

A Valid Matter for Managerial Foresight

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Abstract

The purpose of this paper is to qualitatively assess the validity of the managerial foresight concept. Social, environmental and technological aspects of past developments of a company, as well as self reported managerial behavior are interpreted and analyzed in terms of foresight and in terms of eight sub-components of the foresight concept. The results of the analysis reveal that both organizational and managerial behavior may be interpreted in terms of their foresight. Evidence is provided for the construct validity of a definition of managerial foresight and for the potential significance of specific individuals' foresight.

Keywords: managerial foresight, validity, organizational behavior

Introduction

While foresight is often lacking in practice (Hamel & Prahalad, 1994), since at least the early twentieth century it has been considered a fundamental part of management and significant to firm performance (Fayol, 1949; Knight, 1921). Over time, several definitions of foresight, which sometimes overlap, have been offered (Alsan & Oner, 2003; Hideg, 2007). The term has frequently been ascribed incorrect meanings (Horton, 1999; Major, Asch, & Cordey-Hayes, 2001). Subsequently, as a response to vague or incomplete definitions; managerial foresight has been redefined to allow scaled measurement (Amsteus, 2008), and a measurement scale has been developed (Amsteus, 2011a). Indeed, when deploying the measurement scale on 94 CEOs and their respective companies, there is a positively statistically significant correlation between foresight and firm performance (Amsteus, 2011b).

To be most effective foresight may need to be considered at the level of individual human beings (Eriksson & Weber, 2008) (Oner, Basoglu, & Kok, 2007). Likewise, despite the fact that the behaviour of a dominant individual may be shared by other individuals through interaction, the true value of information depends on that which is reflected through the decisions of individual decision-makers (Peterson, 2002). The point is that while recognizing the above writings, a review of the field reveals that studies specifically and qualitatively assessing the validity of the Amsteus (2008) definition of managerial (individual) foresight appear to be non-existent. Such assessments are vital to the advancement of the legitimacy and our understanding of the concept and its delineations (Bryman, 2008; Jonsen & Jehn, 2009).

Consequently, in an attempt to supplement the pool of evidence for construct validity of an eight sub-component definition of managerial foresight (Amsteus, 2008), this paper qualitatively and empirically illustrates how social, environmental and technological aspects of past developments of a computer-software company and self-reported managerial behavior, relating to the same company, may be interpreted in terms of foresight and in terms of an eight sub-component definition of managerial foresight (at the level of the individual) (*ibid*). The remainder of this article is organized as follows; firstly, setting the stage, the definition of managerial foresight is followed by a short discussion on validity. Secondly, the procedure deployed is presented. Thirdly, the case itself is presented, followed by the interpretation of managers' behavior, in turn followed by a conclusion and a discussion.

Managerial foresight and validity

In the above context, foresight has specifically been defined as: "Degree of analyzing present contingencies and degree of moving the analysis of present contingencies *across* time, and degree of analyzing a desired future state or states a degree *ahead* in time with regard to contingencies under control, as well as degree of analyzing courses of action a degree *ahead* in time to arrive at the desired future state" (Amsteus, 2008, p.58). Put differently, foresight is defined as a behavior in the sense of three dimensions and two aspects. The dimensions are *present situation*, *goal* and *plan*. The aspects are *analysis* and *time*. As the dimension *present situation* has been divided in two, *past* and *future*, there are in essence four dimensions; present situation past, present situation future, goal and plan. Each dimension has an analysis and time aspect which translates to, in all, eight sub-components; present conditions past (analysis and time), present conditions future (analysis and time), plan (analysis and time), and goal (analysis and time) (Amsteus, 2008; 2011a; 2011b) (Table 1).

Table 1. *Eight sub-components of managerial foresight*

Dimension	Present situation (or conditions)				Plan		Goal	
	<i>Past</i>		<i>Future</i>					
Sub-component 1-8	1 Analysis	2 Time	3 Analysis	4 Time	5 Analysis	6 Time	7 Analysis	8 Time

As concerning any variable, one of the most significant aspects of the measurement of foresight concerns validity (A.P.A., 1985). A measure is useless unless there is some evidence for its validity, that is, evidence concerning "... how well it measures what it purports to measure in the context in which it is to be applied" (Nunnally & Bernstein, 1994, p.112). Moreover, the term *validity* may refer to three different types; construct validity, content validity, and predictive validity (cf. Carmines & Zeller, 1979; Nunnally & Bernstein, 1994).

Evidence for *predictive* validity of the managerial foresight scale (Amsteus, 2011a), i.e. regarding the extent of agreement between the scale and a criterion (cf. Carmines & Zeller, 1979) has been found (Amsteus, 2011b). Similarly, evidence in terms of *content* validity of the managerial foresight scale, i.e. regarding the degree to which the empirical measurement can be considered as representative of the particular domain of content (A.P.A., 1985; Carmines & Zeller, 1979), may be witnessed in Amsteus (2008; 2011a). In specific, such evidence may be seen in the way items on the measurement scale are constructed, or how foresight is conceptualized in terms of number of sub-dimensions (Carmines & Zeller, 1979). Evidence for *construct* validity (i.e. Amsteus, 2008; 2011a; 2011b) of the scale, or the degree to which the measure behaves in agreement with theoretical deductions (Carmines & Zeller, 1979) may take several forms. Such evidence may concern the explication of the domain of observables associated with the foresight concept, or determining the extent to which observables appear to measure the same thing. It may also concern subsequent investigations, specifically devised to demonstrate the extent to which (measurements of) the concept conform with theoretical expectations (cf. Carmines & Zeller, 1979; Nunnally & Bernstein, 1994). Consequently, it may be apparent that there is no clear boundary between construct and content. Indeed, it is not possible to make rigid discriminations between the three different types of validity (A.P.A., 1985).

Evidence pertaining to one type of validity is generally also applicable to the other two types of validity (A.P.A., 1985; Nunnally & Bernstein, 1994). It may even be argued that there is fundamentally only one form of validity - construct validity (Nunnally and Bernstein, 1994). In any case, a flawless validation requires evidence across all three types (A.P.A., 1985). Moreover, evidence limited to, for instance, a specific expectation repeated in several investigations or several expectations in a specific study (cf. Carmines & Zeller, 1979) is not ideal. Evidence should rather be built up from a range of studies (Nunnally & Bernstein, 1994), and the result should ideally display a logical and uniform pattern (Carmines & Zeller, 1979). So this piece is a contribution towards a compilation of case studies on managerial foresight and is not definitive in and of itself.

Method

Nine interviews with seven managers were conducted in two steps. The first step consisted of four interviews. Themes obtained from the corporate website were used as a basis for the interview guide (available through the author). The interviewees were asked open questions concerning how or why apparent characteristics of the company had developed. The second step consisted of five interviews (two interviewees from step one took part in step two, in accordance with access granted by the company). Themes derived from the dimensions of foresight were used as a basis for an interview guide (available through the author). In addition, in step two,

specific emphasis was placed on the experiences of the individual manager. The respondents were asked open questions pertaining to their behavior as managers regarding each of the eight foresight sub-components.

The interviews were carried out analogous to Gillham's (2005) advice on semi-structured interviews. Each session was scheduled for 30 minutes, but was occasionally longer than that; as interviewees needed and were given time to elaborate their responses. Minimal information was given to the interviewees beforehand, and any questions were answered as short as possible. All sessions were carried out separately, in a personal setting, and at the company's headquarters in Sweden. When both the interview steps had been carried out, each interviewee received and (six out of the seven interviewees) anonymously returned a completed managerial foresight instrument (Amsteus, 2011a). An assessment of the interviewees' foresight relative to the foresight of the respondents of Amsteus (2011b) showed that the two samples were comparable: For the respondents of Amsteus (2011b) the mean foresight of that sample was 3.33 and the standard deviation was 0.584 (Amsteus, 2011b). In comparison, the assessment of the interviewees in this case study indicated a mean foresight of 2.95 and a standard deviation of 0.564.

Specifically focusing on past developments of the company and self-reported managerial behavior in terms of the Amsteus (2008) eight sub-component definition of managerial foresight (Llewellyn, 2007), qualitative data collection featured several approaches shared with general qualitative research (Miles & Huberman, 1994): Codes were applied to interview-notes. Reflections and remarks were taken down in the margins. The material was examined for commonalities, patterns, relationships between variables, et cetera. Commonalities from interviews were compared with official data (such as annual reports from the company). Illustration (Baldvinsdottir & Johansson, 2006; Samkin & Schneider, 2008) and hence interpretation was performed in a hypothetic-deductive manner: After an initial overview of the material, an informal hypothesis was advanced, which was then compared to the rest of the material and alternative notions concerning the issue. Then, if the hypothesis did not fit, another one was advanced, and so forth (Føllesdal, Walløe, & Elster, 2001; Johnson, Buehring, Cassell, & Symon, 2007). All data collection and analysis was performed by a single researcher.

The company

The interpretation was carried out in a semi-sequential manner, starting with the founding and foundation of the company; corporate cooperation, products, and standards for responsible gaming. Patterns and relationships of relevance to foresight were noted. Next, managerial behavior was structured and integrated according to the sub-components of foresight. Finally, conclusions were drawn from identified commonalities and were then discussed.

Founding and Foundation of the company

The case at hand is a company in the computer programming industry. This company is based in Sweden. It was founded in 1996. A team developed the company's first interactive (Internet) casino, which was launched in 1997 and

reportedly became an instant success. The firm's initial corporate aim was to operate the casino. But soon after the casino was launched, the company received numerous requests from investors and companies interested in purchasing their casino software. The firm's main focus thereby changed to the creation of complete Internet casino solutions for clients. The firm's focus has since shifted to the creation of customized e-gaming systems for several of the world's largest gaming corporations. The company sold its own Internet casino (cf. Case company, 2004), to focus entirely on refining the e-gaming solutions it develops for clients. It has been regarded as a world-leading creator of innovative e-gaming solutions. In the effort to ensure the long-term success of each client's gaming operation, the firm remains dedicated to continuous technological research and development (Case company, 2006) (cf. Case company, 1999). In 2008, the company was acquired by another corporation (Case company, 2009).

Corporate cooperation

The company cooperates with a handful of companies (Case company, 2006). Two of these will be highlighted and referred to as *A* and *B*, where *A* is a leading creator and developer of server-based mobile phone games and multiplayer games for a variety of digital media. According to the company's corporate website, *A* has also developed a unique 3-D platform in Java, allowing users to play games of skill in a web-based environment. *B*, a global management consulting, technology services, and outsourcing company, is and has been providing long-term assistance to strengthen the company's product development capabilities, and to shorten its delivery times and reduce its operating costs (Case company, 2006).

Products

The products offered by the company have been presented in groups such as Casino, Poker, Lottery and Bingo, Fixed-odds games, and Probability games. Regarding *Casino*, the company creates innovative as well as classic casino games such as slots, video poker, blackjack, craps, roulette et cetera. According to the corporate website, *Poker* headlines products such as Texas Hold'em, Seven Card Stud and tournaments, either through operating an independent system or through becoming a partner in the established Poker Network. The creations of *Lottery and Bingo* include the digital equivalent of lottery or scratch tickets. *Fixed-Odds Games* are described as quick-play games with fixed odds and experienced through a website or through mobile phones. *Probability Games* are described as games in which each and every player always has a chance of winning (Case company, 2006).

Responsible gaming standards

The company supports responsible gaming standards through the World Lottery Association, Technical Systems Testing and the Interactive Gaming Council: The company serves as an associate member and Gold Contributor in the *World Lottery Association*, the official organization of the global lottery industry. The firm's software has been independently and impartially tested and certified by *Technical Systems Testing* (TST), an internationally recognized testing firm, which offers testing and consultation services to both the land-based and interactive gaming industries, to ensure that games operate in a manner that is fair, secure and auditable.

In addition, the company is a member of the *Interactive Gaming Council (IGC)*. The council is a non-profit organization, established to provide a forum to address issues and advance common interests in the global interactive gaming industry, and to establish fair and responsible trade guidelines and practices, which enhance consumer confidence in interactive gaming products and services (Case company, 2006).

Interviews

The decision to develop the first interactive casino may be traced back to the founder. As one interviewee commented that, the inspiration came from the founder's interest in gambling. Indeed, there was a general agreement among the interviewees on the origin of the company's initial focus (i.e. the founder). When attention was turned towards how or why the company has had its current focus on e-gaming software, there was concurrence that this focus can again be traced back to the founder. One interviewee labeled the founder an entrepreneur, interested in gambling and the Internet, who saw that there was money to be made on online-casino. With regard to how or why the firm ended up focusing on their specific customer segment, the general view expressed by interviewees was that this has not been questioned, or that "why" has not been an issue. Once again, interviewees ascribed importance to the founder. One interviewee stated that the basis or foundation was from the experience of the founder within the industry. Another interviewee marked how this is where they come from, what they know, but that this, on the other hand, is beginning to change.

The decision that the company was not going to run its own casino could in retrospect be seen as somewhat controversial, as one of their customers grew to a value of 5 billion in Swedish krona within a period of three years - running their own casino. One interviewee reported that the decision to sell the company's casino was based on very limited, if any, analysis. The interviewee concluded that the choice to focus on the creation of casinos rather than on running them matched their (at the time) current technical competencies, and that the choice was made between long term royalties versus operating casinos internally. The analysis, if any, the interviewee argued, may have been focused on unifying the company.

The communicated dedication to continuous technological research and development was somewhat questioned by two of the interviewees. One argued that they were once the pioneer, but that this was followed by a focus on developing wholeness or a complete solution. With what can be interpreted as 'with a more present day focus', a third interviewee contended that there *are* two reasons for the dedication to research and development - (1) market demand for up to date products together with competition *and* (2) the need to build systems that are scaleable. That is, systems that can be adapted to customers and or extended with add-ons when demanded.

When focus was turned towards the development of tailor-made solutions, one interviewee argued that this has not historically been a company goal; rather, it has been the result of the sales force interacting with development and product personnel. According to one respondent the outcome could be labeled as strategy. The view was expressed that the presence of a pronounced or central strategy or in a sense "control" has historically been very low. In contrast, there has been a lot of

freedom with regard to pursuing individual ideas and interest. It was maintained that this has contributed to why the company has been a popular employer. All interviewees seemed to agree on that to what extent solutions are tailored can be discussed. One manager argued that solutions are not tailor made, or only to a certain extent. Tailoring is, as another respondent concluded, connected to a number of large customers in the beginning, but this turned out to be too costly. The focus on tailoring has, as a third interviewee marked, been changing towards standardization. The reasons are, as expressed by the respondent, connected to increased competition, size of the (smaller) customers, and cost. This in turn has to be balanced against the brand of the company associated with “something extra” or premium. In summary and maybe not surprisingly, it appears that the founder has been influential. Arguably, the informal and individual foresight of the founder rather than any firm-wide formal analysis across time on the sub-components of foresight has been critical to the founding of the company.

When focus was turned towards corporate cooperation and production allocation, one interviewee contended that the only real outsourcing has been done to *B*. In comparison, the company has a 10 percent ownership interest in *A* (see Corporate Cooperation, above). The cooperation with *A* has been done with a focus on skill games to complement the firm’s competence in terms of skill games.

With regard to the reasons behind choosing to out-source some production, two interviewees maintained that it was done to seek flexibility. One of them further contended that it was done because the products became so numerous, thus it was not possible to do everything in-house. There was somewhat of an agreement that outsourcing has been done to get access to competent personnel. As one interviewee put it – “...the products have become so many; the company can not do everything on its own, not in this town” (because of a lack of available skilled personnel). Another interviewee argued that the reason for cooperating with *B* in specific was to strengthen the company brand name when dealing with larger customers, as well as when selling and implementing larger gaming solutions globally. That is, advantages were arguably won with regard to delivering (globally). One respondent noted that the drawback with outsourcing in general is that it takes a while to get established, and sometimes there are cooperation problems. Moreover, it was argued that decisions have, in general, not been made with a long-term focus or commitment. The respondent gave an example in terms of the decision to allocate some production to the Philippines and Manila, which turned out to be more expensive than expected. The project was cancelled after three months, which the interviewee perceived as short-sightedness or lack of patience with regard to how the decision could have paid off long term.

A motive brought up by all of the respondents with regard to allocating production was cost, or low salary countries. One interviewee mentioned “focusing the business” as a motive, as well as potential candidates for outsourcing among less qualified tasks, such as repetitive work and maintenance. That is, keeping what is perceived as important in-house. As another interviewee put it; the motive was to identify key personnel (competencies) and keep those individuals. The respondent contended that, in the future, the company has to use low cost countries. However, another interviewee contended that flexibility and time (speed) has been more important than cost due to changing demand. In summary, and tentatively,

some corporate cooperation may have been pursued with limited time horizons and based on limited analysis (e.g. locating production to the Philippines), while other cooperations may have been pursued with longer time horizons based on more analysis (e.g. company *A*).

Similar to the founding of the company, it was maintained by interviewees that the reason for choosing the specific products or product-groups stems from specific individuals. For example, someone mentioned, the game Bingo was close to a head of development's heart. Also, there appeared to be agreement among the interviewees that (at the time) current customers have steered choices: Customers wanted one supplier or provider for all their needs. And as one interviewee maintained, the company has followed its customers and grown with its customers. Another respondent labeled this a natural development. Someone mentioned the roles of the product managers, however, another respondent noted that it is only just recently, a year ago (2005), since product managers have been positioned. With regard to how products have been developed, it was argued that programmers have had a lot of freedom. But one requirement or restraint on the programmers has been that the programming language chosen should be flexible. Regarding the choice of media channels, one interviewee contended that the market has been the driver. Another interviewee argued that personal computers and the Internet are the foundations of their business, while mobile phones and digital TV are put on hold (2006). One interviewee concluded that the choice of channels has been made through trial and error. Also, as another respondent added, historically it seems that individual pet projects (or what was seen as a trend by someone, that is, single individual's visions) rather than broader structured or organized analyzes have been guiding choices. In summary, similar to the founding of the company, the significance of the foresight of specific individuals (and specifically their foresight concerning customers) may be highlighted regarding products (and media). However, the flexibility requirement may be interpreted as the result of foresight across individuals (something that has been consistent over a comparatively longer period of time).

One interviewee concluded that the demands set by the World Lottery Association are a precondition to developing these types of games; customers demand this. Technical Systems Testing concerns issues such as ensuring randomness, and the Interactive Gaming Council concerns legal issues. According to another respondent, the stance towards the World Lottery Association may have historically been the only real long-term strategic decision, and thus short-term decisions have been made regarding everything else. Indeed, more generally, two interviewees maintained that there has historically not been a lot of formal analysis. It was, as mentioned, argued that generally decisions have not been made with a long-term focus or a long-term commitment. Rather, as someone put it, when problems have appeared they have been solved. Another interviewee maintained that decisions have to a very large extent been based on gut feelings, or different people's interpretations and interests, and that the company has been characterized by an "entrepreneurial spirit" for a long time. In summary, there appears to have been limited formal analysis, combined with limited time horizons, where the engagement concerning the World Lottery Association may be viewed as an exception.

Managerial behavior

In the following section, self-reported managerial behavior is interpreted, structured and integrated according to eight sub-components of foresight; present conditions past (analysis and time), present conditions future (analysis and time), plan (analysis and time), and goal (analysis and time) (cf. Amsteus, 2008; 2011a; 2011b).

Present conditions - Past: One interviewee contended that looking backwards in time is a must. One example concerns the amount of capital that has been spent on developing a product. As looking into the past may be hard work, it is often done on a need to know basis. It is rarely done in a formal sense. When it is done in a formal sense, it may be based on statistical data. But mostly it consists of personal experiences. Another interviewee remarked how the historical dimension pertains to ones entire collection of experiences relevant to the situation at hand. Often it concerns issues that then can be addressed or corrected immediately. On the other hand, the simple issues have already been taken care of. According to one respondent, the historical dimension may stretch very far back in time, but the length may vary a lot. Another respondent maintained that the length may be about six months into the past, but that it depends on how close to present the decision to be made is, suggesting that a decision residing far into the future may render information pertaining to the past less important in a specific case. One interviewee noted how the length of the time horizon into the past covered might be connected to the state of the economy. A worse situation may warrant looking further into the past. Another factor influencing the extent of analysis is what information is available.

As a personal example of a useful past experience, one respondent recalled how specific people, such as a project manager, who's meetings, planning skills, behavior, general style, roles taken, and way of working entails good experiences to draw upon. Another respondent recalled a project a couple of years back, and the lessons learned regarding the dangers of focusing on the product rather than on problems: Problems may concern responsibilities and roles within the organization, as well as conflicts among stakeholders, which may be more critical to manage than more product related issues. The respondent contended that the importance of making sure that the individual is taking part in group work and in team spirit are significant past personal experiences to draw upon. In summary, personal experiences appear very significant, and the length of the horizon into the past may vary. The situation at hand and the information available may influence the length of the time horizon considered and the extent of analysis performed.

Present conditions - Future: One respondent maintained that "...firms usually look three years into the future, but that the managers of the company generally, at the most, look six months into the future". Still, one respondent acknowledged how looking ahead may pertain to long or short term horizons, three weeks, three to four months, six months or two years. Two other interviewees argued that the time-horizon into the future is one year at the most. It was contended that the future dimension pertains to what is relevant to the situation at hand. Similar in comparison to the past dimensions, it was reported that looking at the future may take the form of logical analysis or gut feeling; it may be addressed in informal and formal form, and both forms may have their advantages and drawbacks. Speaking from personal

experience, one respondent noted how some companies have formal processes looking further into the future, but at the company “it is not like that at all”.

As a personal example of when looking forward in terms of the present situation was or would have been valuable, one respondent recalled how resource matters, for instance, in terms of staff have been a frequent issue. If a new staff member was not available it would not be possible to deliver as expected, say within two or three months. At the same time, the economic situation had resulted in procedures put in place which meant that it would take six months to gain approval to hire the staff-member required, that is, not until it was too late. Another respondent contended that it may not be brought into focus very often, rather, mistakes are made continuously, and in the end they catch up with you. For example, as when the cost of a product clearly will be too high (for various reasons) when looking a year into the future. In summary, and tentatively, it may be that formal assessment is somewhat more frequent or salient with regard to the future than with regard to the past. Also, as previously noted it appears the lengths of time horizons and extent of analysis performed may vary.

Goals: Respondents contended that the company does not engage in much analysis of goals compared to companies which analyze their goals regularly. Indeed, it was argued that other companies may have “three year goals”, which they in turn break down into “one year goals”. One respondent observed that the level of detail or extent of analysis in terms of goals varies depending on the decision to be made. It may depend on the information available, and may take the form of calculations. With regard to the time horizon, goals reportedly reside half a year or maximum a year into the future; but there are (sometimes informal) goals in the shorter time perspective too. The reasons given for what interviewees themselves perceived as a lack of long-term goals were that circumstances change. As one respondent put it, three to twelve months is a lot. But again, respondents also noted how it differs a lot – that individual goals reside at different time horizons. Another interviewee reported how looking ahead may pertain to long or short-term horizons, and may concern following up goals, or the translation of the goals of the board.

As a personal example of goals, one respondent recalled his goal to make changes in terms of co-workers’ roles and responsibilities. This was, according to the respondent, a goal that came about against the background of personal experiences of being governed by somebody else, i.e. the example of the project manager who’s planning, behavior, and roles were good experiences to draw upon (see *present situation, past*, above). Similarly, another interviewee recalled a personal goal as a manager: To organize as effectively as possible (again against the background of *present situation, past*, above). That is, according to the interviewee, getting rid of “owners” of products means getting rid of large problems, as well as avoiding the creation of key people that cannot be replaced (i.e. managing problems rather than products). In summary, the extent of formal analysis in terms of formal goals appears to have been relatively limited, and the same may be said regarding the length of time horizons. In comparison, individual managers’ goals may reside at different and potentially longer time horizons.

Plans: Respondents reported that the degree of analysis or the level of details of plans may be completely different depending on the issue at hand, but generally, they are not very detailed. Plans are generally rather loose according to the interviewees. Indeed, “in reality” one respondent argued, the plan may be put in place after the

decision is made. In contrast, according to another respondent, plans are very well analyzed or developed to a very high detail. They are continuously analyzed on an informal level, but also formally. With regard to the time-horizon, and where as in other companies three year plans for the whole firm may be broken down to department level plans, plans at the company usually span six months. However, as one interviewee contended, the product development process may be one year, and it may be fruitful to look six months to a year ahead in time because someone may quit, or there may be a need to recruit or train personnel.

At the level of the individual manager, one respondent contended that as the budget is planned a year ahead, it is very well defined what is to be done, and there is also direct communication with the closest superior manager. Another respondent noted how planning is very detailed, for example, in terms of foreign (Indian) staff situated at the local office in Växjö, so that questions can be answered, co-workers can be involved, and so that plans can be presented and scrutinized to assess whether or not they hold. In summary, the amount of analysis performed in terms of plans appears to vary considerably, and concerning time, the furthest horizon reportedly varies between six months to a year.

Sub-components combined

When specifically asked to give an example of when the present (past and future), goal, and plan have been interrelated in terms of personal experiences, one manager noted that there are resource matrixes, time-plans, and weekly plans. Past experiences however, show that there is often more trouble than expected. Issues are more interrelated or dependent on each other. For example, products do not arrive or are delayed. As a result, and in an attempt to adapt to and take into account changing conditions, the respondent's aim is to continuously stay in touch with senior management or the nearest manager. Another respondent mentioned the specifications of the product. For example, the issue concerning how many gamblers a software product should be able to handle. Looking back and from past experiences the specifications used as benchmarks may be outdated by up to five years. And, the manager argued, "even though there are different opinions on the issue, it is clear that the demands or requirements on the product will increase, and will have increased when the product is to be launched". As a consequence, the respondent reported, he creates personal and explicit goals, if not, he argued, the work on the product specifications would be inadequate. In summary, it is possible to delineate personal managerial experiences in terms of a process, which in turn is possible to structure according to the eight sub-components of managerial foresight.

Conclusion

The case illustrates that it is possible to interpret past developments of a company and managerial self-reported behavior in terms of foresight, analysis and time horizons, and in terms of the eight sub-components of managerial foresight, i.e. present conditions past (analysis and time), present conditions future (analysis and time), plan (analysis and time), and goal (analysis and time). The case further illustrates that managers may perceive that present conditions, goals, or plans are analyzed to varying degrees and across various lengths of time. Consequently, and as this is in accordance with what could be theoretically expected, it may be considered

as empirical qualitative evidence of construct validity of the eight sub-component definition of managerial foresight. Moreover, the dimensions of foresight may be considered distinct by managers, but share several features. Whether the dimensions of foresight appear as informal rather than formal, personal rather than impersonal, and covert rather than overt may presumably be connected to the significance of individuals (interviewees) in terms of their managerial position. Indeed, individual foresight at different levels in the organization may be interpreted in terms of bottom up or top down strategy, depending on where in the hierarchy the individual resides. Presumably, the more significant the individual(s), such as a founder of a company, the more critical the behavior of these individuals on the dimensions of foresight for the decisions made. In summary, this paper contributes to the present pool of evidence concerning the construct validity of an eight sub-component definition of managerial foresight.

Discussion

It was concluded that developments of a company can be interpreted in terms of managers' foresight. Indeed, the importance ascribed to the founder in terms of the development of the first interactive casino, the focus of the company, and the chosen customer segment may reflect the significance or the importance of foresight of a *specific* individual(s). Certainly, the fact that the focus on the particular customer segment has not been questioned may be viewed as additional support for this interpretation. Moreover, the notion of an important founder may tentatively allow a comparison to be made to a top down approach to strategy, i.e. strategy developed and communicated from the head or founder to the rest of the organization, rather than in the opposite direction. Hence, tentatively, the foresight of the founder has been critical.

Additional understanding about such critical individual foresight may be sought by making a distinction between leaders and managers or while it can be criticized (e.g. Fox, 1996), through the analogy of steering versus rowing (i.e. Osborne, 1993). If a company is understood as a system made up of two archetypical types of managers, whereby one type is characterized by considerable foresight (steering), and the other type is characterized by very little foresight (rowing), the manager with more foresight (the founder) may tentatively be labelled a leader (and the type characterized by very little foresight may tentatively be labelled inert). Simplified, it may be visualized how the founder perceived problems or opportunities, and a system (a company) was set up (top down) to solve the problem, or to take advantage of the opportunity. In essence, *steering* created the system (and it may be argued that the system is, to the extent that individual foresight is more important than organizational foresight, *rowing*) (cf. Osborne, 1993).

The decision to sell the internally operated casino and the perception that this was done based on no or limited analysis exemplifies a perception that decisions are taken with very little foresight in terms of the analysis aspect. That is, it suggests that the present conditions, goals, or plans may have been analyzed to a very limited degree. It also hints to the difference between individual or covert forms of analysis, and more structured or formal overt forms. Indeed, it may be proposed that some part of the perception concerning these behaviors (e.g. the extent of analysis performed) is related to the position of the respondent (e.g. hierarchically within the

organization) relative the decision being made.

It can only be speculated regarding whether the choice to match operations to (at the time) current technological competencies (and selling the casino, rather than expanding it) was made accompanied with a low degree of foresight. The same may be said concerning the reported drift from being a pioneer to focusing on delivering a complete solution and the adaptation to customers; or concerning tailoring to large customers in the beginning versus the subsequent change towards standardization in later stages; or concerning allocating production. However, in general there appears to have been a drift from being a pioneer and a groundbreaker towards becoming more focused on managing the present. This may also be seen in the agreement among the interviewees that (at the time) *present* customers have steered choices; customers who wanted a single supplier for all their needs.

A sales force that works together with production personnel tailoring or developing (e.g. relatively free programmers) may, in terms of strategy, be viewed as a bottom up process, i.e. strategy that stems from lower levels within the organization. If occurring at the same time as the top down processes (e.g. the demand that the programming languages used should be flexible), it illustrates the potential significance of foresight of individuals at different levels within the organization. Presumably, the influence of a specific individual or various (e.g. managerial) level(s) within the organization may shift over time. For example, the importance of the founder's foresight may diminish as the company grows. Any single manager (such as the founder) or limited number of managers may have limited managerial resources (such as the stamina required to maintain foresight) to apply as the company grows (cf. Penrose, 1959). Similarly, outsourcing was reportedly pursued as a result of the products becoming so numerous, rendering in-house production unfeasible, as well as a result of the need to get access to competent personnel. In general, outsourcing should entail less in-house control over the functions being outsourced, which consequently may further diminish the importance of any single individual (internal) manager's foresight.

Put differently, with increasing organizational size, there is a danger that inertia (or bureaucracy) may grow with an increasing number of rowers, in essence limiting further growth (cf. Penrose, 1959), or the steering may simply lose its momentum (i.e. the foresight of the individual who did the steering may decrease). That is, there is a danger that an organization or system will not change (even though the environment changes), which implies that the organization may run into problems when faced with competition. A solution to such inertia may be to increase productivity in some form, which in turn implies some form of entrepreneurship or change within or with regard to the organization. To the extent that the foresight of specific individuals is important, the organization or system initially set up by an individual with foresight, in turn may need to consult individuals with foresight positioned both hierarchically and horizontally and to set up such individuals. That is, the system or organization may need to give individuals the time and freedom (flexibility) to "steer rather than row" (Osborne, 1993 p. 352). These individuals may then recreate the organization. The recreated organization may again need to allow individuals with foresight to recreate it, and so on, in an endless process of recreation. Tentatively, some principles, while not unproblematic and potentially contradictory (e.g. Fox, 1996), that may promote such interplay between the system and the individual may include the minimization of rules and the focus on goals or

missions; focus on results rather than inputs; focus on customer driven (internal) competition et cetera (cf. Osborne, 1993).

Problems were reportedly being solved as they appeared, and decisions not being made with a long term focus or with a long-term commitment, may be interpreted as if the future time horizon has been relatively short, both in terms of present conditions (past and future) goal and plan. Additional support for such an interpretation may be seen in the claim that the stance towards the World Lottery Association may have historically been the only real long-term strategic decision. Generally, it appears that there has not been much formal analysis on any of the sub-components, rather, gut feeling and individual interests have guided choices. Hence overall, the relatively short time horizons and little formal analysis may again imply limited foresight. However, foresight is not necessarily formal or overt, and may vary depending on the situation and over time. Foresight may be informal and covert (for the individual), which presumably makes it harder for an outside observer to assess the extent of analysis or movement across time, and it may differ across the sub-components (or across individuals and levels within the organization). Certainly, it appears that the difference between management and leadership, or between steering and rowing is not a digital one, rather these archetypes may be considered as endpoints on a continuum. And if leadership (or steering) is considered inherently and positively associated with success or performance that is not based on randomness or luck, it appears that foresight is a core element of both.

While there are variations, six months are mentioned for both the past and the future on present conditions, as well as with regard to the goal and plan sub-components. It is also hinted that the activities on the sub-components may be connected to, not only the decision at hand, but to economic conditions or the information available. Analysis may pertain to personal experiences. It may also take the form of following up goals, or the translation of the goals of the board, and the level of detail may vary a lot depending on the issue at hand, or as mentioned, depending on the information available. The activity on the dimensions may vary between individuals, and it appears it may take the form of conscious logical analysis or gut feeling.

Turning attention to the more personal managerial behavior in specific, it was concluded that it is possible to interpret managers' behavior in terms of foresight. Indeed, the examples of the manager's personal experiences on each of the sub-components, as well as of combinations of the sub-components illustrate how they can be deployed to tentatively interpret managerial behavior. The foresight sub-components may be regarded as formal or informal, on a personal or impersonal (e.g. formal firm procedures) level, or as covert or overt. In the case of the present company, it appears that they are informal rather than formal, personal rather than impersonal, and covert rather than overt. Presumably, this may be connected to the ascribed importance of individuals. That is, individuals rather than structured procedures have been seen as the ones deciding and defining operations.

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