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THE EMERGENCE OF VIRTUAL GROUPS

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This article describes how groups emerge out of collective activity and explains the institutional processes that lead to the development of group activity embedded within existing institutional settings. It describes the formation of virtual groups by using divergent social settings as examples (SOFTEK, a modern industrial corporation [Stephenson 1990], and the Namabeya, a nonindustrialized community) to emphasize the applicability of this model to a variety of contexts.

Many of the views about group emergence, its role in organizational change and its impact on corporate and community life are derived from extant ethnographic descriptions of classical anthropological settings. In this regard, the seminal fieldwork of Gulliver (1963, 1971, 1977, 1979) among the Ndendeuli of Africa is used to illustrate the relevance and utility of the model. Additionally, I present the work of eighteen months of participant observation in a New York Stock Exchange (NYSE) high-technology firm to which I have given the pseudonym, SOFTEK.

Behavioral studies typically recognize the importance of ad hoc formations within institutional settings (Mintzberg 1979, 1983). Of particular interest is the ad hoc corporate group. "Adhocracy," a term coined by Bennis (1966) is an institutional structure that sustains the formation of corporate groups that are temporary by design. Such groups are highly suited for the performance of complex, innovative and uncertain tasks in turbulent environments (Galbraith 1971, 1974, 1977; Davis and Lawrence 1977, Kolodny 1981; Kanter 1983).

I will illustrate how corporate groups coalesce around paradigmatic anomaly or cultural innovations. In so doing, these groups emerge and develop in an ad hoc manner and occasionally assume a life of their own far exceeding the expectations of the individuals tangentially or centrally involved in the group. Paradoxically, the very presumption of perpetuity is antithetical to the ad hoc manner by which such groups initially emerge. In this sense, an ad hoc group may be considered "virtually" powerful because it is a dialectical reaction to generalized collective activity. This understanding of a virtual group is very different from traditional typologies of corporate groups (Smith 1974, 1978; Weber 1964, 1968; Mackenzie 1986; Mintzberg 1979, 1983) and generic process studies (Moore 1975; Bourdieu 1977).

Here, I develop and discuss a generative mechanism of how corporate groups evolve from collective activity. I focus on the institutional factors in the social organization of these groups as they materially bear upon group autonomy and are differentially invoked according to the specifics of situations. Incipient corporate groups are called virtual groups as they are mobile strategic positions within an existing institutional structure. As such,
these groups appear virtually powerful. My argument merges structural and processual approaches within the anthropological literature.

OBSERVATIONS

Case Study 1:

In terms of the general background, Gulliver (1963, 1971, 1977, 1979) conducted his fieldwork among the Ndendeuli from 1952 to 1954. At the time, the Ndendeuli comprised 20,000 people who occupied the Songea region of southern Tanzania in East Africa. Because of the prevailing conditions of poor soils, they were shifting cultivators practicing swidden agriculture. The isolated local communities consisted of 30 to 50 households and were separated from one another by stretches of unoccupied woodland. Communities persisted for fifteen to 25 years until locally available land became exhausted. Gulliver (1977:37) assumed that "there were no corporate groups, no social stratification, [and] virtually no economic differentiation" in this "simple milieu." The milieu consisted of two communities, the Ligomba and the Namabeya, comprised of 32 and 43 households respectively. Each household consisted of a man, his spouse, unmarried children, and dependents. In total, each community population approximated several hundred people.

Residential movement between communities or the establishment of a new community was unrestricted and quite common. A new local community was usually initiated by an enterprising group of about a dozen pioneers and their households. These pioneers would clear fields in unoccupied woodland and newcomers seeking new land to cultivate or wishing to leave their former communities were welcome to join the group. Once a community was established a leader might emerge as a "big man" or "notable."

In developing and maintaining kinship linkages, the Ndendeuli actively sought supporters who could be reliably recruited for work teams to clear fields, build houses, and perform other forms of collective action. These supporters were scarce and valuable resources. Their kinship links were intertwined with other members of the community. Consequently, a competition between simultaneous kin claims was frequently generated. The interconnections of kinship links within the community would create logistical problems in communal projects. Ultimately neighbors would develop persisting coalitions which became clusters within the Ndendeuli network. Within these coalitions, there was a relatively high degree of co-operation and interdependence. Within each cluster, the big man or notable guided the group through the ambiguities of network relationships. However, a cluster was by no means unambiguously clear. It was sometimes referred to as "the people" or "the kinsmen" or "the neighbors" of its notable. Few work groups were ever recruited from only one cluster.

In summary, many activities in a local community were undertaken collectively by having each individual recruit his kin-neighbors. Because of the complexity of the kinship network, men had varying loyalties which produced problems and conflicts in recruiting community help. In seeking to gain reliability of support and some congruence of commitments, each man ultimately concentrated his primary recruiting efforts to within his own cluster of neighbors among whom he could be reasonably assured of a high
degree of interdependence and a low degree of conflict. While these clusters did not represent an exclusive labor pool from which people were mobilized, this practice was generally systematic and reliable.

**Factionalism in a Namabeya Local Community**

Gulliver (1977) asserted that segmentation in local communities was a rare phenomenon. However, he witnessed a remarkable exception to this general condition in a Namabeya community. In this instance, factionalism led to a decisive cleavage within the community. He (Gulliver 1977:53) described this instance as a case of fission where the members of one group moved away to found a new community. He was primarily concerned with explaining why factionalism occurred in this one village setting (the local Namabeya community, Gulliver 1977:53-62; see Figure 1) and not in another apparently equivalent setting (the local Ligombwa community, Gulliver 1977:47-53). I have reformulated Gulliver's study of factionalism among the Ndendeuli as a case of group formation involving cultural innovations, and I will demonstrate that a virtual group emerged over a fourteen-month observation period and ultimately segmented from the community after approximately two years.

During the twelve years prior to Gulliver's arrival, the Namabeya community had grown from thirteen to 42 households. By 1952, there were four clusters of kin-neighbors, each with a notable identified by numbers: Kambi [A42], Lihamba [B37], Amiri [C33], Mohammedi [D29]. The network of clusters are reproduced in Figure 1. Lihamba [B37] and Amiri [C33] were the early pioneers. After ten years and as newcomers joined the community, two more clusters developed. Each new cluster with its notable, (Kambi [A42] and Mohammedi [D29] respectively), was closely linked with one of the older clusters and its notable. These four clusters constituted the labor pool.

Gulliver stressed that factionalism dominated the social life of the community during a two-year period although no particular occasion was cited by his informants as responsible for instigating the conflict. However, Gulliver identified seven events which preceded factionalism. For the following discussion of his interpretation of those events with regard to the worsening state of social affairs in the Namabeya community, it will be helpful to refer to Figure 1.

1. Adultery and witchcraft. [B16] had formerly been associated with [B14] in the notable Lihamba's "B" cluster. In a series of quarrels, [B16] became increasingly isolated from that cluster and began to associate himself more with [C22] in Amiri's "C" cluster. On the death of [B14]'s wife, [B14] accused [B16] of committing adultery with her and thus being partly responsible for her death. This accusation was bitterly disputed in a moot with mutual recriminations. The moot ended without resolution but created a state of considerable antagonism between the two "B" and "C" clusters. Subsequently, [B16] shifted his house to Amiri's "C" cluster.

2. Road construction. The possibility of cultivating tobacco as a cash crop required the building of a road. Amiri [C33] welcomed this innovation and managed volunteer laborers in building the road track. This collective effort was met with resistance by Lihamba [B37].

3. Mosque repairs. Notables Amiri [C33] and Mohammedi [D29] had called a general community meeting to discuss a plan for the repair of the mosque.
Notables Lihamba [B37] and Kambi [A42] did not attend and announced their opposition to this compulsory community matter.

Figure 1. The Namabeya "Kinship" Network

(4) Tobacco cultivation. Amiri [C33] had attended a course at the Cooperative Union headquarters to learn about novel techniques for planting tobacco. Amiri's supporters, including Mohammedi's "D" cluster, had obtained fair crops and cured the leaf moderately well. However the supporters of Lihamba [B37] and Kambi [A42] also tried the new cultivation but without Amiri's [C33] assistance and with relatively poor results. When comparisons of harvests were made, fighting broke out between the two sides.

(5) Arson. C16's new house (previously B16) caught fire (after he had moved from "B" to "C" cluster). Supported by Amiri [A42], C16 accused B14 of arson. The matter went unsettled as had the previous allegation of adultery.

(6) Local government. Notable Amiri [C33] supported the Ndendeuli movement to sever its ties with the Ngoni chiefdom and have formal autonomy. Notables Lihamba [B37] and Kambi [A42] opposed this move saying that it would only increase interference by officials and probably increase taxation. The dichotomous alignment within the community was visible at one meeting in which the two sets of men sat in separate groups.

(7) Bridewealth debt. Kambi [A42] claimed bridewealth payment from his son-in-law [C25]. However [C25] wanted to open a commercial store as a way to use his accumulated savings. Amiri [C33] favored this kind of innovation.
Lihamba [B37] was in a position to serve as mediator here, but because of the factionalism, he united with Kambi [A42] to openly confront Amiri [C33].

All cross-linking ties between kinsmen of the two opposed segments lapsed and were not reactivated during practical events such as assembling work parties for agricultural and house repair work. The affected men began to rely on other associates by developing novel recruitment patterns. Whether or not lapsed cross-linkages would have been reactivated is a matter for speculation. In any event, when part of the new motor track was washed away during heavy rains, the local community was not prepared to mend its ways. Amiri [C33] persuaded most of his men to pioneer a new local community a few miles away. The dissolution of the Namabeya is described in Table 1.

Table 1. Namabeya Before and After Fission

<table>
<thead>
<tr>
<th>1951: Clusters</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;A&quot;</td>
<td>Kambia [A42] with A41, A1-5</td>
</tr>
<tr>
<td>&quot;B&quot;</td>
<td>Lihamba [B37] with B38-40, B6-15</td>
</tr>
<tr>
<td>&quot;C&quot;</td>
<td>Amiri [C33] with C33-36, C17-25</td>
</tr>
<tr>
<td>&quot;D&quot;</td>
<td>Mohammedi [D29] with D32, D26-31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1954: Residence</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In Namabeya:</td>
<td>19 households</td>
</tr>
<tr>
<td>Lihamba [B37], Kambia [A42], B38-40, A1-5, B6-15, A-41</td>
<td></td>
</tr>
<tr>
<td>Virtual Group:</td>
<td>16 households</td>
</tr>
<tr>
<td>In the newly founded community:</td>
<td></td>
</tr>
<tr>
<td>Amiri [C33], Mohammedi [D29], C34, D32, C16-7, C20-25, D26, D28, D30-31</td>
<td></td>
</tr>
<tr>
<td>In an already established community:</td>
<td>4 households</td>
</tr>
<tr>
<td>C35-36, C18-19</td>
<td></td>
</tr>
<tr>
<td>In an already established community:</td>
<td>2 households</td>
</tr>
<tr>
<td>A1-2</td>
<td></td>
</tr>
<tr>
<td>In an already established community:</td>
<td>1 household</td>
</tr>
<tr>
<td>D27</td>
<td></td>
</tr>
</tbody>
</table>

In his discussion, Gulliver (1977) argued why segmentation occurred with the Namabeya and not with the Ligomba or other Ndendeuli local communities. Gulliver (1977:59) considered it "tempting but inaccurate to explain the Namabeya problem as resulting from the beginnings of social change." I will argue that social change did indeed occur. The material evidence supporting this claim is the fact that groups coalesced around innovative ways of working that fundamentally altered the way of life in the Namabeya community. The innovations proposed by Amiri [C33]'s group represented
both a different way of thinking and a different way of doing things. Because of the inter-divisional nature of the virtual group (that is, they required help from other factions of the Namabeya as well as local co-operatives), innovations were fraught with (1) contradictory cross-functional lines of prestige and influence, (2) unexpected events, and (3) ambiguity and uncertainty.

For instance, a series of four events led to innovative alternatives to local traditions. When Amiri [C33] advocated the self-help construction of a lorry track, he was prepared to draw upon the technical and financial assistance that was available from the local co-operative society. He was opposed by Lihamba [B37] who insisted that a motorable track would bring increased governmental intervention into the community. Amiri [C33] also organized the first community work-party, a "rare phenomenon" (Gulliver, 1977:56), to repair the mosque. Again, Lihamba [B37] opposed his innovative approach. In a separate occasion, Amiri [C33] took advantage of the novel techniques regarding the planting and curing tobacco taught at the Cooperative Union headquarters. In so doing, he was able to produce a good crop. However, Lihamba [B37] and his followers refused to use the new techniques and they had relatively poor results. Finally, Amiri [C33] was enthusiastic about persuading the colonial administration to allow the Namabeya to form a local government which would be independent of the Ngoni chieftain. Lihamba [B37] opposed this move on the grounds that the Ndendeuli were in effect already independent of the Ngoni chief. Although he did not have any evidence to support his claims, Lihamba [B37] argued that formal autonomy would bring increased interference by officials and increased taxation. These disputes resulted in men from "B", "C" and "D" joining forces and forming a virtual group to implement the innovative projects pioneered by Amiri [C33] and his followers.

Case Study 2:

This case study material is collected from eighteen months of fieldwork within SOFTEK, a computer software subsidiary consisting of approximately 200 employees. The principal products of SOFTEK are computer software programs that assist in the statistical design of both manufacturing processes and scientific experiments. Most of SOFTEK's customers are research facilities and large manufacturing firms that have existing databases and other sophisticated computerized systems already in place. These companies often require additional consulting services in order to fully integrate their existing databases with SOFTEK's software products so that there is a composite and fully integrated information technology system. As the growth of information technologies pervade SOFTEK's client base, increasing amounts of time were required in off-site consultation. Jason Tiner, the subsidiary President, reasoned that a substantial portion of the company's revenue could be garnered, not only from its individual products sales, but from these customized consulting services as well.

The idea of a corporate consulting service as a commercial service rendered to client companies had a long tradition within the parent company but had never been operationalized in the SOFTEK subsidiary. The timely revival of this idea occurred after Tiner reviewed a customized programming system
developed for a major client. Representatives from the client company were so impressed with the quality of the work, that they requested additional customized service to ensure the smooth interface, integration, and operations of its decentralized databases and networks. Generalizing from this client's experience and extrapolating to the general market, Tiner discussed with his vice presidents the possibility of expanding this kind of consulting activity within the subsidiary.

After a few informal meetings with Larry Helm (the systems engineer who developed the system described above), other senior systems engineers, vice presidents and consultants, Tiner decided to proceed and develop a strategic plan for implementing a corporate consulting service. At the next quarterly company-wide meeting, he announced the name, purpose, and general mission of the new project, which was called Corporate Consulting Services (CCS). During these early stages, he did not confer extensively with middle management. However, responsibility for the project was initially assigned to Carol Lund, a middle manager in the sales division of the company. Lund already had a "full plate" and did not have any prior experience of initiating a separate and new business within the company. When she sought the assistance of her experienced junior and senior colleagues, she had difficulty enlisting their support for planning a business strategy. Essentially, selling the idea to her colleagues when it was ill-defined was just as troublesome as selling the service to clients. Lund was exasperated in her attempts to find people to help her. She commented how she felt trapped in a position of responsibility with minimal support or authority.

After several months of futile and frustrated efforts, the project was reassigned to Peter Randolph, another middle manager within the sales division. However, after a few months, Randolph was not able to implement the idea of a professional consulting service either. His plan was somewhat different from Lund's approach. Randolph sought to develop relationships with client companies in the absence of an overall long term strategy. However, when the client companies were formally approached with a contractual arrangement, the commercial possibilities vaporized. Randolph was confused by this market response and could not understand why client companies were reluctant to enter into binding contracts.

The enterprise seemed doomed. Lund could not effectively organize a group to draft a plan and Randolph could not procure contracts. Both managers were unable to mobilize collective efforts to develop CCS. There was no further development for the next few months. Finally, Joe Calissi, a senior Vice President from another subsidiary, was approached by Tiner, the President, to develop CCS. Prior to working at SOFTEK, Calissi had garnered the requisite experience by starting, running and selling his own business. His skills and previous experience seemed a reasonable match for the new project.

Calissi's manner was quiet and unassuming. He met with his small staff and together they drafted an elementary set of documents needed to start the business. At this time, Tiner recognized the need to have the project better defined with the proper authority. Therefore, a new division was created in the company with Calissi as its Vice President. Within months, contracts were being negotiated, a mission statement had been drafted and a business
plan for the strategic development and implementation of CCS had been written.

Six months later, the company was reorganized. During the reorganization, another separate but related division of the company was merged with the new CCS division. In short, within a year's span, CCS began as an idea and a few ad hoc meetings to become a fully functional division within the company. Figure 2 outlines the trajectory of the development of CCS throughout the hierarchy of the organization.

Figure 2. The Trajectory of Corporate Consulting Services (CCS) Throughout the Organizational Hierarchy

The idea of a corporate consulting service represented not only a different way of thinking about a product but also a different way of performing work. The formation of CCS occurred within the framework of a traditional hierarchical organization, which served as a basis for the routine production and manufacture of software products and manuals. Therefore, the development of an abstract service as a product in CCS meant that the typical transaction nature of a product sale to a customer was rethought and transformed into a continuing consulting relationship of service to the customer. The business question was whether consulting relationships could be developed into professional consulting services that were commercially profitable for the corporation.
Using this background material, I will illustrate how the events of these two case studies fit with a generative theory on how corporate groups evolve. I am proposing a mechanism for corporate group formation that combines two bodies of anthropological literature: (1) the typologies of corporate groups of M.G. Smith (1974, 1978) and Mackenzie (1986), and (2) a process approach typified by notions of ambiguity and uncertainty (Moore 1975) and power (Foucault 1979, 1980). These theories are addressed in terms of their shortcomings; i.e., typologies are often static classificatory schemes and process approaches are more often descriptive than analytical. I address these shortcomings by proposing a dynamic and developmental scheme for corporate group formation consisting of three stages in time. This developmental trajectory may be analyzed along three dimensions: that of paradigm, process, and type of corporate group. Figure 3 illustrates the basic structure of the theory.

Figure 3. Developmental Trajectory of a Virtual Group

<table>
<thead>
<tr>
<th>PARADIGM</th>
<th>confront anomaly</th>
<th>assimilate novelty</th>
<th>canonize convention</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCESS</td>
<td>exploit ambiguity</td>
<td>routinize uncertainty</td>
<td>institute leadership</td>
</tr>
<tr>
<td>CORPORATE GROUP</td>
<td>ad hoc (committees)</td>
<td>standing (task forces)</td>
<td>formal group (divisions)</td>
</tr>
</tbody>
</table>

STAGE 1  STAGE 2  STAGE 3
Stage 1 in Figure 3 represents how new ideas are often met with skepticism in a setting. These ideas may be voiced in informal networks, where the principals discuss, argue, and collaborate (sometimes uneasily) in joint enterprises. In case study 1, innovations such as tobacco cultivation or creating a new form of local government, were met with skepticism in the Namabeya context. Amiri [C33] proposed local autonomy and new work practices that were different from the traditional ways of conducting community relations. For example, working in collaboration with the cooperatives to learn the necessary knowledge for building roads was a different way of doing things. Conversely, Lihamba [B37] tried to make sense of these new ideas only in terms of the conventional ways of managing kin relationships within the confines of community clusters. Through impromptu discussions Lihamba [B37] and others discovered that these new ideas and innovative practices did not fit into their typical ways of performing work. Clearly the new ideas proposed by Amiri [C33] lacked clarity of meaning and were ambiguously interpreted.

In case study 2, CCS provided services as opposed to conventional products. A service is an abstract concept that represents a function that is fundamentally very different from the more material products routinely manufactured at SOFTEK. As such, this proposed conceptual innovation was anomalous to the more familiar and routine patterns of working. At a time when traditional ways of thinking and working were challenged, this new idea was variously interpreted in terms of project formulation.

In both cases, individuals at first attempted to make sense of a new idea in terms of the conventional meanings representative of a traditional world view. By confronting anomaly through impromptu discussions in ad hoc groups, they discovered that an idea did not fit into their typical ways of thinking and doing. At this point, there were at least two possible meanings assigned to a new idea. One interpretation was embedded in the traditional world view or paradigmatic way of thinking. A second way represented a questioning state of mind that caused one to hesitate in accepting some premise or in making a decision to act. This stage was often typified in ad hoc or informal meetings.

This first stage was a chaotic stage where various interpretations were examined and reviewed only to be rejected in frustrated attempts to clarify an ambiguous situation. My interpretation is that these apparently chaotic discussions and flurries of ad hoc activities produce a dialectical reaction in the confrontation of anomaly. This is necessary in order to help the principals understand the lack of fit between their conventional and collective understanding of a novel situation. The lack of clear direction in this first stage helps to generate and partially drive the next stage. Rather than regard this first stage as non-productive, I believe it is an important stage in most novel situations. This first stage helps to facilitate a process, which in the unfolding of daily events, can lead to a better understanding of the initial problems.

The second stage in Figure 3 is typified by informal or ad hoc groups coalescing around specific projects or tasks. In case study 1, this more directed approach helped the work group of Amiri [C33] to gain an identity and legitimacy within the Namabeya community. During this stage a course of action was agreed to and some of the earlier uncertainty was removed.
through becoming routinized and organizing working groups for mosque repairs and the cultivation and curing of tobacco. Again, Amiri [C33] gained the necessary and detailed technical knowledge by consulting with the local co-operative society. He was able to persuade both senior colleagues and peers in the "C" and "D" clusters to join in the endeavor. Because of his limited influence, he was not able to persuade Lihamba [B37] in the "B" cluster or kinsmen in the "A" cluster. Lihamba's [B37] failure to effectively conceive and implement new techniques in the cultivation of tobacco reflected his own frustrated attempts to assimilate an anomalous situation. Given the novelty of the ideas and the existing structural constraints of a community divided by factionalism, Amiri [C33] was unable to solicit help from all his kinsmen. Because clusters and traditional kinship networks were competing spheres of influence, Amiri [C33] and Lihamba [B37] were limited in what they could do outside their own groups.

In the cultivation and curing of tobacco, Amiri [C33] and his followers formed a virtual group as a way of performing their work in a nontraditional manner. In this way, Amiri [C33] was able to adapt to new situations as well as initiate independent action in other practical matters. However, not all the tobacco cultivators were necessarily on Amiri's [C33] side, nor did they favor Ndendeuli local autonomy. Additionally, not all of Amiri's [C33] supporters agreed with his views on these issues. The practical demands of work at hand juxtaposed with scarce human resources necessitated cooperation between individuals who were at philosophical odds with one another. Nonetheless, within the Namabeya community, innovative concepts and new ways of soliciting help were introduced and fundamentally transformed conventional collective behavior. This change in behavior and outlook was due to the utilization of new concepts in existing work and kin relationships.

In case study 2, the ambiguity of the first stage was removed or routinized by organizing standing committees, task forces, working groups—all with formal assignments and charges to implement CCS. During this second stage, the implementation of CCS was assigned to the two middle managers, Lund and Randolph. Their mandate was clear: develop a business. Caught in the middle, however, they lacked (1) the necessary and detailed technical knowledge and (2) the requisite managerial experience and company authority to persuade both senior colleagues and peers to join in the endeavor. Having limited authority and total responsibility, these middle managers were unable to navigate through a conceptual sea of endless options. Their failure to effectively conceive and implement a long-range business plan reflected their frustrated attempts to assimilate a novel situation. Given the novelty and the structural constraints of their organization, they were unable to generalize from the technological heterogeneity of their customers to a viable commercial plan. Both middle managers were limited in what they could do outside their own assigned and familiar lines of authority and responsibility. These lines of authority were embedded in a traditional manufacturing paradigm which conceived of an organization as hierarchically arranged and internally constrained through strict lines of authority. Customers were conceived as discrete sales transactions and products were envisioned as tangible. Clearly, the formation of CCS represented a novel direction for the company.
Kuhn (1970) reminds us that novelty appears only against a background provided by an older paradigm. However, Kuhn does not explicitly adopt the anthropological notion of practice to describe his theory of the structure of scientific revolutions. Nonetheless, it is implicit in his notion of the conduct of normal and routine science. I wish to demonstrate that innovative concepts can be introduced into an existing institutional setting which may transform conventional collective behavior. This change in behavior and outlook is due to the utilization of new concepts in the work force. In case study 1, the formation of a virtual group occurred in the framework of local Namabeya traditionalism which eschewed the "more general implications of outside interference and the perceived threat to existing culture which novelty promised" (Gulliver 1977:61). Therefore, the development of liaisons with the co-operative groups in the formation of a new local Namabeya government meant that the typical stance of isolationism and the modus operandi of avoiding outside interference was rethought and transformed within a broader context. In case study 2, CCS represented a way of thinking and doing at SOFTEK not directly applicable to a manufacturing worldview. Rather than emphasize discrete transactions and material products, this anomalous consulting activity represented continuous relationships and abstract services; i.e., nontangible products which may differ from client to client. Even with the same client, the services are likely to change over time. A successful consulting activity requires the ability to adapt to new situations as well as more independent action at all levels of the company. This is in contrast to the hierarchically arranged departments within an organization that routinely manufactures products.

The third stage is typified by more formal procedures. In case study 1, the event of the motor track washing away during heavy rains galvanized the group to implement tobacco cultivation in a new local community where tobacco could be grown and readily marketed. Amiri [C33] persuaded almost all his men to pioneer a new community while Lihamba [B37] and his faction remained in Namabeya. The road collapse was the fortuitous event that solidified the allegiance of others to Amiri [C33]. Thus, Amiri's [C33] group was effectively transformed from its embryonic beginnings to become a fully mature group within the community.

In case study 2, the aborted efforts of the middle managers signalled a corporate commitment to push against organizational inertia. The appointment of Calissi as Vice President provided the necessary and legitimate leadership for the project. Calissi's efforts were focussed on formalizing the corporate mission, operations, and strategy for the next five years. With an official budget and formal assignments, CCS was effectively transformed from its ad hoc stature to become a fully mature division of the company.

Summarizing, Figure 3 illustrates a developmental trajectory for the formation of a corporate group that recognizes a necessary chaotic stage replete with informal and ad hoc meetings where the principals confront anomaly and exploit ambiguity. The second stage is characterized by the assimilation of the novelty and routinization of uncertainty through the formation of standing committees and working groups with formal assignments. A third stage is characterized by strong leadership and canonization of a corporate strategy and mission.
THEORETICAL BACKGROUND

In the last section, I demonstrated how corporate groups emerge within an existing institutional framework. The development of these groups exemplifies how collective action coalesces around perceived paradigmatic anomaly or cultural innovation. In this manner, a corporate group emerges as a dialectical reaction to the specifics of situations and is the result of specific institutional processes. In this section, I will review the theoretical issues in the anthropological and related literatures that inspired me to reflect on the structural properties of group formation. In this regard, I will discuss how differential incorporation is a structural process that is invoked as groups develop within the confines of an existing institutional framework. This research merges structural and processual models of social organization and is relevant for understanding group categories, group boundaries, and institutional hegemony.

Scholars have repeatedly observed that cultural categories do not necessarily map in a one-to-one fashion onto group boundaries as they are socially constituted on the ground (Weber 1964, 1968; Etzioni 1961; Galbraith 1971, 1974, 1977; Mintzberg 1983, Barnes 1968; Barth 1959a, 1959b, 1966, 1969). This malleability, or "slack" in the cultural system, may be manipulated by individuals with chameleon-like finesse when they wish to change categorical identities. These incongruencies generate a classic question concerning group formation within a corporate community structure that revolves around the nature of the relation of the group with its parent institution. Precisely how these groups are authorized to exercise power and authority by their institution is directly related to the manner in which these groups are differentially distributed along a fixed institutional hierarchy (Foucault 1980:87). This distribution of authority along institutional structures directly bears upon theoretical issues concerning corporate group formation.

One of the most thorough typologies of corporate groups is provided by M. G. Smith (1974, 1978). It was Smith's own field experiences in nonindustrialized settings that helped him understand institutional processes and formulate models regarding the varieties of corporate groups. His classification system is comprised of a functional and formal dimension, each of which has a dual component. The functional dimension represents collective activity and is divided into (1) plural formations or "corporate aggregates" of collective activity and (2) offices or "corporations sole" occupied by only one incumbent at a time. The second dimension is based upon the formal criteria of whether a corporate group or office is considered to be (1) a perfect corporation or (2) an imperfect "quasi-corporation."

To be a perfect corporations aggregate or corporation sole, groups must exhibit eight criteria. According to Smith, they must meet all four functional or operational attributes of: (1) organization, (2) procedures, (3) autonomy, and (4) exclusive corporate affairs. In addition, corporate groups and offices must also meet four formal criteria of: (1) presumptive perpetuity, (2) closure, (3) determinate membership, and (4) unique identity. If all eight criteria are met, four functional and four formal criteria, then the corporate group is considered to be a perfect corporation.

Colleges and offices are explicitly regulatory structures and as perfect corporate groups are endowed by their organization with capacities for
continuous productive action. However there are many corporations aggregate which are imperfect and lack the necessary agencies of collective regulation. These groups rely instead upon ad hoc commissions and categories to guide the affairs of their members. Therefore, imperfect corporations aggregate are continually struggling to ensure their plurality. This is often confounded by "commissions" which lack established procedures for individual succession. "Lacking the latter, individual commissions forfeit perpetuity and thus rise and disappear situationally" (Smith 1978:434). Hence, the ad hoc nature of these groups.

Without adequate autonomy, no group can productively regulate its own affairs. Rather than focus on ideal types (Weber 1964) or perfect corporate groups (Smith 1974, 1978), Smith was intrigued by these imperfect formations of corporate "categories" and "commissions," both of which lacked adequate autonomy. For instance, when corporate categories lack autonomy, they can become unresponsive. As such, corporate categories, subject to imposed regulation by larger institutional agendas, are often differentially incorporated; that is, they do not completely control their own internal affairs. Consequently, these corporate categories will lack autonomy, organization, and collective resources. Smith (1978:438) comments that "such categories are objects rather than agents of administration, and the policy of other groups is often designed to ensure their subjugation by anticipating and frustrating the conditions necessary for their organization."

Smith maintains that a universal requisite of corporate groups is their plural membership. Members are recruited by rules that, in turn, differentiate them collectively as presumptively perpetual and indivisible. These groups establish procedures which regulate their common affairs. Any organization can constitute a perduing group of public regulation. An organization can also permit a group to organize its own resources and administer a portion of power and authority within the parent organization. This dialectical position can empower corporate groups to (1) influence the parent organization or (2) be co-opted by monolithic institutional governance. Thus, imperfect corporate groups can rise and disappear situationally as a function of their differential incorporation within a larger institutional milieu.

By setting out the principles of collective action in imperfect corporate groups, Smith (1978:442) attempted to "specify how changes at the concrete level of corporate organization are related to changes in the composition and articulation of the political and administrative systems that represent the analytic structure of government." He proposed that changes in the external articulation of corporate groups would involve changes in their relative autonomies and that such changes of autonomy would in turn modify the capacities and scope of the groups affected. By establishing a relationship between the conditions of corporate groups and the principles of their organization, Smith concluded that any changes in that relationship would be logically correlated to collective action. However, Smith does not discuss how the imperfections of corporate groups generate collective action. Nor does he explain how fully functional groups are ultimately formed.

In the allied field of organizational behavior, MacKenzie (1986) develops the notion of highly unstable collectives or corporate groups called "virtual positions" which are neither presumptively perpetual nor prescriptively unique. This concept is similar to Smith's notion of imperfect corporations aggregate.
THE EMERGENCE OF VIRTUAL GROUPS

These virtual positions are groups that span several traditional organizational boundaries or divisions. Consequently, these virtual positions are cross-functional and their respective domains of authority overlap with pre-existing organizational affairs in other divisions.

These groups do not have exclusive corporate affairs or complete autonomy. Furthermore, any presumption of perpetuity of a virtual position is automatically threatened and confounded by the cross-functionality of the virtual position itself. Therefore, these groups do not meet all four formal criteria for perfect corporate groups. MacKenzie's notion of virtual positions logically answers the possibilities for imperfect group formation in Smith's scheme. Thus, Mackenzie's theoretical development advances Smith's original typology of corporate groups.

Furthermore, MacKenzie distinguishes two types of imperfect corporate aggregates. These groups may be classified as being regulated or unregulated with respect to their virtual positions. Regulated virtual positions are standing committees or task forces. Unregulated virtual positions are ad hoc committees that are temporary by design and are not fully integrated into the organizational structure. These positions may have a highly ambiguous role within a corporate structure and sometimes experience a high failure rate. That is, they rise and disappear situationally.

Thus, Smith and Mackenzie describe and explain the rise and fall of groups that are temporary by design. Smith focusses on irregular "commissions" as imperfect manifestations of a singular corporate office (corporation sole). Mackenzie, on the other hand, develops the notion of unregulated virtual positions that are plural by nature and occupy ambiguous positions within a formal hierarchy. Their main contributions are in the isolation and identification of these ad hoc offices and groups. Although both authors recognize the primacy of the organizational context in permitting and even determining the formation of these offices and groups, their theories are grounded in static classificatory schemes. These schemes devote minimal analytical insight on the nature of ambiguity and indeterminacy in corporate settings. Yet this ambiguity is omnipresent and is very important to the development of ad hoc groups (Moore 1978; Bourdieu 1977).

The ambiguous role of an ad hoc group and its concentration of authority makes it virtually powerful in nature. Mackenzie's notion of a virtual position or Smith's notion of a corporate category is simply one way in which people may specifically arrange their immediate situations by exploiting ambiguity, generating uncertainty, redefining rules or reinterpreting relationships (Moore 1975:234). Virtual groups provide a vantage point from which to study process in collective action. These groups are the arenas wherein uncertainty in situations may be resolved. By struggling for legitimacy in an organization, virtual groups push against indeterminacy in the unfolding of events by trying to impart order, form, and predictability to their immediate affairs.

Thus, virtual groups embody a paradox. Every explicit attempt to fix organizational canon or institutional agendas by the formation of these groups is by implication a recognition that organizations and institutions are mutable and can adjust to specific situations. At the same time, such attempts are a direct struggle against mutability and represent "processes of regularization" (Moore 1975:234). Thus, virtual groups are caught in the middle. They are
betwixt and between monolithic institutional tradition and embryonic entrepreneurial beginnings. The rise and fall of these groups is much like the rise and fall of big men, shamans, and leaders in other cultures: there is no science of navigation and no fund inherited from the experience of those who have gone before. Therefore, generating innovation within an existing institutional framework may require individuals to break with convention. One means by which to accomplish this is to form ad hoc groups.

CONCLUSION

My developmental scheme provides a dynamic dimension which animates the conventional typologies of corporate groups developed by Smith (1974:91–105, 1978:428-441). My scheme also challenges the notion of virtual positions of power developed by Mackenzie (1986). Both authors have in common a classificatory characterization of corporate groups that is fundamentally static, whereas I regard this formation process as dynamic.

This article explains in social-theoretical language the process whereby individuals coalesce into strategically positioned groups around innovative ideas or practices which emerge within institutional settings. Foucault (1980:93) argues that different strategic positions occupied by different group formations are a reflection of forms of power—"power is not an institution, and not a structure...[rather] it is the name one attributes to a complex strategical situation in a particular society." The changing nature of power that parallels the changing nature of these groups is by definition virtual because it is a perception of power. In this regard, my model raises interesting research questions regarding the strategic placement of these groups within organizations, communities, and society.4

Ironically, while virtual groups embody power, they also centralize their own vulnerability as well. This poses a paradox for members in these positions. Essentially, virtual positions or their incumbents are easy targets for attack. Their implicit vulnerability often results in their very undoing. However, in the unfolding of events, these positions represent a quality of corporate inertia, which, according to Smith, makes corporations die so hard and ultimately imparts to some a perpetuity of their own.

My model explains how institutional processes shape collective action through the formation of virtual groups and how the process of their formation transforms the institutions themselves. I have attempted to illustrate the model using prototypical situations in different contexts. We live in institutions and, as Douglas (1986:128) reminds us, there is no other way to make important decisions except within the scope of the institutions we build and maintain.

NOTES

1. This paper was partially supported by grant MH-18006 from the National Institute of Mental Health.

2. Ndendeuli informants agreed on the exceptional outcome in this particular case, which was one of only two or three such cases that were remembered over the previous 25 years (Gulliver 1977).
3. Smith’s work is a further refinement of the classical typologies of Weber (1974:145-173) regarding corporate groups.

4. For instance, virtual groups may be strategically positioned to implement projects that an institution, heavily encumbered with liability, would be unable to attempt. An example of this in recent history is the creation of the War Industries Board (WIB), (Cuff 1973). A contemporary example is the proliferation of scientific advisory boards (SABs) or institutional review boards (IRBs) mediating institutional liaisons between academia and industry (Kenney 1986).

BIBLIOGRAPHY


