Arran Caza  
University of Michigan  
Management & Organization; Psychology

Research Statement

My research focuses on understanding the freedom of action (“discretion”) created by uncertainty in organized behavior. Working at the intersection of the job control, autonomy, and strategic discretion literatures, I study how individuals respond when routines do not pertain, when they must act without knowing what to do. The discretion created by such uncertainty is at the heart of organizing, where structures are driven by uncertainty (Thompson, 1967/2003) and rewards go to those who can deal with it (March & Simon, 1958).

I began my research examining organizational responses to uncertainty, and the processes underlying these led me to study individual responses as well. My current dissertation work combines both these streams by mixing levels of analysis, and extends them by focusing specifically on discretion. Below, I briefly describe each of these research streams.

Uncertainty in the Organization

My focus on uncertainty and discretion in organizations emerged from a case study tracing the development of two innovation projects (Caza, 2000). I found that uncertainty determined adoption. The more equivocal project succeeded; uncertainty gave its champion the discretion to satisfy influential constituents. Discretion was the key to innovation adoption in this case.

Given this, I began to study downsizing. Downsizing survivors were ideal, as they faced uncertainty in every aspect of their organizational lives. Typical responses to this uncertainty are negative, including threat-rigidity, poor morale, and weak performance (Cameron, Kim, & Whetten, 1987). However, a few organizations and their members respond to downsizing with improved performance (Cameron, 1998). Explaining these opposite outcomes is important to understanding organizational responses to uncertainty.

Kim Cameron and I theorized that survivors’ perception of the organization explained the difference (Cameron & Caza, 2002). We proposed that members assess their organization’s virtuousness, and that the emotional significance of working in a virtuous setting prevents negative responses to downsizing, leading to better post-downsizing performance. We surveyed downsized organizations and found support both predictions (Cameron, Bright, & Caza, 2004).

From this, we developed a model of how organizational virtue shapes behavior in extreme uncertainty (Caza, Barker, & Cameron, 2004). The model proposed that when great change creates uncertainty (e.g., downsizing), perceived virtue has two effects: buffering members from the anxiety of uncertainty, and amplifying itself by inspiring other acts of virtue. As a result, perceptions of organizational virtue prevent negative responses to downsizing by prompting members to forgive the organization and to act generously toward each other. Our analysis of survey data supported the model’s predictions (Bright, Cameron, & Caza, 2006).

Uncertainty in the Individual

I study individual responses to uncertainty in two ways: context-based and intra-psychic.

Context-based responses to uncertainty. A review of the literature with colleagues (Lee, Caza, Edmondson, & Thomke, 2003) found that organizations valuing perfection and independence had the surprising effect of decreasing members’ willingness to experiment with new ideas. Since failure and help seeking are inevitable parts of acting in uncertain domains, organizations in search of excellence can deter members from confronting uncertainty.
Laboratory simulations supported these observations, showing that organizational demands for accuracy and independence reduce engagement in uncertain tasks (Caza, 2003).

Intra-psychic responses to uncertainty. I have used leadership and decision making to study basic psychological processes involved in uncertainty. With Bob Quinn, I explained the observation that leadership involves overcoming one’s resistance to change (Quinn & Caza, 2004). We formalized this in a feedback-loop model, wherein leaders are distinguished primarily by the speed at which they act on the need for change (Caza & Quinn, in press).

With Rich Gonzalez, I am generalizing Shafir’s compatibility effect to decisions made under uncertainty (Caza & Gonzalez, 2006). Shafir (1993) showed that how one phrases a question can reverse preferences by causing individuals to focus on the positive (or negative) traits of available options. We are investigating whether this phrasing effect also applies to decisions made with missing information. Initial results suggest that different phrasings do lead individuals to assume the best (or worst) about missing information, and may thus help to explain unduly optimistic or pessimistic predictions made by individuals.

Managerial Discretion

While my previous work helped to clarify responses to uncertainty at the individual and organizational levels, it did not incorporate both levels simultaneously. Nor did it focus specifically on discretion. Uncertainty can create discretion, but if an individual does not recognize the freedom, it is irrelevant to subsequent behavior.

To address these issues, my dissertation combines organizational and individual levels and focuses specifically on perceived discretion (i.e., how much freedom an individual perceives). In three studies, I explore the antecedents, consequences, and nature of managers’ perceived discretion. I chose managers because their primary work is exercising their own freedom of action to manage uncertainty created by subordinates. Moreover, the managers in my samples reported to superiors. This allowed me to examine superior-to-manager interaction, as well as manager-to-subordinate interaction, for a more comprehensive, cross-level analysis.

Study 1 examines the antecedents of managers’ discretion. Many variables have been proposed as antecedents, but most have not been empirically confirmed, and some have conflicting predictions (e.g., Dobbin & Boychuk, 1999; Hambrick & Finkelstein, 1987; Shalley, 1991; Zohar & Luria, 2005). I use existing survey data from managers of R&D units in larger organizations to model these potential antecedents and resolve the conflicting predictions. My results show that the conflicts arise from an overly simplistic conceptualization of discretion. The managers in my sample distinguished between discretion over work practices and discretion over organizational resources, and the antecedents of each are different. Study 1 therefore shows the need to enrich the construct of managerial discretion. It offers a preliminary typology and reveals the individual and organizational factors linked to each type of discretion.

Study 2 explores managerial discretion’s effect on unit performance, testing the contrasting predictions made by strategic choice, population ecology, and agency theories. Using the survey data from Study 1, I examine when managerial discretion is good, bad, or irrelevant to unit performance. This study is important not only for resolving competing predictions, but also for being the first that accounts for different types of discretion. Building on Study 1, this paper shows that different types of discretion have different effects on performance.

Study 3 extends Study 1 by investigating managers’ experience of discretion. I conduct ethnographic interviews with managers in industries with contrasting levels of objective discretion (based on results in Hambrick & Abrahamson, 1995). This investigation develops the
preliminary insights of Study 1 by clarifying the construct definition of managerial discretion. Its findings provide guidance for detailed measurement development.

**A Note about Positive Organizational Scholarship**

Aside from studying discretion, I have contributed to the development of a research approach called Positive Organizational Scholarship ("POS", see Cameron, Dutton, & Quinn, 2003). I have made several related conference presentations, described POS’s implications for practice (Cameron & Caza, 2005), written one of the first POS teaching cases (Spreitzer & Caza, 2001), and co-edited the first collection of POS studies (Cameron & Caza, 2004). My work with Fiona Lee, Kim Cameron, and Bob Quinn (described above) has contributed to the POS domain. Most recently, I have examined POS as a whole. This led to a statement of what I feel is important about POS (Caza & Caza, in press), and to a chapter in the forthcoming *Handbook of Macro Organizational Behavior* (with Kim Cameron), which will provide an overview of POS theory, research, and practice.

**Future Work**

While publishing the results of my dissertation, I hope to pursue three projects that build upon its findings. My first goal is to conduct an integrative review of the research in autonomy, job control, and strategic discretion. My second ambition is to develop new measures of discretion, and to conduct the attendant psychometric work. And finally, I intend to reanalyze select studies of discretion (particularly Hambrick & Abrahamson, 1995 and Study 1 of my dissertation) using Qualitative Comparative Analysis ("QCA", Ragin, 2000). QCA uses set-theoretic methods rather than linear statistical ones, and promises to provide intriguing alternative views of familiar data. Taken together, these projects will develop the initial promise of my dissertation, by clarifying the complex dynamics of discretion in organizations. They will also serve as a crucial foundation to the comprehensive, multilevel theory of discretion that I intend to develop.
References


