, or resolved by senior management. This is an academic way of saying that the marketing director cannot delegate without telling the marketing manager, the marketing controller, the brand manager, or some other subordinate what to do. Without some guidance, the subordinate may say *"Fine, but how?".*

Typically such guidance may be provided in a formal way by means of the marketing plan, or a specific brand plan within it; or, in the terms of reference of a one-off marketing project, such as the evaluation of a possible licensing deal; or, in a sales forecasting or budgeting procedure; or, even in an agreed advertising agency or market research brief. It may also be given indirectly through being asked if *'your personal development would be enhanced'* by attending a course on writing brand plans; on financial evaluation techniques for new ventures; on building sales forecasting models on spreadsheets; on briefing and controlling an advertising agency; on setting up focus groups and interpreting qualitative data; or even on team building techniques. It may also be given informally through asking subordinates to *"think about it and develop a proposal for me".*

But, without some guidance the delegated responsibility keeps floating back up to the senior marketing manager where the final responsibility lies. He or she may, of course, give it no attention and leave the subordinate to struggle through, or otherwise to seize the initiative.

Top marketing managers can therefore be thought of as the marketing decision-makers of last resort. Even if no-one has the power, ability or responsibility to take a decision, they cannot *"pass the marketing buck"* any further. These comments apply especially to strategic decisions such as the detailed resourcing of a plan to commercialise a new product, or to withdraw an existing product, the ramifications of which extend far beyond the operating domain of marketing.

**Uncertainty and Judgement**

Ambiguity and its corollary uncertainty are all around us, in the unexpected, the unrecognised, the accidental and the serendipitous. It is axiomatic that the broader marketing managers' responsibilities are, the greater will be their exposure to ambiguity and uncertainty. As individuals we can measure ambiguity and uncertainty in the way they prevent us being coolly rational, or being able to exercise complete control over our lives and the circumstances that surround us. As marketing managers we can measure them in the way that unforeseen, or unforeseeable changes in economic climate, or in the behaviour of a client, of an agent or a supplier, can suddenly emasculate even the most careful and rigorous market analysis and planning. Uncertainty thus emerges and becomes knowable with the passage of events. Ambiguity itself is a product of an inter-subjective process through which meaning is attributed to events and circumstances.
The authors take the view that were it not for the attempts of marketing managers to be rational and analytical, certain ambiguities and uncertainties would not exist. For, if managers did not try to gather relevant information and process it in a meaningful way, they would not become aware of their inability to plan, to find best courses of action, to think through, for instance, the consequences of introducing a new product or altering the positioning of a key brand. Uncertainty then does not exist apart from managers' attempts to be rational and to deny ambiguity. And perhaps some of the behavioural problems widely associated with attempts to operationalise normative marketing planning models (Piercy and Morgan 1990) have their roots in experienced managers' realisation of the essential incompatibility between the uncertainty marketing planning models can cope with, and the ambiguity and uncertainty they experience as organizers.

Top marketing managers must learn to face the fact that they will have more difficulty than their subordinates when they try to gather the information appropriate to the decisions they must make; and that they will be less able to analyse what they do obtain. How do they deal with the uncertainty this creates? This paper argues that uncertainty is resolved by an act of managerial judgement. Judgement is what decision makers add to cope with the uncertainty which exists in the situation they confront. And the situation itself is an interpretation, or a reading of ambiguous circumstances which is socially constructed or negotiated. Ambiguity is held to be an inherent element of all social activities, including those to do with organizing for marketing.

Judgement differs from analysis. Analysis means finding the answer that lies hidden in the data, essentially through an act of comparison against some set of preconceived benchmarks, which may be organized systematically as a theory. Business schools are good at teaching various techniques for analysing the many different kinds of market-related data which marketing managers must consider: market share and growth; sales trends; volume, cost and revenue; price sensitivity and stability; contribution and profitability; seasonality effects; inflation vulnerability; capacity utilisation; investment intensity; competitive position; experience effects; market penetration; repeat buying rates; TV ratings; sales coverage; etc.

Those ideas constitute the marketing toolkit, what the competent marketing manager must know about. And it is assumed that once the necessary facts have been gathered, managers can make the appropriate decisions through judicious application of the toolkit. However, Simon (1957b) pointed out, via the concept of bounded rationality, that it is extremely unlikely that organizational decisions are ever taken with full information. Yet, the marketing manager's awareness of uncertainty in no way diminishes his or her responsibility to decide and act. Indeed, this defines their special purview. You could argue that marketing managers are involved in a two-step process - rational decision yes, but prior to a decision, a process of dealing with uncertainty through the application of their judgement.

Thus, one obvious weakness with the mainstream thinking of marketing management is the unreality of the assumption that the necessary data for a rational decision is, in fact, available. Marketing managers often find that the data they need has not been collected, is stored in an inaccessible place, is temporarily unavailable, or is simply incorrect. Then even when they have the data they consider to be necessary, they still have to interpret it and make it meaningful. But, if you accept the idea of informational defects as being the norm, then
instead of being the person disposed to irrationality or risky decisions, the marketing manager is redefined as the person having a particular talent for making good decisions in the absence of the necessary data. So, this paper is suggesting the need for research into informational defects and how they relate to uncertainties in marketing management.

Ever since Simon's (1957) critique of rational man, much greater attention has been focused on the processes of knowing and on the acquisition of managerial skills. This paper is about how marketing managers cope with informational defects through processes of knowing, in what we consider to be the normally uncertain state of their knowledge.

It is argued that theory is required to make sense of the world, and that marketing managers are often without an appropriate theory. But, the problems that face marketing managers are also highly varied and some of the activities for which they are responsible may be readily modelled. Yet, in the area of policy, marketing managers are so short of theory, and their organization's circumstances are so contextually specific, that to understand and control what is happening, they must build the theories they use - they must construct a theory of the situation they find themselves in.

The general point is that information about the world is inherently uncertain, and that making rational decisions requires the marketing manager to close-off all uncertainty in the course of building a theory of the situation. The manager therefore assumes a closed knowable situation to which his or her prescriptive theory applies. The emphasis then shifts from the facts of the situation, which mainstream marketing management theory assumes are available, to the ideas that the marketing manager has about what is going on - and some of these will be informed by the thoughts of previous writers on marketing and management which live on in everyday practice. So you could argue that managerial creativity is an act of theory construction by means of which informational defects and the related uncertainty are resolved.

Theory makes data into information, otherwise it is meaningless. And so you could argue that theory defects lead to information defects. When the facts of a situation are knowable, marketing managers can usefully employ theory to guide their data collection and make deductions. However, when the facts are uncertain, they must employ other methods to frame and analyse problems. Admitting uncertainty creates a new place for the marketing manager in marketing theory. The manager acquires a new function, going far beyond the rational data gathering and decision-making described by mainstream marketing management texts. In a sense the marketing manager becomes the creative artist, the person who uses his or her judgement to choose to create order out of disorder. The manager is then a creative uncertainty solver.

**Additional variations on the judgement theme**

The conventional view (Kotler, 1988) is that judgement is what the marketing manager brings to a problem when there is not enough data, or good enough data, for there to be a clear answer through the application of analytical marketing techniques in the context of a systematic planning apparatus. This marketing technology then represents the careful systematisation of judgement. It reduces marketing judgement to sets of algorithms which have built-in associations, yardsticks, data processing rules and rules of correspondence and
evidence. The authors hold that this model overlooks the ambiguity which is inherent to social processes through which meaning, or knowledge is constructed. Uncertainty is then a product of, ie an outcome of, and not an input to, processes through which meaning is constructed. Ambiguity does not exist somewhere in the world out there, it is the constant companion of social actors (marketing managers in this case) in their attempts to make sense of the world.

Normative theory asserts that marketing managers have access to a formidable analytical armoury to help take decisions and reduce their reliance on judgement: judgement is something to be avoided. The application of judgement should then become a last resort when a technique is unable to point towards an appropriate course of action.

However, this presupposes only one type of uncertainty, ie, incompleteness, where data is missing, so that the judgement that is called for is to make the data complete, perhaps through some extrapolation. It also betrays the implicit notion that uncertainty is an exceptional circumstance for the marketing manager. The authors dispute those views on two counts.

First, incompleteness is not the only type of uncertainty that managers face. Building on Shubik's (1954) work, Spender (1986) defines four different types of uncertainty in most managers' information, where information is not simply data, but interpreted data:

* incompleteness
* indeterminacy
* irrelevance
* incommensurability

*Incompleteness* is partial ignorance of any type. *Indeterminacy* means recognising and respecting the presence of some other actor whose interests and world view may be quite discontinuous with our own and whose responses cannot therefore be forecast. *Irrelevance* is when we assume some correspondence rules between our theoretical model and the world which are completely inappropriate and thus make our model irrelevant to the problem at hand. *Incommensurability* is when our knowledge is not integrated so that we cannot process what we know in a wholly rational manner.

Spender (1989) articulates the general principle of this typology in terms of uncertainty being resolved by a corresponding act of judgement. If uncertainty is incompleteness, the judgement makes the data complete; if it is indeterminacy, the judgement is to decide how other people will react; if it is incommensurability, the judgement makes the data coherent.

Despite the hegemony of the planning-driven model of marketing management, there are marketing decisions that cannot easily be taken through analysis, no matter how rigorous and careful, where uncertainty is not merely a matter of incomplete data, eg: should we proceed with the introduction of this new product in this particular way? And decisions such as those are usually ascribed to the domain of strategic marketing, where top marketing managers deal with uncertainty in the broader context of the organisation's declared strategy. Implicit to the strategic and operational categorisation of marketing decisions is the notion that strategic decisions are less amenable to analysis than operational decisions because of incomplete data, so that judgement is typically thought of as being more widely exercised in the upper ranks.
of marketing management.

The authors argue that the type of uncertainty that top marketing managers face in taking strategic marketing decisions, or in contributing in some way to other strategic decisions, is not merely a function of incomplete data, but indeterminacy, irrelevance, and particularly incommensurability. The judgements that operational and strategic marketing managers have to make differ to the extent that they have to cope with different types of uncertainty. Strategic marketing decisions expose the top marketing manager to all four types of uncertainty simultaneously perhaps, whilst the uncertainty of operating decisions may be resolved by a judgement that makes data less incomplete.

Whatever the marketing decision to be taken, and irrespective of the rank of the person who has to take it, where uncertainty exists some judgement will be exercised. The nature of managerial judgement may vary in different decision making settings as does the uncertainty. But, the authors hold that the fact that it is exercised brings us back to the importance of the experience and skills of individual marketing managers, not sophisticated analytical technology.

Rationality and judgement

The second point at dispute is the position of uncertainty in the marketing manager's job. The authors take the view that far from being the exceptional circumstance, uncertainty and ambiguity are the marketing manager's constant companions. The marketing management literature inherits the positivist view of the world which underpins Simon's (1957) work and that defines uncertainty as a transient condition of our appreciation of the world, so that it is not an essential feature of the human condition. Spender (1989) argues that this positivist position leads us to overlook the fragmentary nature of our knowledge and its internal inconsistencies. So, when marketing managers have to act in partial ignorance it is their judgement that is tested, not their data gathering or analytical skills. Marketing managers are forced to use judgement when they are ignorant of facts, outcomes and relationships in the world around them, a condition the authors believe to be normal, not exceptional.

Judgement comes from the person making a decision, not the data. To exercise judgement is to invest data with meaning through an interpretative process (Pfeffer and Salancik, 1978; Weick and Daft, 1983) which operates at group and individual levels in organisations and also involves scanning, or data collection; and management learning through reflection on actions taken (Daft and Weick, 1984). Organisations do not have mechanisms separate from the individuals that set goals, process information, or perceive the business environment. Yet they do interpret as a system where managers are able to achieve some convergence in their perceptions (Weick, 1979). The conventional marketing view ascribes this convergence to the planning apparatus and adopts, by default, classical management theory's imputation of a unique 'rationality'.

Rationality is often portrayed as some grand transcendental thought process to which we should aspire as a basis for our actions. Implicit to Simon's (1957) analysis of administrative man is a concept of total rationality. To be sure, rationality is an instrument which, if
correctly employed, helps us draw inferences from given premises, without inconsistency, and about which other people would agree. Perhaps in the material world of objects and statistics, there is room for one way of seeing things, but not in the social world where there is discourse, interaction and where meaning is negotiated inter-subjectively: If there was, would we ever need arbitration courts and anti-discrimination laws to govern so much of our lives?

Choosing the premises that underpin any chain of reasoning is a human activity and in social situations choices will accord with the individual marketing manager's reading of a given situation. Skilled managers are able to read situations and, by understanding the premises and prejudices of others, to see the situation as they see it. In this way they are better able to exert influence. The skilled marketing manager is then a skilled perceiver. But, he or she will understand that everyone behaves rationally within their own understanding of a situation. It is difficult to disagree with someone on the basis of the inadequacy of their rationality as you see it. To do so is to engage in an attempted act of coercion, not reason. You can, however, disagree with their choice of premises.

The authors agree that the planning apparatus can facilitate convergence through wider involvement, improved communication and even dictat. But, the planning process itself is driven by an 'analytical knife', or a-priori template that has its origins in the interpretive frameworks of individual top managers. Spender (1989) believes that the 'rationality' of classical management theory is simply one of a whole universe of possible rationalities. As individuals, top managers may not agree fully about their perceptions (Starbuck, 1976), but a thread of coherence among them is what characterises organisational interpretations (Daft and Weick, 1984). So, in the context of strategic decision making, the exercising of judgement is a collective activity that is informed by, and derives legitimacy from the judgements of individuals and groups.

Many managers may play some part in environmental scanning or data processing, but the organisation's interpretations are formulated by a relatively small group of top managers who bring together and interpret information for the organisation as a whole (Daft and Weick, 1984). His or her proximity to customers and competitors may put the top marketing manager in the driving seat of the process by means of which market-related events and circumstances are given meaning. But, the other members of the top management coalition will also have roles to play in developing the shared understandings and conceptual schemes that facilitate interpretation.

Sense-making

The concept of 'bounded rationality' (Simon, 1957b) tells us that decision makers construct simplified mental models to help them deal with complex strategic problems. Strategic decision making is thus influenced by the cognitive frames and decision processes of individual top managers (Hambrick and Mason, 1984). Researchers have identified a number of cognitive heuristics, or 'rules of thumb', which top managers use to simplify complex strategic problems and a number of decisional biases which may also influence strategic
decisions (Schwenk, 1988). The authors believe that by means of applying such heuristics to strategic marketing problems the judgement of top marketing managers is factored into the strategic thinking of the organisation and so becomes part of its cultural web. The defining characteristic of such heuristics is that they enable the top marketing manager to come to a conclusion without being able to assess the quality of that conclusion.

Through our joint experience and research, we suspect that marketing managers often deal with the problems that uncertainty creates in ways that are characteristic of that industry - part of what experienced marketing managers take uncritically as professional common sense. It is argued that marketing managers draw on this body of knowledge to cope with defective data about their company's situation. Spender (1980) coined the term 'Industry Recipe' to denote the core set of beliefs and assumptions that he argues are shared by the top managers of organisations within the same industry. An industry's recipe then comprises a set of axioms which establishes what the industry generally regards as the questions that management must address if they are to have a viable company. It also melds into a comprehensive meaning system with which managers can make sense of their experiences and interpret the actions of others. But, as Spender (1989) advises, the industry recipe is not a comprehensive theory, otherwise marketing managers who adopted them would seem to approach the decision-making automata criticised above. Industry recipes are only suggestive of the consequences of following them, though they imply also cautions against ignoring them.

Spender (1989) argues that the industry recipe is more like a local culture and that you can think of it as the world view of a definable tribe of industry experts. It is often visibly articulated in an industry's rituals, rites of professional passage, local jargon, dress codes, company cars and other paraphernalia - ie., the little things that we often overlook, but which seem to say much more about our culture than we realise.

Cultural anthropology tells us that other people often behave differently for reasons that are perfectly understandable to them, and to us once they are explained. People we may think of as primitive are often living out cultures as richly complex and sophisticated as our own. Similarly, as Spender (1989) notes, industry recipes are perfectly comprehensible from their adoptees viewpoint. Yet, they deal with only part of the perceived uncertainty. The marketing management task is one of dealing with those that remain. We believe that this view introduces greater respect for the low deeds of marketing managers as they exercise judgement and creativity. It also suggests a different style of research in marketing management, one which takes a more ethnographic approach and which focuses on the recipes marketing managers use to guide their thinking.

The resolution of uncertainty is the creation of a rationality, a recipe, or interpretive scheme within which an organisation's problems can be couched and analysed. As social actors, top managers construct this rationality and will do so in ways that create the information differentials that underpin competitive advantage. They must also revise or reinvent this rationality as events and circumstances dictate. It is unlikely that the top marketing manager will possess outstanding judgement in all areas of the organisation and so the creation of this rationality is an extended managerial task that involves the top management coalition. But, by dint of his proximity to the changing market place, the top marketing manager may find himself policing elements of the organisation's 'recipe' as a way of detecting emerging
inconsistencies between it and market trends.

King (1985) writes that judgement will always be more important than technique in marketing. In his view marketing is different from finance and production, where operations research and econometrics seem to have been applied so forcefully and effectively. The data on which marketing decisions are based are always unreliable; consumers are irrational; competitors confound cause-effect models; rules are broken. To focus on marketing techniques is in King's view to sacrifice relevancy.

It may be argued then that marketing managers succeed when they are recognised by someone to have exercised good judgement - this is Napoleon's search for lucky generals. Few senior marketing managers use very complex methods of analysis, as numerous surveys have discovered, for such tasks are easily delegated. Marketing managers succeed when they have made good judgements about which organisational capabilities to define as a strength and which a weakness; which marketing opportunities to take up; which people to hire; which customers, competitors or suppliers to stay away from; which price to set; which distributors to deal with; which new product idea to develop - and the nature of all those judgements is sensitive to the setting in which they are made. What someone sees as a threat, someone else may see as an opportunity. The process of arriving at a view of an organisation's SWOTs, or a definition of its business and markets may then be less an analytical task than a political one, involving the exercise of power through negotiation and conflict resolution. It is not merely a matter of plugging data into a technique to decide how to define something in your SWOT analysis. Luck and serendipity have parts to play, but so do judgement, negotiation and conflict resolution. People place constructions on the world as they learn to see it. And in groups those constructions are socially negotiated.

Many analytical marketing techniques, including the stalwart SWOT analysis, break down in their prescriptive role under close scrutiny, often because they are used out of context to deal with uncertainties they have no capacity to reduce. We cannot escape the consequence that such techniques may then have a limited role to play as ready reckoners for strategic marketing decision taking. And if this is so, it demands no mean stretch of the imagination to argue that judgement and uncertainty are not the exceptions to the marketing decision making rule, but the norm.

Kotler (1988) defines the roles and responsibilities of the marketing manager in terms of analysis, planning and decision making. The authors believe that the top management task in marketing involves much more than analysis and planning and that Kotler's (1988) definition overlooks the part played by judgement in marketing decision making. Moreover, analysis and planning only provide umbrella headings under which many more specific managerial activities can be organised. This categorisation of top managerial work in marketing is not powerful enough to guide the design of marketing jobs and, therefore, the evaluation of marketing performance and effectiveness as well as the training and development of future top marketing managers.
Judgement as Top Marketing Management

So far the paper has argued that there is no clear connection between uncertainty and creativity and the utilisation of the sophisticated marketing technology usually associated with strategic marketing management. The analytical and planning driven model deals with organisational facts, and with data on market and industry situations. The process is driven by the ubiquitous SWOT analysis, whereby capabilities, issues, events, circumstances etc are judged by managers to be either a strength or a weakness, an opportunity or a threat. There is no unique set of benchmarks and measures that serves as a basis for making those judgements on every occasion, for every organisation, and even for every manager. The metrology that underpins the SWOT analysis is itself driven by shared managerial judgements. Then, why do scholars of strategic marketing need to consider managerial creativity and self-knowledge? It seems that they are trying to eliminate it.

The paper argues that the weakness of analysis, such as that underpinning the technique of SWOT analysis, is that the uncertainties of real organisations and markets bring it grinding to a halt. The SWOT analysis is ultimately about making informed judgements which may themselves be informed in some way by the results of a market analysis. But, making judgements is not the same as doing analysis. It is possible to argue that people gain judgement through experience and that it is our experience of specific situations and activities that give us specific types of judgement. So, a good judge of horses may know nothing of art, ie what is good about good judgement will be highly contextually specific. The authors believe that judgement keeps analysis going, not vice versa, so that we could then categorise a manager's judgement by the types of analysis it supports.

Strategic marketing is a loose way of referring to what normative theory says top marketing managers must do for their organisations. It is about taking overall responsibility for the organisation's market position and the vision of how it needs to change; deciding its direction in existing markets and looking for opportunities in new markets; creating marketing plans and budgets by means of which to resource those plans; motivating the brand team and the field sales force; and so forth. Most strategic marketing and strategic management texts show the analysis broken into two parts: one dealing with the external environment (opportunities and threats); and the other with the internal set of organisational resources (strengths and weaknesses). It is enshrined in the strategy/structure literature and the strategic marketing literature that is derivative of it, that through analysis top managers try to arrive at a strategy that matches their organisation's market relationships with its resource allocations.

A cursory look at the interface between real organisations and their markets reveals a staggering diversity of uncertainty. Most new products fail (Booz, Allen and Hamilton, 1982). That does not mean that marketing is simply a "numbers game" in which the company that introduces most products wins. Behind each product there is generally a team which believes in the product and is committed to its success. Yet they are generally wrong. They fail in spite of trying hard and doing careful research. Likewise, most projects do not turn out as planned. All this is no surprise to those with appropriate experience, but experiences differ. Judging purchasers is different from "knowing" how to judge a group of employees; judging the financial markets is different from "knowing" how a competitor is going to...
respond. In practice analysis and judgement support and balance each other, there cannot be the one without the other.

It is possible to map the areas in which judgement is the major component which must be brought to deal with problems. Moving established products into established markets generally calls for more analysis than judgement. But moving new products into established markets, or established products into new markets calls for much greater judgement. At the extreme, when new products must be introduced into new markets, analysis is virtually helpless and it is entirely a matter of judgement. This is Ansoff's (1965) definition of the corporate strategy problem.

We can also argue that the areas in which our information is most imperfect are those in which we need greatest judgement. Spender (1989b) has developed a typology of management information based on the distinction between areas of high and low uncertainty and between internal and external affair. It is represented diagrammatically as the Strategic Balance Matrix (SBM), shown in figure 1.

The vertical dimension of the SBM distinguishes between knowledge of assets and knowledge of opportunities: knowledge of assets refers to knowledge of the firm's components and resources; knowledge of opportunities means knowing how the firm interacts with its environment and how its outcomes can be related to prior activities, events and circumstances. The horizontal dimension differentiates between areas of high uncertainty, where judgement is the rule; and areas of low uncertainty, where analysis is the rule. The cells of the SBM then represent four different types of management information contexts.

Spender (1989b) expresses the top management task in terms of synthesising those different types of information contexts into a single 'best fit' framework whilst striking a balance between the four contexts and different managers' abilities to handle them.

Cell B represents the arena of formal analysis of the firm's resources, plans and controls. It is the domain of classical organisational theory and the preserve of those skilled in analysing the firm's tangible resources and processes. Cell C represents the arena of market analyses. It represents the domain of classical marketing theory, grounded in the assumptions of atomistic markets, market-based transactions, stimulus-response models of human behaviour and researchable consumers, suppliers, competitors and distribution channels.

The left hand side of the SBM is therefore about analysis, efficiency and perfect markets. Each of the cells there implies an informational context where the managerial task is about maximising the efficiency of resource utilisation: in cell B the task is about putting the firm's resources to better work or disposing of them; in cell C it is about engaging in all marginally profitable market segments. One way of thinking of the difference is that in cell B resources are measured in terms of their value to the firm. In cell C the firm puts itself in the position of those it does business with.

As we move from the left hand side of the SBM (analogous to the left hand side of the brain),
where we have good information and depend on analysis, to the right hand side where uncertainty rules, we get into areas where imperfections abound and which will call for judgement and the exercising of power. Information gets progressively less and less perfect as we move into cell A from cell B. It represents the domain of invention, where competitive advantage is gained through acquiring a valuable knowledge differential, such as the entrepreneur's new business idea. Thus planning resource moves gets more difficult when we move into R & D and try to predict technological outcomes. Similarly, planning market moves gets more difficult as we move into imperfect and competitive markets in which competitors have considerable power. Here we move into cell D, the domain of market power and partnerships. This informational context focuses on knowledge about market imperfections which can be created or upon which the firm can capitalise.

The SBM reminds us that the real world is imperfect, and that judgements differ but, must be brought into a proper relationship with analyses. Each cell implies the application of different kinds of managerial skills: cell A is the province of the creative and visionary; cell B of the bureaucrat, able to devote careful attention to detail and organisation; cell C is similar to cell B, but it involves affairs outside the firm and is the traditional domain of the salesman and marketer; and cell D is the province of the negotiator who can deal comfortably with those who have power over the firm's affairs. It is Spender's (1989b) view that the role of the leader is first to create the unified rationality that gives each type of person a place in the system; and second to create an effective method of communicating this rationality to people with widely different interests and aptitudes.

Top marketing managers, like other members of the top management coalition, are likely to find themselves occupying all four of the informational contexts of the SBM, perhaps at different times, or even simultaneously. The SBM provides a helpful way of visualising the dimensions along which the top marketing manager's judgement then varies in different informational contexts. It is not the point of this paper to claim that top marketing managers are any better equipped to provide sound judgement than any other senior executives in an organisation. The SBM draws our attention to the importance of personal qualities, not functional background, as a preparation for marketing leadership. And the authors believe that it also shows that strategic marketing has little to say about the nature of the top marketing management job in the informational contexts represented by the right hand side of the SBM.

**Where can top managers get their judgement?**

Several writers in the field of management development argue that experience is the most important source of what managers call their personal development (Davies and Easterby-Smith (1985); Mumford (1980); Margerison, 1984). Davies and Easterby-Smith (1985) found when asking managers about when they felt they had developed most, that those managers who had dealt with novel or unstable market, production or technological situations reported greater personal development than those whose work had been less eventful. But, for development to occur, such pressure needs to be accompanied by what they call a "developing culture". The situation's difficulties then created an opportunity for the manager to develop, backed by their organisation's expectations that that would occur. Sometimes development was the result of a move into a demanding new job. Sometimes it was the result
of uncertainties affecting an existing job.

The authors believe that, in general, development is the result of being forced to exercise judgement, especially when that judgement has to be developed to deal with an existing situation that demands attention. Personal development can then be thought of as the result of having to deal with management tasks located in the righthand side of the SBM. The judgement so developed will of course be specific to the experience.

A more complex question is whether experience is the only source of judgement. Surgeons, coal miners, social workers, air traffic controllers and others whose occupations embrace danger, develop procedures which help reduce the risks of accident. They do not want to experience an accident and it is surely unrealistic to expect that they have to experience an accident to develop the desired quality of judgement. Those procedures will incorporate judgements that many of their predecessors have made and found to be effective. The same process occurs in many professions: patterns of behaviour and attitude are built up; the new professional is socialised into these as he or she comes to understand the job and how it really functions. Thus lawyers learn how to apply their book learning to the world of criminals, victims and police officers. This plunges them into situations calling for very special kinds of judgement.

The top marketing manager similarly needs a set of behavioural and attitudinal judgements which will enable him to apply his analytical and technical marketing abilities in the context of the messy, uncertain and tangled world of the organisation's politics. Previous experience as a brand manager, marketing controller, marketing manager, or in sales or the marketing services business will have help to hone technical and managerial skills. And experience of different types of organisations and situations will also have helped to do so.

Mumford (1988) and Stuart (1986) remind us that the process of acquiring the experience which shapes managerial judgement can also be facilitated by working with those who have already demonstrated ownership of the desired qualities of judgement. In this way the novice is not exposed to the harsh reality of having to take responsibility for the judgements he or she has made. Through observing and reflecting on the judgements and behaviour of a mentor the novice can begin to develop the desired managerial qualities.

The problem with managerial judgement

Thus far we have assumed that judgement is desirable, its absence a managerial deficiency. This is true, but to have developed a pattern of judgement may lead to a different kind of problem. If we think of an organisation with a developed strategy, we know that if that strategy is realistic and useful for dealing with an imperfect world, then it contains a lot of judgements. But the strategy could only have been appropriate to a particular set of circumstances and experiences. As the world moves on, so the strategy must inevitably become less appropriate. If it is not changed it will become a hindrance.

Changing a strategy does involve an act of analysis of the new situation. What needs to be done by way of this analysis is relatively straightforward and uncontroversial. But a changed
strategy also requires a new set of judgements and a reframing of the situation. Where can these judgements come from, since the top managers' judgements are those which led to the old strategy?

The problem with managerial judgement is that it is very difficult to change. It is especially difficult for top managers who, because of the way they work, are often cut off from those very experiences which might lead them to alter, abandon or revise their previous judgements. For a long time it has been clear that IBM, which sells monster complex networked computers, is being run by people whose data-processing experience is in hand-punched cards processed by clanking and primitive accounting machines. They have difficulty understanding their firm's vulnerability to Digital, whose life began with easily networked minicomputers.

The problems of strategic change are not often only those of analysis (Johnson, 1987), though some organisations do refuse to look at their difficulties in a systematic way. Strategic change requires top managers to change their judgements, their way of seeing the organisation and reading the situations it faces. Many theorists, and many managers too, believe this is impossible and that top managers will use all their power to resist such change (Pettigrew, 1973). They react defensively to the challenge of uncertainty. They feel threatened, obsolescent, ready to be cast aside. The authors believe that this is why we need to deal with imagination and self--knowledge in marketing management. Without an internal, psychological "development culture", our reaction to the pressures which would otherwise cause us to develop may lead us to use all our talents to prevent development. The expectation of failure kills the "development culture" and as Roosevelt remarked, when it comes to dealing with uncertainty "we have nothing to fear but fear itself".

Top Management Learning

The paper has explicated the importance of managerial judgement. It has also discussed the drawbacks of managerial judgements in the context of managing strategic change. So to summarise, the problem with top management is that it requires judgement; and the problem with judgement is that it is difficult to acquire and difficult to change. Learning analytic techniques is straightforward, however painful. There is a sense of legitimacy that comes from the psuedo objectivity of some analytical techniques. But judgement is personal, our judgements are us and we get very committed to them.

In the context of managing strategic change top managers need to be able to change their professional judgements. Indeed because they are most exposed to the world's uncertainties, they need to be able to change them more readily than anyone else in the organisation. Those who know how Japanese organisations function argue that they often make mistakes, they often show evidence of weak analysis. But most will also argue that their evident strengths lie in their ability to change. The authors believe that part of their strength lies in the willingness of Japanese top managers to listen to their subordinates and allow their judgement to be changed. Japanese organisations frequently seem to learn better, and quicker, than their Western competitors. This may be because Japanese top managers learn better. As we have seen, this is a matter of both personal and organisational attitudes to change.
We have referred to effective learning habits. What are these? All of us have to spend much of our lives learning. Cox and Cooper (1988) argue that top managers' ability to put effective learning habits into place early in their career is a clear determinant of what they do later. And it could be argued that top managers get to the top, not simply because they are effective managers, but because they have effective learning habits. The discussion about different types of judgement should alert us to the possibility that effective also means appropriate. There are different kinds of learning. Are the learning habits of a university student, a diploma of marketing student, a research archeologist and an airline pilot the same? How should top managers learn?

Mumford (1988) is a strong advocate of matching learning experiences, not only to the needs of top managers, but also to their individual learning styles. His research shows that one manager learns well from a process from which another will not learn. The thrust of this finding forms the basis for comments by writers, including Mumford (1988) and Margerison (1984), criticising management development programmes such as MBAs which tend to assume that all participants have the same needs and learning styles.

Conclusions

The paper argues that top management faces the burden of creating order from the chaos of competing ideas and interests which is an organisation. Top marketing managers have an important role to play in the process of creating, communicating and revising this rationality, i.e., in constructing knowledge through appropriating the language of meaning. This is the case not merely because of their proximity to customers and competitors and the legitimacy this might confer, nor their access to powerful analytical technology. Those elements are important in so far as they condition the experience that marketing managers acquire. But, the authors believe that the real value of top marketing managers lies in the judgements they bring to the organisation.

The point is made that top managers face four different types of uncertainty and that in dealing with each type the nature of managerial judgements will differ. Spender's (1989b) Strategic Balance Matrix has also been used to help visualise the different types of judgements that top marketing managers will be required to make. The case is made that at present the mainstream marketing strategy literature focuses on judgements driven by analysis or incomplete data to the exclusion of the other types. And the authors argue that in so doing this literature is failing to address a major area of top management activity, that involves top marketing management.

The making of judgements adds a special dimension to the obvious burdens of detailed and voluminous work that typify top marketing management jobs. The paper argues that judgement, like any other skill, has to be developed and updated through experiential learning. But, the temptation to let slip the burden of personal development is great when so many competing demands are made on top marketing managers' time. Yet, in the absence of continuous development and learning experiences, a top marketing manager's judgement, like that of any other top manager, is prone to ossification. If this is so, then the development and training of top marketing managers is an area further study.
Top marketing managers stand or fall by their judgements. This might suggest introspective isolation, as they focus on such matters. In practice the managers who survive and prosper often do so because they share their burdens with others, not just their confidantes and advisers, but those they work with, who have related experiences to help shape their judgements. The Japanese principle of nemawashi calls for lengthy discussions with all those affected before making changes. It also relies on the Japanese manager’s heavy sense of responsibility for those who work for him. This practice serves to illustrate the special challenges top managers face if they want to be open to learning from their subordinates. It requires a special commitment to getting the job done, to one’s junior employees as well as to one’s peers within and outwith the organisation.

Above all, the paper has drawn attention to the need to understand more about the judgement, learning and development of top marketing managers. It argues strongly against the orthodox view of 'judgement' in marketing management as a catch-all for something fuzzy and alchemic that decision makers 'do' when sophisticated marketing technology fails them. The authors believe that the contextualisation of marketing technology is about embedding it in a specific organisation with a specific culture and unique rationality which inevitably builds managerial judgements into the process that the technology itself is a part of. And so marketing technology is not a substitute for managerial judgement, but an aid to it.

The authors also believe that the inward assessment of outward problems that characterises marketing will make more sense where the nature of managerial judgement and creativity in marketing is better understood. In the end the real world is imperfect and eternally surprising. Strategy is more about dealing with these imperfections and turning them to an organisation’s advantage than about analysing what is clearly understandable. Dealing with imperfections calls for judgement. Thus organisations are more to do with who their top managers really are, marketing managers among them, than about the external circumstances which are so often thought to "explain" the organisation’s behaviour and its success.

The paper conceptualises uncertainty resolution as an act of theory construction which is itself a creative act. It demonstrates by means of argument that the mainstream marketing management literature is only capable of dealing with specific sorts of uncertainty and that they tend to be those that are amenable to analysis via the marketing toolkit. And so in this sense you could argue that the problems with uncertainty and creativity perhaps reside less with marketing managers, than with we marketing scholars who enter their world with preconceived notions which in many ways blind us to low deeds of judgement and the creativity inherent to them. What it is we marketing academics fail to notice about the agency of marketing managers? This sentiment is captured succinctly by R D Laing, the famous psychotherapist, in one of his poems:

_The range of what we think and do_
_is limited by what we fail to notice;
_and there is little we can do to change,
until we notice,
how failing to notice,
shapes our thoughts and deeds._
References


### Strategic Balance Matrix

<table>
<thead>
<tr>
<th></th>
<th>Analysis (perfections and certainties)</th>
<th>Judgement (imperfections and uncertainties)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources (Our Costs)</td>
<td>B</td>
<td>A</td>
</tr>
<tr>
<td>Markets (Others' Values)</td>
<td>C</td>
<td>D</td>
</tr>
</tbody>
</table>

(J.-C. Spender 1989)