

QUALITATIVE METHODOLOGIES OR MEASURES TAKEN FROM FINANCIAL INSTITUTIONS REGARDING THE MANAGEMENT OF THEIR REPUTATION

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Abstract

Paper scope:

- a) *The meaning of reputation*
- b) *The worth of reputation*
- c) *Qualitative methodologies regarding its management*

Method:

- a) *References to relative literature on the subject.*
- b) *Description of the day by day practice of the institution of Millennium Bank in Greece, garnering information with the method of interviews to the upper level staff*

Results:

- a) *Comprehension on basic elements and tools on the significance of corporate reputation*
- b) *Introduction on day by day practices for reputation management from a financial institution*

Keywords: *Constituent elements of the reputation, The worth of a good reputation, the stakeholders theory, Crisis management, models of measure of the reputation, Chief Reputation Officer and the CEO's role for the reputation of the institution*

1. The Meaning of Corporate Reputation

By general confession, when encountering the theory that reputation is important, the executives of a company pose the inevitable question: "so, what reputation is actually worth?". Everybody, from the communications' executives to the heads of Marketing and Finances, seeks an answer. Dr. Fombrun (3) used the following example in order to give us an idea regarding the meaning of reputation.

"Do you recall the last time you hired a contractor to make improvements to your house or apartment? Or the last time you called on travel agent assistance in planning a trip? Or those less than happy times when you required the advice of a lawyer, accountant, dentist, or doctor? Think about how you came to choose that particular contractor, travel agent, lawyer, accountant, dentist, or doctor. If you are like most people, chances are, you didn't just pick up their names out of a phone book. You probably went to them because they were recommended to you by a family member, friend, or someone else you trust. If so, they are hired based on their reputation. A company's prestige, its good reputation, as well as the brand's added value will be determined by the quality of the relationship with the consumer. The sales and market share will continue to be important (8) but will always constitute historical ratings. The company's value will be determined by the future return that is based, on the one hand, on the company's prestige and good reputation –constituting the most intangible asset- and, on the other hand, on the quality of the relationship between the brand and the customers.

The value of reputation and thus of its proper management for every company becomes even more imperative, if one takes into account that the generation of surplus value for the company requires the effective management of image and reputation not only at the consumer-customer level, but overall and towards all stakeholder groups, in order for the firm to create a competitive advantage, converting stakeholders to advocates-ambassadors of the company and the products. Corporate reputation constitutes hence an intangible asset with cumulative power and is thus difficult to measure. Its measurement is mainly conducted on the basis of surveys examining characteristic qualities of the company, their effect on the various stakeholder groups, as well as the overall performance of the company in its field of activity.

2. What Makes a Good Reputation

Basic components of corporate reputation are corporate identity and corporate image. Good corporate identity can have two possible effects on corporate image (Dr. Dowling) (2). First, people can make the correct association between the company and its identity symbols (i.e. golden arches of Mac Donald's). Then hopefully these identity symbols help people recall their image of the company – which may include a mental picture and/or sensory feelings about it (we had a good time there when we last visited). However, much of this image may be the result of rote learning. For example, through years of advertising and widespread availability, most people now recognize Mac Donald's and associate it with fast food and family restaurant atmosphere. Some corporate identity symbols may also automatically enhance the organization image. The definition of corporate image above suggests that this construct has two components: a “logical” (cognitive belief) component and an emotional (feeling) component. Both of these are necessary and both are usually experienced simultaneously in the person's mind. They fit together to form an overall corporate image. The role of the emotional component is to energize the individual to respond to the company – such as a customer buying a product or an employee working harder. Beliefs without emotions are not effective – someone or something else has to stimulate action. In effect, a good corporate reputation represents a tight “fit” between the image of the company and the individual's free-standing value system. According to Dr. Fombrun (4), corporate identity describes the set of values and principles employees and managers associate with a company. A corporate identity captures the commonly understood features that employees themselves use to characterize how a company approaches the work it does, the product it makes, and the customers and investors it serves. Corporate identity derives from a company's experience since its founding, its cumulative record of successes and failures. It describes the future of the company that appear to be central and enduring the employees. On a day –to–day basis, corporate identity appears in the managerial practices managers employ in their dealings internally with employees and externally with other constituents. Every one of us, however, regularly recognizes a company by its name and by the many presentations it makes to describe its actions, its plans and intentions. Those self-presentations can be interpreted more or less favorably and form mental images of the company. More often than not, the image is distorted (a) as the company tries to manipulate its public through advertising and other forms of self-presentation or (b) as rumors develop from the unofficial statements of employees to peers, analyst and reporters. Dr. J. Larking (4) appose the constituents of corporate reputation by setting down fields like Product & Services, Workplace environment, Social responsibility, Vision & Leadership, and Financial Performance. All these are leading to the mobilization of the emotional appeal as first step to the triptych of admire, feel and trust of the internal and external stakeholder group which leads to the topology of reputation. Further to the above is now well understood that an organization does not have a single image or reputation-it has many of them. In fact, (Dr Dowling) (2) each person will form a (slightly) different evaluation of an organization! (Figure What is needed is a way of clustering people in to groups who are likely to hold similar evaluations of the organization, dissimilar from those of other groups. This grouping is based on one of the fundamental organizing principles of modern marketing, namely market segmentation. In a broader sense, stakeholder relationships can be characterized into various emotional types. The type of (desired) relationship a company has with its stakeholders is important because it can have a big impact on the beliefs and feeling (i.e., images) people hold of the organization, and on the fit between these and the free-standing values of the person (and thus their reputation). The different functional relationships people have with an organization will also influence the amount and types of information they want about its activities. Managers need to understand which groups of stakeholders are important to the organization, what type of relationship they have with it, and how these relationships affect their beliefs and feelings about the organization. Research can also be used to profile the different mix of freestanding values each group holds.

3. Leadership (CEO)

According to the research “Building CEO CAPITAL 2003” (Advocate / Burson-Marsteller) (5) arise that the relationship between corporate reputation and CEO is straightly involved. The CEO's reputation and prestige affect gravely the actions with which the company is recommended as potential partner, good employer, and good and promising investment as well. Furthermore the CEO's reputation affects strongly the trustworthiness and reliability of the company and consist a holdback to rumors and pressures. A CEO can integrate his/her organization's internal activities and co-ordinate these with its external communications to project a desired image. The models “Pathfinder”, “Commander”, “Change” and “Vision” can be summarized in a table. Nevertheless Dr. Dowling (2) says that promoting the CEO as major attribute of the

organization may, how-ever, be a high risk strategy, especially at the time of succession to the leadership. To avoid the problem of the CEO's style and values dominating the organization, many organizations create a Vision Statement which is independent of any individual.

4. New Executive Role (CRO)

According to Dr. Fombrun, (3) much as companies appoint a chief financial officer to safeguard financial capital, a chief operating officer to monitor operations, and a chief information officer to control and manipulate corporate databases, so might they benefit from appointing a chief reputation officer (CRO) to watch over the company's intangible assets. So he proposes companies to create a new executive role. The CRO's tactical responsibilities would include oversight of pricing, advertising, quality, environmental compliance, investor relations, public affairs, corporate contributions, and employee, customer and media relation. The CRO would act as a corporate guide, working with specialists in each area to help them see the reputation consequences of their decisions. If necessary, the CRO could impose an opinion.

5. Reputation Risk Matters - Crisis Management

Considering reputation risk is not dissimilar to looking at operational or financial risk. Conventional risk management can increase value in different ways –it can reduce a company's regulatory and tax burden, minimize potential for financial volatility, increase debt capacity and help to maintain a particular risk profile that enables investors to assess performance. Traditionally, risk management has not been undertaken in a co-coordinated way across a business. While managers have always been involved in some form of risk management, risk has tended to be dealt with separately. (J. Larkin)(4). An organization in order to manage effectively reputation risk has to put in to practice the following described steps. 1. Establish early warning and monitoring systems–the reputation risk radar, 2. Identify and prioritize risks (and opportunities), 3. Analyze the gaps, 4. Develop strategies and action plans, 5. Implement 6. Keep the radar tuned

6. Qualitative Methodologies Regarding Its Management

(G. Davies et al.)(1) Many companies are reluctant to provide specific examples of what they did to success and track their reputation. Some of them argued that it was too ethereal to measure. Most used one or more proprietary measures of media exposures. (i.e. number of mentions of specific issues related to the business). Few had used any of the market research tools (positioning analysis, multidimensional scaling etc) that could be used to assess and track actual consumer opinion. Measurement appeared to be more *ad hoc*, and issue based. Asking about measurement did reveal much about the origins and function of the responders and their roles. Dr. Dowling (2) stress that the simple truth of the matter is that the only way accurately to gauge what people think of an organization is to ask them. This is easy to say, but often difficult to do, because it takes valuable time, it costs money that has not direct contribution to generating bottom line profit in the period in which it is spent; most organizations will need to employ the services of an outside market research firm to help; and it is not intuitively obvious how one measures elusive concepts such as corporate image and corporate reputation especially year after years. Any of these reasons is generally sufficient to kill the idea of measuring corporate reputation. Fortune measures corporate image across eight attributes such as quality, investment value, community and environmental friendliness. Over the years researchers have discovered that all eight attributes are highly correlated with each other (>0.60) and when factor analyzed, the produce only one factor. The second reason for not using these publicity syndicated measures is that most do not discriminate among the images of different stakeholder groups. Hence they need to be measured separately. The third reason is that they do not distinguish between a measure of corporate image and corporate reputation. The components of image are what a manager can seek to change, while a stakeholder's values act as the benchmark to calibrate the corporate image. Hence, measuring how a company rates on a set of image attributes does not really provide a measure of the reputation, or super brand value of the company. Therein after Dr. Dawling (2) suggests that is necessary to collect as much of the following information as the budget allows. 1) a detailed measure of the images and reputations held by various stakeholder groups, 2) similar although often less detailed, measures of competitive organizations and 3) an indication of the characteristics of an 'ideal' organization in the specific industry. These measures must be designed for diagnostic purposes, not just as a scorecard. So Dr. Dowling gives a measurement process with the following three-stage research approach. First use qualitative research techniques to discover the attributes of corporate image and reputation (free-standing values) and the outcomes relevant for various stakeholders

groups. Second design a survey to have stakeholders rates the company and its competitors. Third, do some statistical number crunching to quantify the corporate images and reputations, and calibrate strengths and weaknesses. The Harris-Fombrun reputation quotient, mentioned by G. Davies et al (1), is a relatively new alternative to the most admired lists. The quotient is calculated from a list of twenty attributes representing six dimensions. In an analysis of the six dimensions, the originators suggest that ratings for products and services, workplace environment, social responsibility, vision and leadership and financial performance each contribute to emotional appeal which in turn creates reputation. Thereinafter the Rotterdam Organizational Identification Test (ROIT) has to be mentioned. The ROIT questionnaire (1) consists of a number of elements divided into six groups. (Van Riel and Balmer, 1997) The key measure is that of the employees identification with the organization, for example their feeling of belonging, acceptance and security. However the ROIT scale does not reveal the nature of corporate identity itself, more the inputs to and the consequences of that identity. G. Davies et al. 2002 appose the Aaker scale (1997). It has to be mentioned as well. Aaker derived a generic scale to measure brand image. She used the personification metaphor and her scale for brand personality consists of forty-two items. These describe the personality of a brand along five dimensions, labeled: sincerity (11 items), competence (9 items), sophistication (6 items), excitement (11 items) and ruggedness (5 items). In her questionnaire respondents were asked to imagine that the product, service or corporate brand being assessed had come alive and to assess its personality on a five points scale from strongly disagrees to strongly agree. In the Greek context, we have the "Reputation Balance" survey for companies and businessmen by Tradelink Reputation Management (8) (journal 2002, 2003), which is based on the same method as that of Harris Interactive. It is an empirical survey that has also been conducted in Greece in the last five years in cooperation with the Reputation Institute of New York and Professor Charles Fombrun. The methodology followed is initially qualitative with personal interviews with opinion leaders, separate group discussions with investing public and public opinion representatives, and then quantitative telephone survey with structured questionnaire to the same categories of public. According to the survey, the structure of corporate reputation is based on six interdependent pillars. Corporate reputation and prestige depend on the good products and services, trustworthiness, social responsibility, financial vigor, good work environment, vision and leadership of the company.

7. Study of Millennium Bank Day By Day Practices In Greece Qualitative Methods

As it has already been mentioned, the purpose of the present survey is principally an effort to show through international literature, articles and the internet, the theoretical approaches with regard to the management of Corporate Reputation. In the second part, we attempted to record the way in which Millennium Bank implements (if it does so), and to what degree, what was recorded as international practices with regard to the management of its reputation capital. It is a qualitative survey that aims, on the one hand, at penetrating into the operation of reputation management, as implemented Millennium Bank, and on the other hand, at comparing these practices to the ones included in international literature. The main advantage and, at the same time, disadvantage of this case study method is the emphasis placed on the detailed study of a limited number of persons, organizations, events or circumstances and the relations between them, which is too restricted to provide sufficient trustworthiness or generalization possibility of findings (Robert K. Yin 1981). As regards the Millennium Bank section, they were performed through open interviews with senior executives on the basis of the questionnaire provided to them to fill out. Moreover, various slides of corporate presentations, photographic material and interviews of the CEO relevant to the matters for development, were provided to us. The questionnaire was developed based on the main modules of the literature review and was divided into four parts including: a) General questions on Corporate Reputation, b) Questions regarding its management by Millennium Bank, c) The role of the leader in the management of Reputation and d) Demographic information. This grouping served to facilitate respondents to fill it out through a logical flow. As for its form, it includes both open- and close-ended questions and used Likert scaling ("Strongly disagree" – "Strongly agree" with five levels), rating scales ("not important" – "extremely important"), even number of answers (balanced) and odd (in order to be given the neutrality option) Finally, according to pre-check, the questionnaire completion time was calculated at ten minutes, while it was in parallel confirmed that it can fulfill the purposes of the study.

8. Survey Results

Description in what ways reputation affects the day-to-day operation and evolution of your company. The Bank acknowledges the contribution of reputation both in day-to-day operation and its evolution

diachronically. All responding executives took a clear position with regard to the importance of reputation, as well as the necessity of its management. In line with their particularly converging views, they stated that, thanks to reputation, Millennium Bank enjoys a number of benefits, such as: 1) possibility to hire competent executives, 2) build long-term relations with its customers, 3) create “ambassadors”, which results in increase of its market share, 4) enhance trust relations with the customers/ investors, 5) enjoy positive atmosphere of public opinion, 6) achieve positive publicity as far as the Mass Media are concerned. For all the above, effort is put to reinforce the administration's and the overall personnel's commitment in achieving the highest level of honesty and trustworthiness. In addition, however, to these two elements, one more element constitutes a principal goal of the Bank's communication policy: it is its effort to communicate its ability to provide high standard service and products in all its fields of activity. By adopting the phrase “Millennium Bank, the Bank you have wanted”, it exalts it to its main philosophy, addressing to both retail banking and private or business banking customers, practically embracing the viewpoint of C.J.FOMBRUN (3) (2003) that “the range of works/ services provided by each Bank in the major fields of the sector is an important index of its reputation”.

Grade each of the following measurement criteria of corporate success per their importance degree in your opinion. Use a scale from 1 through 7, where “1=not important criterion and 7=very important criterion, by crossing the respective boxes.

(PROFITABILITY, RETURN ON INVESTMENT (ROI), MARKET SHARE, CORPORATE REPUTATION, SOCIAL RESPONSIBILITY, SUSTAINABILITY, CORPORATE GOVERNANCE, QUALITY OF PRODUCTS / SERVICES)

Elements, such as corporate reputation, return on investment (ROI), market share and quality of products and services have also been ranked at the top importance scale. Of course, this may also been explained if we take into account that the examined company is a Bank and, additionally, a fairly new one in the domestic market. As it is evident, more economic criteria precede, since, for the Bank, success or failure is measured on the basis of the goals set, and the goals of credit institutions refer to and principally pursue the achievement of profitability and claim of the biggest possible market share, based on the offered products/ services.

In addition to the criteria mentioned above, one observes that criteria, such as corporate social responsibility, sustainability and, finally, corporate governance, are considered of lower importance (still above average). *What is the position held by reputation in the company's strategy?* The viewpoint of all three Millennium Bank executives, who responded to this question, coincided. Justifying the contribution of reputation to the day-to-day operation of the company, they consider that reputation management should hold a very important position. And this was supported by choosing from a 5-level scale including Not Important * Slightly Important * Important * Very Important * Extremely Important. Such a thing, certainly, involves the development of a special Corporate Reputation Management Program, provision and disposal of a relevant appropriation and the existence of an executive charged with the duty of reputation management. In reality, this is partly provided for. Reputation management in the broader sense is exercised by the CEO and Managing Director, assisted mainly by the Communication and Public Relations Manager, as well as by certain members of the Board of Directors. It is thus obvious that there is no provision for a respective program, appropriation and executive. In other words, except for the actions of the CEO and Managing Director, the procedure mainly passes through the activities of public relations. Another element that should be mentioned at this point is the establishment and operation of an autonomous Bank Compliance office. If one wants to define the operation field of the specific department, one would use the definition included in the official handbook of the Bank, which notes that “the mission of the department is to monitor any service and product, prevent and encourage compliance of any action (transaction and/or customer relation) of both the clientele and personnel at all levels, which may cause financial risk or afflict the Bank's reputation”. The aforementioned department, in parallel operation with the Internal Audit department, is directly accountable to the CEO and Managing Director of the Bank, as well as to the respective agency of the parent company in Portugal. Characteristic is the fact that prevention and reputation management measures are established through many international organizations of the financial sector, such as, for example, the FATF (Financial Action Task Force), the United Nations, etc., and are adopted by the Greek institutional bank system, which fully embraces their professions through measures, such as modification of legislation, as well as issuance of circulars and directives by the Bank of Greece. All these measures aim at the Bank's effort to put an end to illegal actions of employees or customers, which may afflict its reputation and stigmatize it to an extent that possibly entails penalties by the local audit authorities. (e.g. BoG, the body under article 7, consumer

organizations, etc.) Taking into account its main mission, which is synonymous to top level bank services, Millennium Bank tries to guarantee and provide services with the maximum level of trustworthiness and honesty. Studying the Regulatory Compliance handbook of the group, we notice that, in addition to the instructions on prevention of reputation loss, it also includes handling instructions, in case reputation is at risk from high rank public figures (politicians), natural or legal entities, with case-by-case analysis of the natural persons' legal personality (e.g. S.A., limited liability company, foreign companies, off-shore companies, etc.) The Regulatory Compliance department constitutes another reputation management tool, which is practically led by the CEO. In this context, we could say that the Bank, without integrating into its formal strategy the organization of a mere Corporate Reputation department in the broader sense, by maintaining the Regulatory Compliance department, it draws up a specific budget in order to have one more reputation loss prevention agency in place. Particular attention is given through the establishment of special policy regarding recruitment and training of executives in order to achieve the relevant theory that assesses personnel as one of the major stakeholder groups. The application of this policy concerns a) separation of professional growth from work position, b) Association of hierarchical level with a skills' profile and c) reward of employees who have successful experience in various fields of the bank. The job rotation policy is implemented. Special induction courses are provided to new partners with a view to have them integrated into the same culture, but special attention is also given to continued training through conduct of seminars and financing of post-graduate courses. Special importance is also given to mentoring as a tool mobilizing not only the employees' mind but also their emotions. The communications directorate, through a third-party company conducts particularly analytical surveys with regard to competition, awareness and recall of the bank in the customers' memory, repercussion of the slogan, as well as other components of corporate image, but also to the customers' life style. Special attention is given by the communication directorate to the promotion of "corporate citizen" through a series of humanitarian events and sponsorships. A systematic effort by the quality department to measure and assess data stemming from questionnaires of both customer public and the internal customer, i.e. the personnel, has been observed. These questionnaires are dispatched through a specific policy and are distinguished in those concerning Retail Banking, Business Banking & Private Banking. Each of these is further distinguished as to the period of dispatch and the object they wish to explore. To the answer what factors affect the formulation of corporate reputation, the executives place at the highest scale criteria such as honesty towards stakeholders, ethical behavior, work environment. The second scale included the criteria of social responsibility and support of causes of welfare. The following criteria group placed the greatest importance on financial vigor, innovation, technology, excellent services' provision and charismatic leadership. The respondents coincided as to the stakeholders' common features and the extent to which these can affect the bank's reputation. The most important ones are personnel, leadership, shareholders and customers, followed by NGO's, the government, competitors, mass media, local community and pressure groups, while the last position was held by suppliers. As a corporate reputation management procedure, it is clear that excursive efforts are made by the department involved each time under supervision of the head of the specific directorate each time. The building of corporate image and identity towards the public is mainly performed by the communication directorate mainly on the axes of advertisement (30%), interviews / articles / mass media (25%), sponsorships (20%), contacts with opinion leaders / economic analysts (10%), participation in business conferences (10%) and organization of events (5%). With reference to the internal public, a main role is played by the HR department in cooperation with the Quality department. Main actions include open informational discussions at the workplace (35%), personnel events (30%), the publication of a journal and the provision of a corporate internet television channel (Millennium Bank TV) (30%), internal direct mails (5%) and discussion with trade union representatives (0%) -since there isn't any Union-. With regard to the impact of leadership on the shaping of corporate reputation, the executives see in the face of their CEO a person that inspires, shapes, actively and unfailingly influences the bank's reputation with regard to both the external and internal public. Assisted by the Board's members and the Communication Manager, he is directly involved also in the treatment and management of eventual crises. The following criteria, that a leader should possess, were mentioned by executives as the most important: 1) Crises management ability, 2) Trustworthiness, 3) To have and impart vision, 4) Prudent resources' management, 5) Character, 6) Interest in the customers, 7) Maximization of profitability, 8) His salary should be commensurate to his achievements. At a second level, the criteria stated were as follows: 1) Ability to attract top quality executives, 2) Respectful behavior towards employees, 3) Ability to balance the stakeholders' needs and 4) humanitarian action.

9. Conclusions

Although the concept of Corporate Reputation Management is a relatively new concept that has not been yet integrated into the vocabulary and practice of most Greek companies, in Millennium Bank it constitutes a field of intense examination and search. The contribution of good reputation to the day-to-day operation and growth of the company (in operational and financial terms) is great, but hard to express in quantitative terms and, thus, the use of reputation as a measurement criterion of corporate success is used less often. However, organized efforts are observed, which are, nevertheless, distributed in individual responsibility departments, which, in their turn, process data, such as customer satisfaction, awareness or penetration of the Bank communication, etc. In this way, departments, such as the HR Directorate, Quality, Communication, Regulatory Compliance, Internal Audit, etc. are involved in the collection and process of data relative to corporate reputation, the CEO and Managing Director of the credit institution being the final recipient. A corporate image shaping and cultivation and enhancement of corporate identity program are followed, as well as measurement and evaluation thereof, although on an individual basis. A reputation management program is implemented with continuous and systematic study of the external and internal environment, setting of goals, strategy and programs addressed to each stakeholder group, if deemed necessary. As far as the role of leader is concerned, in Millennium Bank it is considered of great importance – and for a reason – if one considers that, especially in the Greek business sector, the faces are widely known and are often publicly criticized. Moreover, through study of the literature, we concluded to the following typology of companies in terms of the theoretical and practical management of corporate reputation: a) Active supporters of Reputation Management (who have developed and implemented a CRM, hold a position of CRM responsible in the organization chart and provide for a special appropriation in the budget), b) Potential supporters of Reputation Management (recognize or thus support the meaning of CRM, but remain idle. They usually adjust to the actions of the environment, rather than exercise active CRM), c) Unconscious supporters of Reputation Management (invest in actions favoring reputation, without realizing it. This happens randomly and excursively), and d) Indifferent (consider that reputation is anyway produced by other factors, e.g. economic performance) and assume no initiatives concerning CRM. On the basis of the above typology, Millennium Bank is listed in the first group. It can be characterized as a company that has developed and implemented a Corporate Reputation Management program. Nevertheless, it has not included in its organization chart a CRM responsible, in the sense of the examined literature and no appropriation is provided for the said position and the respective duties, but only for the individual departments that are excursively involved in the reputation issue.

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UTILIZING CONSENSUS MODELS IN DECISION MAKING. A PROCESS FOR DESIGN AND DEVELOPMENT OF A PUBLIC ADMINISTRATION REFORM SYSTEM: METHODOLOGY, ASSESSMENT, CONCLUSIONS AND PROPOSALS

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Abstract

The increasing complexity in structures and operations of the Greek Public Administration Reform (G.P.A.R). system with "deterministic " and stochastic characteristics demands the application of model that would portray the dynamic elements and interpretive relationships of this system.

In this article, we introduce a new approach to the description, analysis and synthesis of a public administration reform system. Through consensus models of decision making we try to develop methods for idea generation and classification in order to eliminate barriers that could impede the system success in relation to his vision, mission and objectives.

Given, the increasing complexity in the system structure and functions the consensus methodology that we develop in the article constitutes an essential problem-solving approach as far as design, control, co-ordination and reengineering concern. As systems become increasingly complex, the need for such techniques of analysis becomes more intense. In response to this need, system thinking theory through consensus models has developed to incorporate both the deterministic and probabilistic characteristics of a social organization.

Περίληψη

Στο άρθρο αυτό, αναπτύσσεται η μεθοδολογία αντιμετώπισης πολύπλοκων προβλημάτων μέσω συναινετικών προτύπων (consensus models) γένεσης, κατηγοριοποίησης, και πολυεπίπεδης δόμησης ιδεών και θέσεων για την άρση παθογόνων καταστάσεων που δυναμιτίζουν την δομή και λειτουργία των κοινωνικών συστημάτων. Εφαρμόζεται, ένα πρότυπο συμμετοχικής μεθοδολογίας λήψης αποφάσεων που στοχεύει στην υπέρβαση των εμποδίων για την υλοποίηση του οράματος, της αποστολής και των στόχων της κοινωνικής οργάνωσης.

Δεδομένης, της αυξανόμενης πολυπλοκότητας τόσο στα συστατικά μέρη του συστήματος όσο και στην δυναμική αλληλεπίδραση τους, το συμμετοχικό πρότυπο λήψης αποφάσεων του άρθρου μας, αποτελεί απαραίτητη μεθοδολογική προσέγγιση για τους εμπλεκόμενους κοινωνικούς φορείς με τομείς ευθύνης τη σχεδίαση, τον έλεγχο, το συντονισμό και την αναμηχάνευση (reengineering) οργανώσεων του δημόσιου και ιδιωτικού τομέα.

Keywords: Decision-making, nominal group technique, interpretive structural modeling

JEL: C92;C93;L38

1. Introduction

The increasing complexity in structures and operations of the Greek Public Administration Reform (G.P.A.R). system with "deterministic " and stochastic characteristics demands the application of model that would portray the dynamic elements and interpretive relationships of this system.

In this article, we introduce a new approach to the description, analysis and synthesis of a social system. Through consensus models of decision making we try to develop methods for idea generation and classification in order to eliminate barriers that could impede the system success in relation to its vision, mission and objectives.

A hallmark of the methodology is the formulation of its scientific foundations, its use of structure and its constant empirical testing in the arena of practice.

The study presents guiding principles , for conducting dialogue in complex situations and their implications in terms of:

- Ashby's Law of Requisite Variety;
- Miller's Law of Requisite Parsimony;
- Boulding's Law of Requisite Saliency;
- Peirce'n Law of Requisite Meaning;

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