Strategic Management Frontiers

Edited by JOHN H. GRANT
University of Pittsburgh

JAI PRESS INC.
1988
Greenwich, Connecticut *London, England*

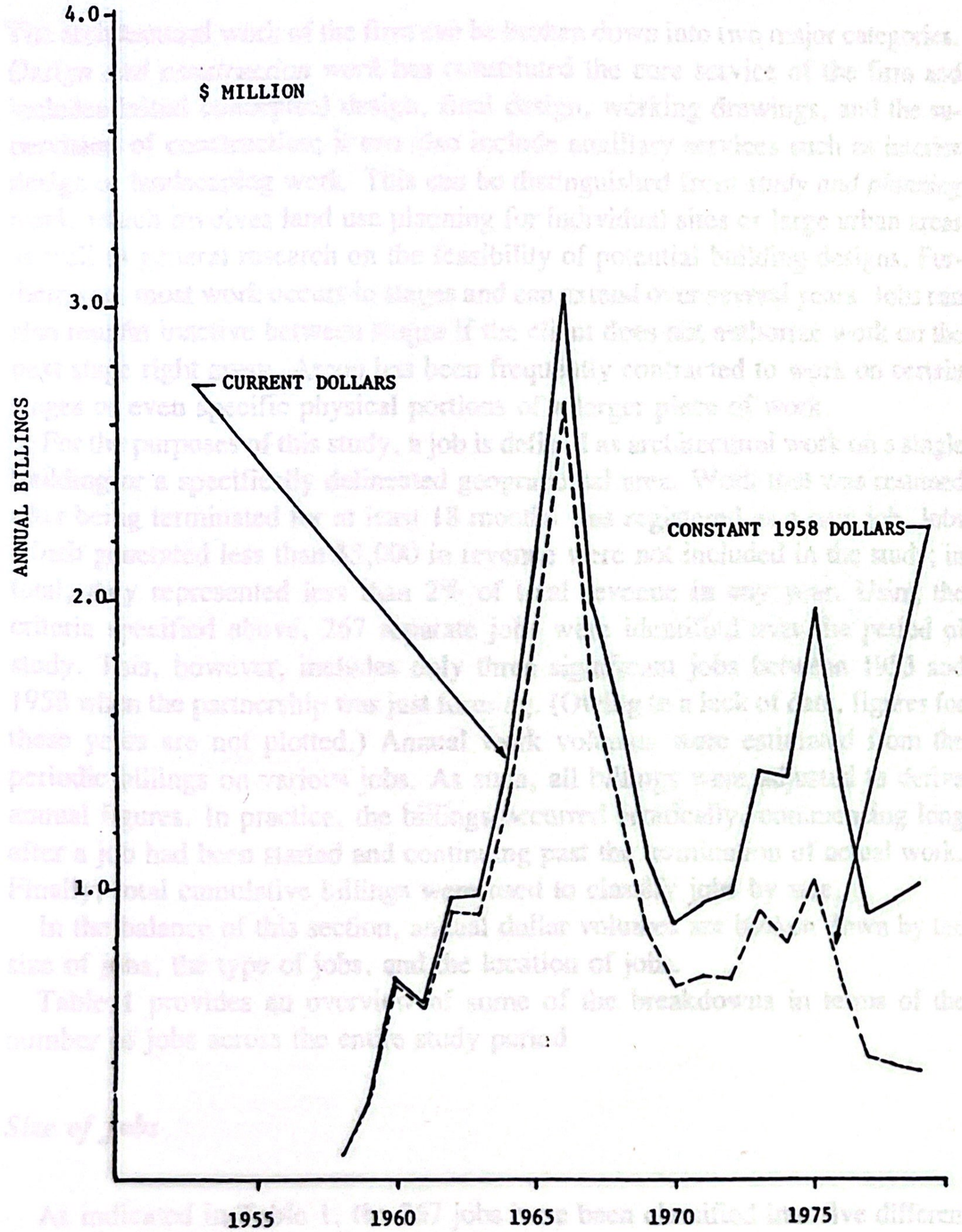
STRATEGY OF DESIGN: A STUDY OF "ARCHITECTS IN CO-PARTNERSHIP"

Henry Mintzberg, Suzane Otis, Jamal Shamsie,
and James A. Waters

This is the story of strategy and structure in a distinguished organization of architects across almost thirty years of its history. In fact, it is really a story of avoiding the making of strategies and resisting the forces of organization, in order to sustain creative excellence in craft. As such, the story contains some interesting messages for a society that experiences the imperatives of administration.

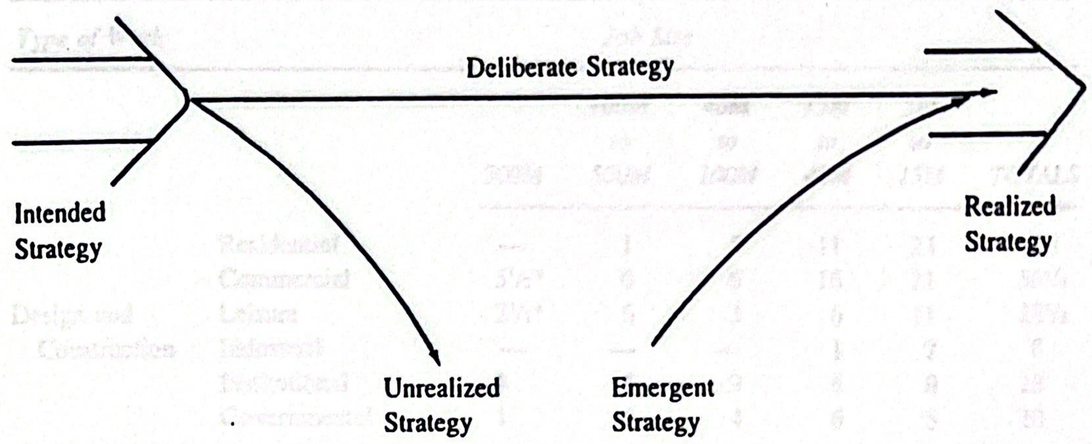
Arcop ("Architects in Co-partnership"), which evolved from a working relationship of three architects in a basement in Montreal in 1953, became a renowned designer of major buildings in Canada. As can be seen in Figure 1, the firm peaked with billings of over $3 million and a staff of almost 150 people in early 1966 before it fell back to under $1 million and 30 people in 1970. It then began a more moderate cycle of growth which peaked with almost $2 million in billings and 70 people in 1975. Much of the success of Arcop can be attributed to its basic adherence to the principles of fine design. It has been said that being inside an Arcop building is a celebration.

Figure 1. Annual Billings of ARCOP



The intention of this study, in conjunction with a number of others of very different organizations (e.g., Mintzberg, 1978; Mintzberg and Waters, 1982, 1984), is to trace the actions of an organization over a substantial period of time to understand how and why its strategies developed and changed. For the purposes of this research, strategy, as *realized*, is defined as a pattern in a stream of actions. This stands in sharp contrast to the usual definition of strategy in terms

Diagram 1. Types of Strategies



of *intention*. Combining these two definitions, as shown in the Diagram 1, introduces the concept of *deliberate* strategy (intentions realized as patterns of action), *unrealized* strategy, and *emergent* strategy (patterns of action not expressly intended).

As a consequence of this orientation, the steps in this research are, first, to isolate various streams of actions in different areas of organizational activity, working primarily from archival data; second, to infer strategies as patterns, or consistencies, in these streams; third, to scan changes in the different strategies to infer distinct periods in the history of the organization; fourth, to probe deeply into the causes of changes in periods, relying in good part on interviews with principal actors; and fifth, to use the results to develop concepts about the strategy formation process. In this study, the primary sources of archival data were the records on jobs and billings, payroll files, financial reports, memos, circulars, and some personal files of the partners. Interviews were held with 19 people, including five current partners and two former ones (out of nine in all), four associates and three former associates, one secretary, and four other former employees, one in drafting, the rest in various administrative positions.

The report begins with an accounting of the organization's strategies, as inferred from its streams of actions, divided into two broad groupings—job strategies, namely, the nature of the architectural work done by the firm, and organizational strategies, namely, the manner in which the firm pursued its work. Following the description of these strategies, the performance of the firm (revenue, profits, prizes, and awards) is discussed and, together with selected job strategies, compared with general industry trends. This is followed by a narrative history of the firm, divided into four basic periods. The report then concludes with a conceptual interpretation of the study under two themes: first, cycles of change within a strategic umbrella and, second, adhocracy and the reluctant organization.

JOB STRATEGIES AT ARCOP

The architectural work of the firm can be broken down into two major categories. *Design and construction work* has constituted the core service of the firm and includes initial conceptual design, final design, working drawings, and the supervision of construction; it can also include auxiliary services such as interior design or landscaping work. This can be distinguished from *study and planning work,* which involves land use planning for individual sites or large urban areas as well as general research on the feasibility of potential building designs. Furthermore, most work occurs in stages and can extend over several years. Jobs can also remain inactive between stages if the client does not authorize work on the next stage right away. Arcop has been frequently contracted to work on certain stages or even specific physical portions of a larger piece of work.

For the purposes of this study, a job is defined as architectural work on a single building or a specifically delineated geographical area. Work that was resumed after being terminated for at least 18 months was registered as a new job. Jobs which generated less than $5,000 in revenue were not included in the study; in total, they represented less than 2% of total revenue in any year. Using the criteria specified above, 267 separate jobs were identified over the period of study. This, however, includes only three significant jobs between 1953 and 1958 when the partnership was just forming. (Owing to a lack of data, figures for these years are not plotted.) Annual work volumes were estimated from the periodic billings on various jobs. As such, all billings were adjusted to derive annual figures. In practice, the billings occurred erratically, commencing long after a job had been started and continuing past the termination of actual work. Finally, total cumulative billings were used to classify jobs by size.

In the balance of this section, annual dollar volumes are broken down by the size of jobs, the type of jobs, and the location of jobs.

Table 1 provides an overview of some of the breakdowns in terms of the number of jobs across the entire study period.

Size of Jobs

As indicated in Table 1, the 267 jobs have been classified into five different size categories:

a. Very large: total billings of $500,000 or more (10 jobs; 4% of total jobs).
b. Large: total billings between $100,000 and $500,000 (29 jobs, 11%).
c. Intermediate: total billings between $40,000 and $100,000 (42 jobs; 16%).
d. Small: total billings between $15,000 and $40,000 (72 jobs; 27%).
e. Very small: billings between $5,000 and $15,000 (114 jobs, 42%).

Table 1. Overview of 267 Jobs at Arcop, 1953–1979

Type of Work		*Job Size*					
		500M	*100M to 500M*	*40M to 100M*	*15M to 40M*	*5M to 15M*	*TOTALS*
Design and Construction	Residential	—	1	5	11	23	40
	Commercial	5½*	0	6	16	21	56½
	Leisure	2½*	6	3	6	11	28½
	Industrial	—	—	—	1	7	8
	Institutional	1	4	9	6	8	28
	Governmental	1	4	4	6	5	20
	Subtotal	10	23	27	46	75	181
Study and Planning	Site Development	—	2	5	17	22	46
	Urban Development	—	4	10	9	17	40
	Subtotal	0	6	15	26	39	86
	TOTALS	10	29	42	72	114	267

*Two jobs, Onandaga Auditorium (½ leisure, ½ governmental) and Le Chaudrierre (½ commercial, ½ governmental) are each split between two categories.

Figure 2 shows the percentage distribution of the annual work volume by job size. It shows an almost total dominance of the larger jobs up to 1966, and then a gradual decline to about 1970, after which a steady level of about two-thirds of the volume in these larger jobs was maintained. These interpretations are shown in Diagram 2 as strategies. In addition, it could be argued that each very large job is a strategy, in the sense that it sets off a significant pattern of actions in the organization over a considerable period of time. The 10 very large jobs, with total billings of over $500,000 each, have been separately identified in Figure 3. These jobs are depicted as strategies in their own right in Diagram 3.

Diagram 2. Job Size Strategies

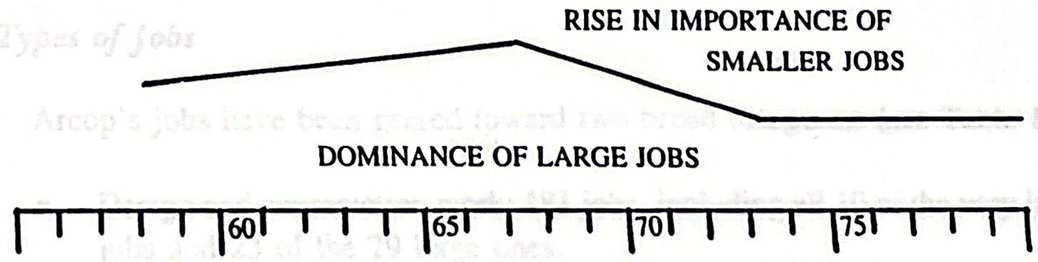


Figure 2. Percentage Distribution of Annual Volume by Size of Jobs

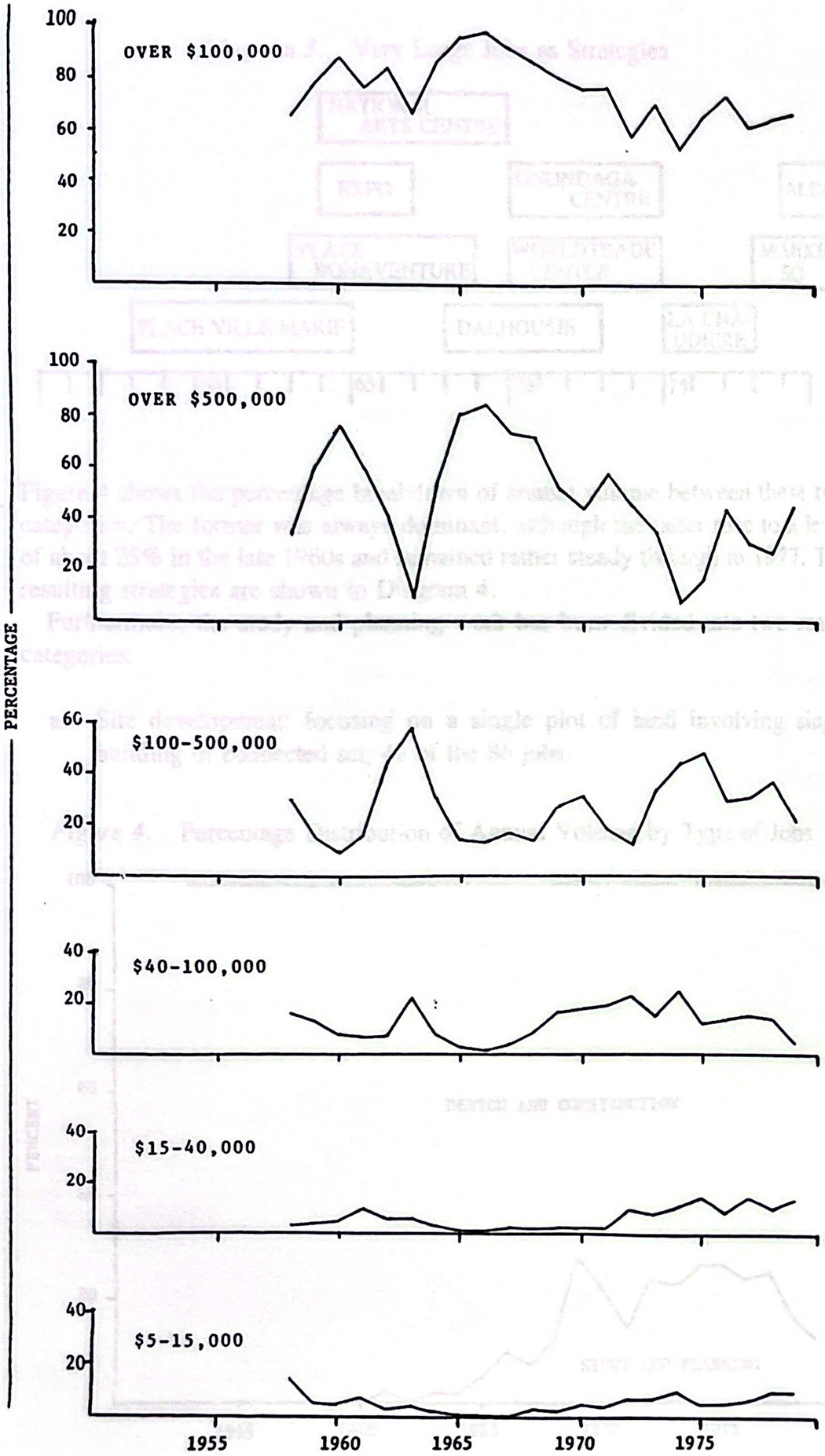
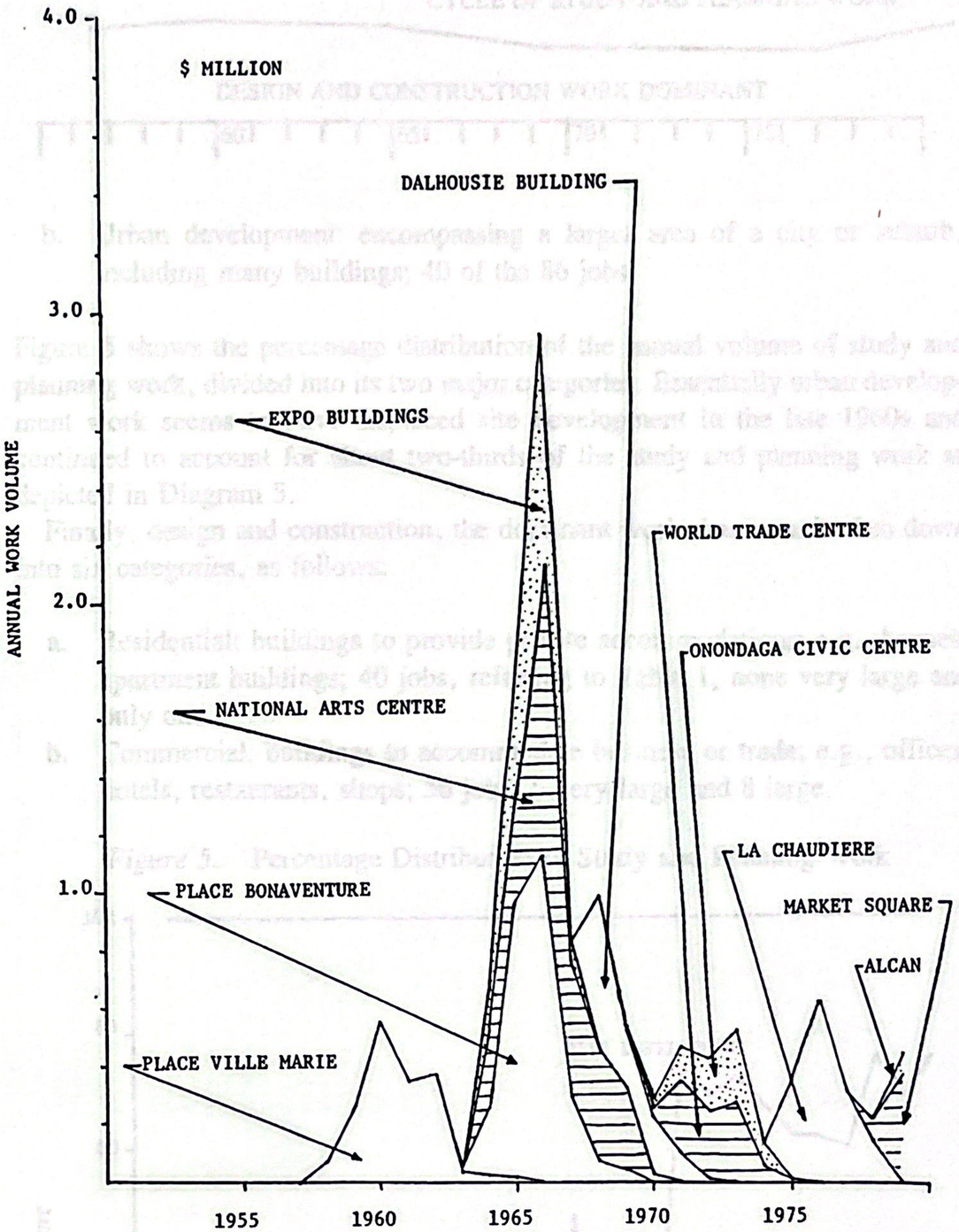


Figure 3. Actual Distribution of Work Volume in Jobs over $500,000



Types of Jobs

Arcop's jobs have been geared toward two broad categories (see Table 1):

a. Design and construction work: 181 jobs, including all 10 of the very large jobs and 23 of the 29 large ones.
b. Study and planning work: 86 jobs, including 6 of the 29 large ones.

Diagram 3. Very Large Jobs as Strategies

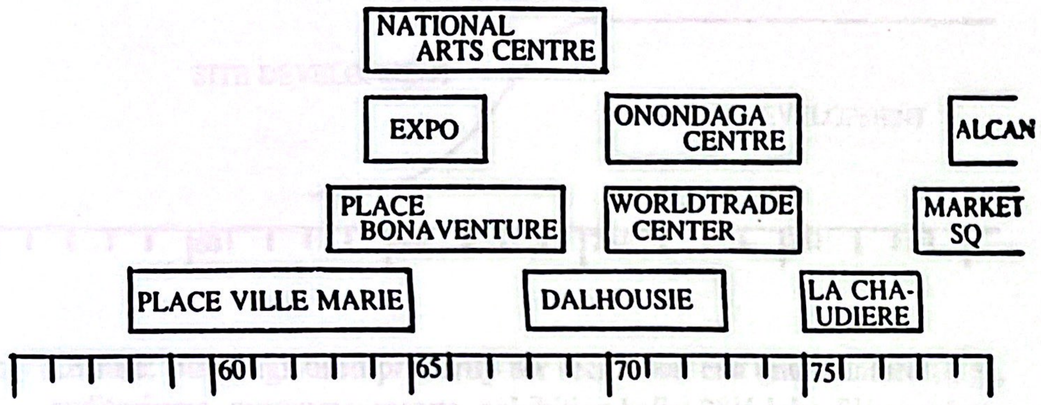


Figure 4 shows the percentage breakdown of annual volume between these two categories. The former was always dominant, although the latter rose to a level of about 25% in the late 1960s and remained rather steady through to 1977. The resulting strategies are shown in Diagram 4.

Furthermore, the study and planning work has been divided into two major categories:

a. Site development: focusing on a single plot of land involving single building or connected set; 46 of the 86 jobs.

Figure 4. Percentage Distribution of Annual Volume by Type of Jobs

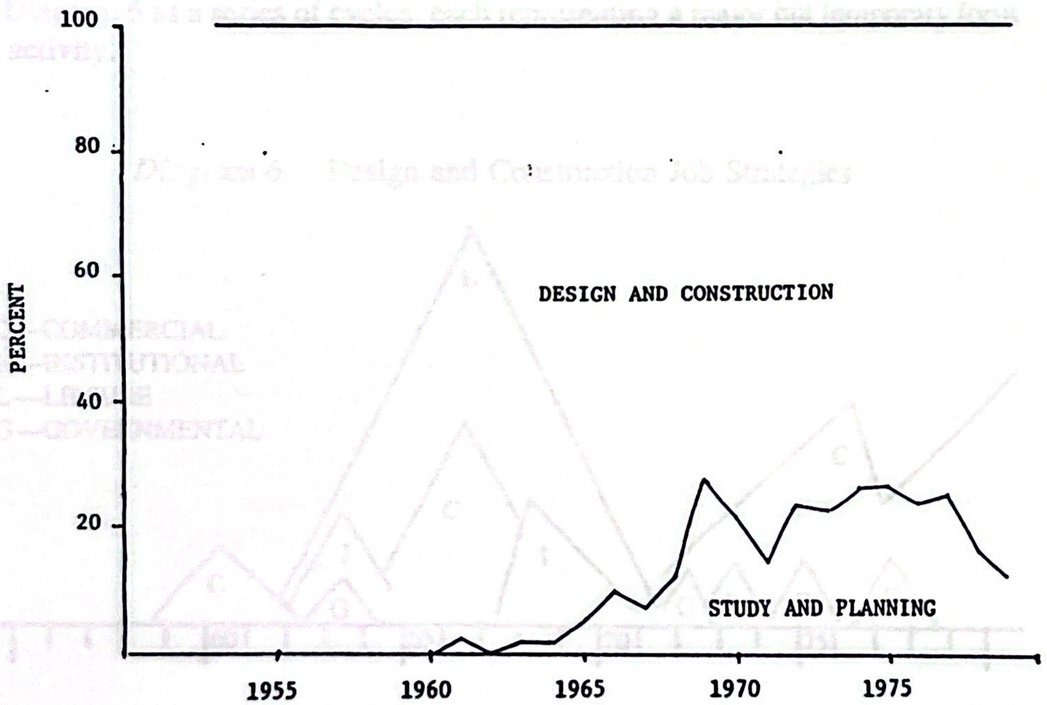
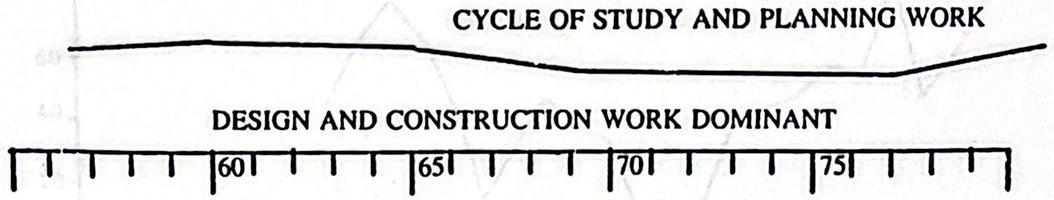


Diagram 4. Job Type Strategies



b. Urban development: encompassing a larger area of a city or suburb, including many buildings; 40 of the 86 jobs.

Figure 5 shows the percentage distribution of the annual volume of study and planning work, divided into its two major categories. Essentially urban development work seems to have displaced site development in the late 1960s and continued to account for about two-thirds of the study and planning work as depicted in Diagram 5.

Finally, design and construction, the dominant work, has been broken down into six categories, as follows:

a. Residential: buildings to provide private accommodations; e.g., houses, apartment buildings; 40 jobs, referring to Table 1, none very large and only one large.
b. Commercial: buildings to accommodate business or trade; e.g., offices, hotels, restaurants, shops; 56 jobs, 5 very large and 8 large.

Figure 5. Percentage Distribution of Study and Planning Work

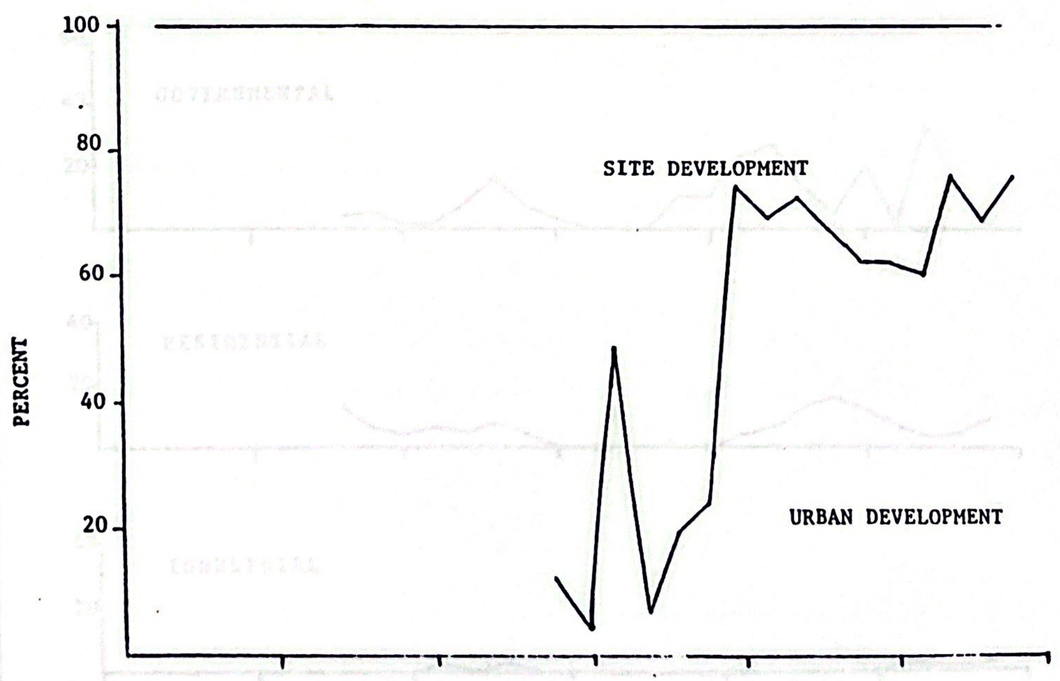
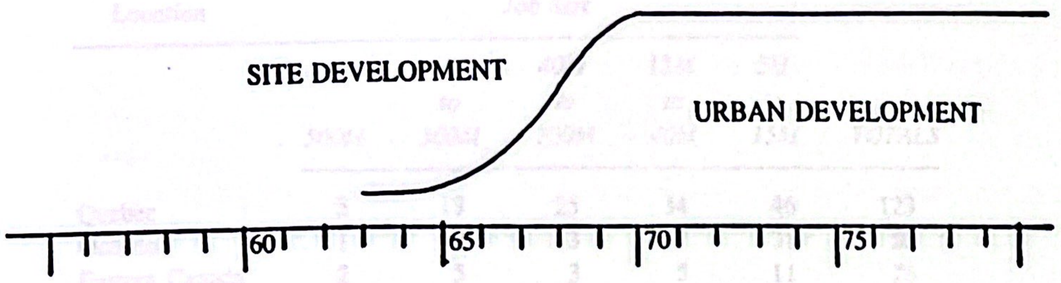


Diagram 5. Study and Planning Job Strategies



c. Leisure: buildings used primarily for recreation and entertainment; e.g., auditoriums, museums, resorts, exhibition halls; 28½ jobs, 8½ very large and 6 large.
d. Industrial: buildings used in connection with industrial operations; e.g., plants and warehouses; 8 jobs, none in the very large or large categories.
e. Institutional: buildings to provide services to the community; e.g., schools, hospitals, churches, social service centers: 28 jobs, 1 very large and 4 large.
f. Governmental: federal, provincial, or municipal buildings providing administrative space or for public use; e.g., town halls, fire stations, subway stations, public offices; 20½ jobs, 2 very large and 4 large.

Figure 6 plots the percentage distribution of annual volume in each of these categories. Most striking in these data is the peak-and-valley character, with different markets rising and falling in no evident pattern. We show the strategies in Diagram 6 as a series of cycles, each representing a major but temporary focus of activity.

Diagram 6. Design and Construction Job Strategies

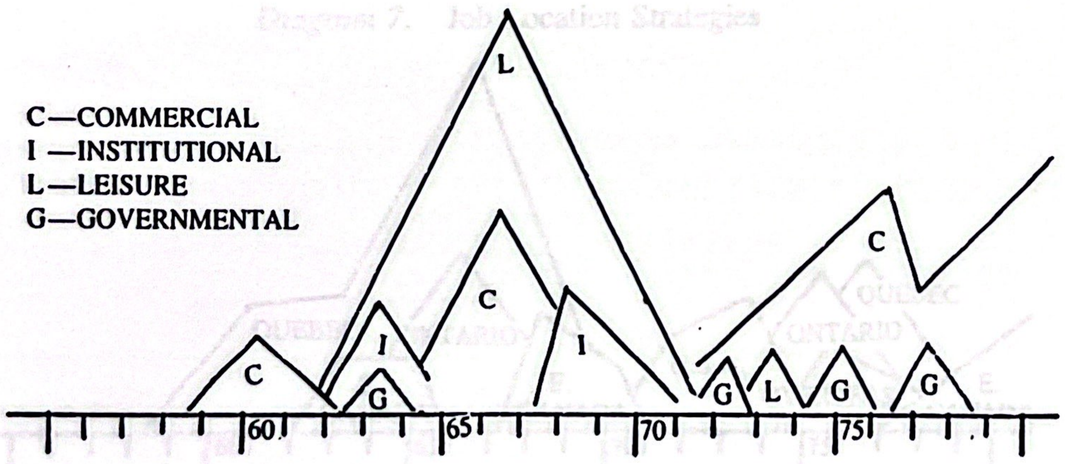


Figure 6. Percentage Distribution of Design and Construction Work

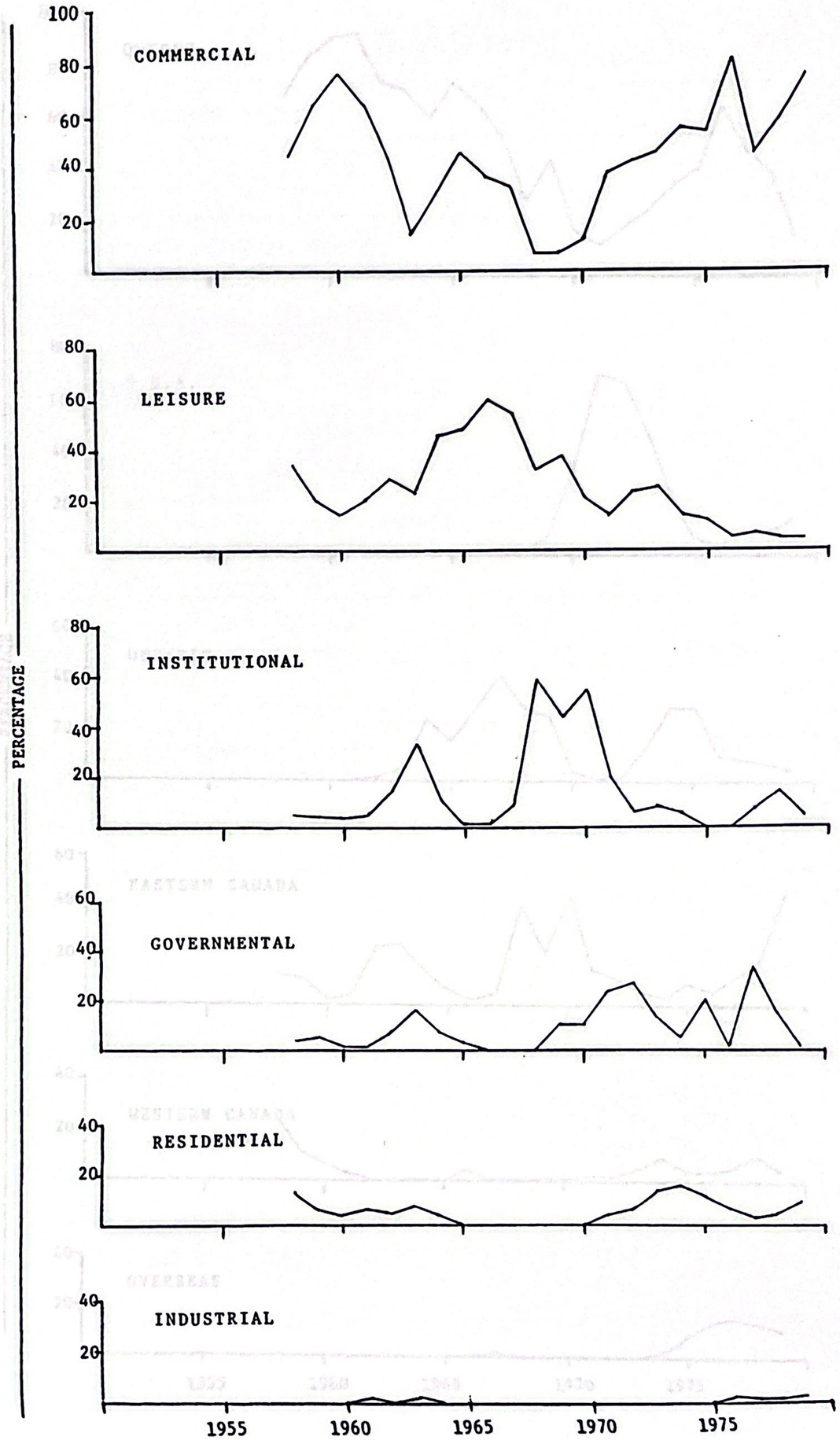


Table 2. Job Location by Size

Location	*Job Size*					
	500M	*100M to 500M*	*40M to 100M*	*15M to 40M*	*5M to 15M*	*TOTALS*
Quebec	5	13	25	34	46	123
Ontario	1	3	3	17	31	55
Eastern Canada	2	5	3	5	11	26
Western Canada	—	3	1	1	3	8
U.S.A.	2	3	9	8	18	40
Overseas	—	2	1	7	5	15
TOTALS	10	29	42	72	114	267

Location of Jobs

The jobs were categorized according to six different locations: Quebec, Ontario, Eastern Canada, Western Canada, the United States, and Overseas. Table 2 shows the number of jobs in each area by size for the entire study period. Figure 7 shows the percentage distribution of annual volume over time by location. Quebec—Arcop's home base and only office site up to 1973—provided much more work than any other location. In fact, Quebec dominated until the late 1960s (more so were a significant job in neighboring Ottawa to be included). Strikingly, a peak-and-valley character is evident for all locations, including Quebec (at least after the early 1960s). In general, job locations are more diversified in the latter half of the study period. The more important cycles are depicted as strategies in Diagram 7.

Diagram 7. Job Location Strategies

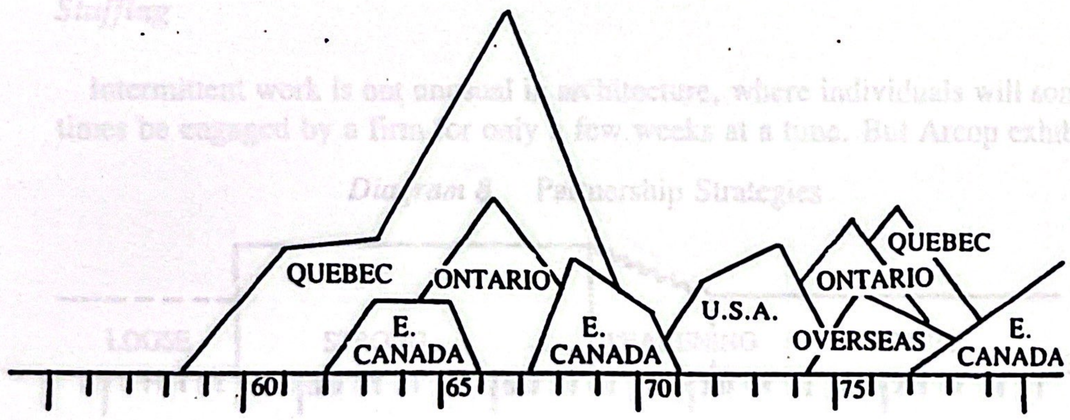
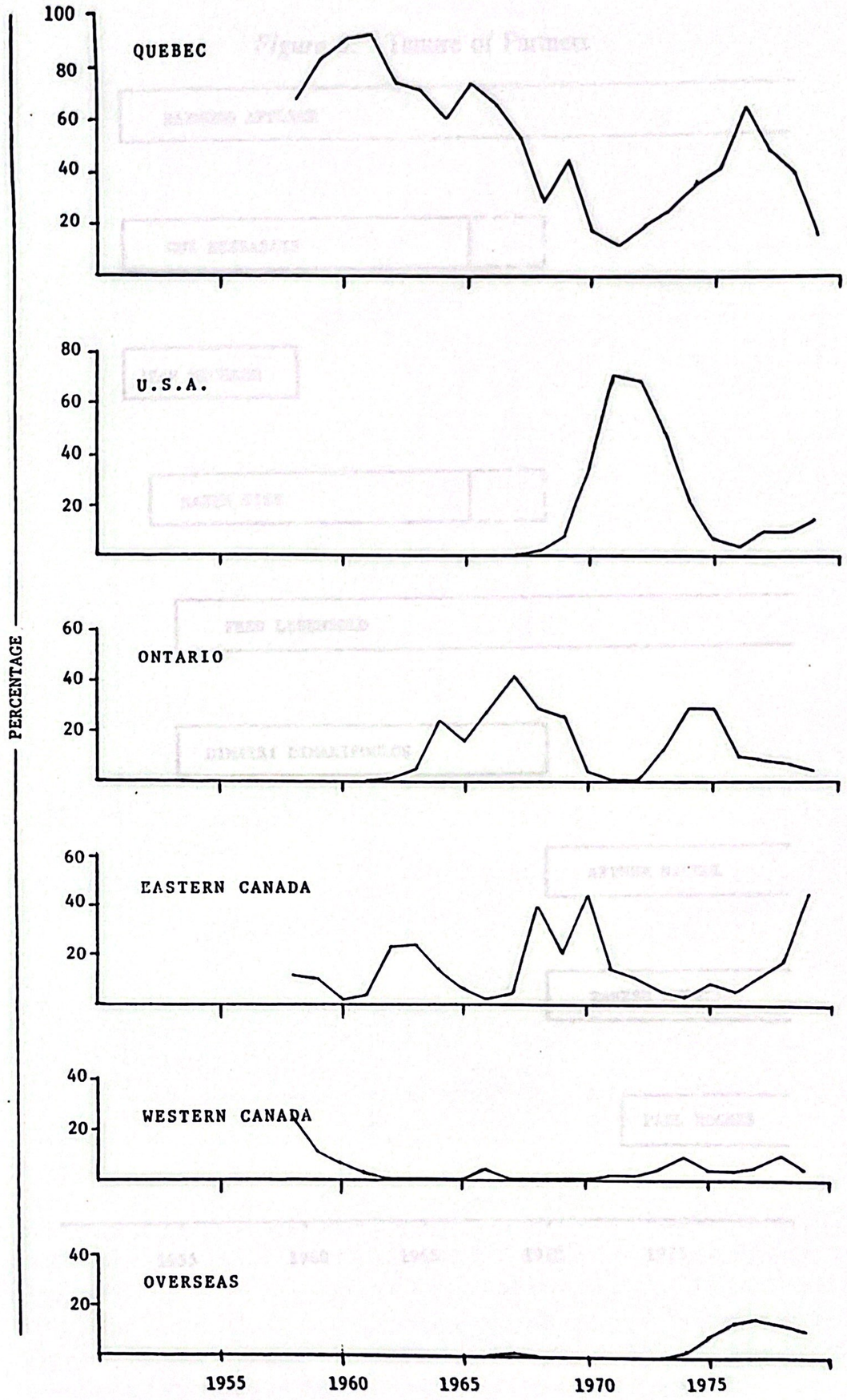


Figure 7. Percentage Distribution of Annual Volume by Location of Jobs



ORGANIZATION STRATEGIES AT ARCOP

Whereas the preceding section dealt with the nature of the firm's architectural work, this section deals with the strategies involved in acquiring and conducting the various jobs. These "organization" strategies are discussed in the following categories: partnership, staffing, offices, affiliations with other architects, marketing, and structure. Data in some of these categories has again been restricted to the period starting in 1958 because of a relative lack of data from 1953 to 1958.

Partnership

Architects must be registered by provincial boards to be able to practice on their own in Canada, although they can work in firms under registered architects without obtaining registration. Most Canadian architectural firms exist as individual proprietorships or partnerships because most provinces do not allow incorporation. Some firms, however, have incorporated service companies which employ nonregistered architects. The majority of staff in architectural firms are architects and drafting or technical people, with a smaller number of people employed to carry out administrative and office tasks.

The nature of the partnership at Arcop changed over the study period; Figure 8 depicts the tenure of the various partners over the study period, while Diagram 8 characterizes these data in terms of four partnership strategies over the years.

Essentially, before 1958 the six architects who were to form Arcop each solicited and carried out their own work, although a single large job in Vancouver served to unify them into a partnership. There was a strong and collaborative partnership from 1958 to 1967, with only one individual leaving. The partnership was trimmed down in 1967 and formally dissolved in early 1970. A new partnership was established later in 1970, joining the two remaining partners with two former associates. This remained stable to the end of the study period, with the addition of a new partner in 1973.

Staffing

Intermittent work is not unusual in architecture, where individuals will sometimes be engaged by a firm for only a few weeks at a time. But Arcop exhibits

Diagram 8. Partnership Strategies

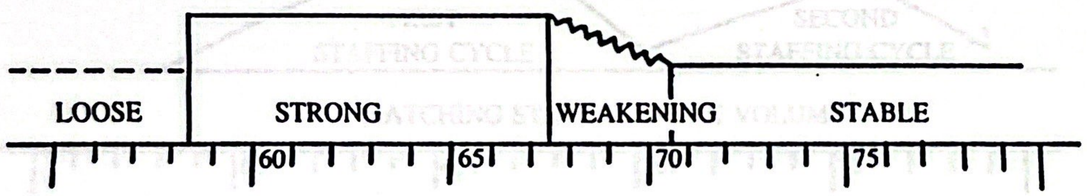


Figure 8. Tenure of Partners

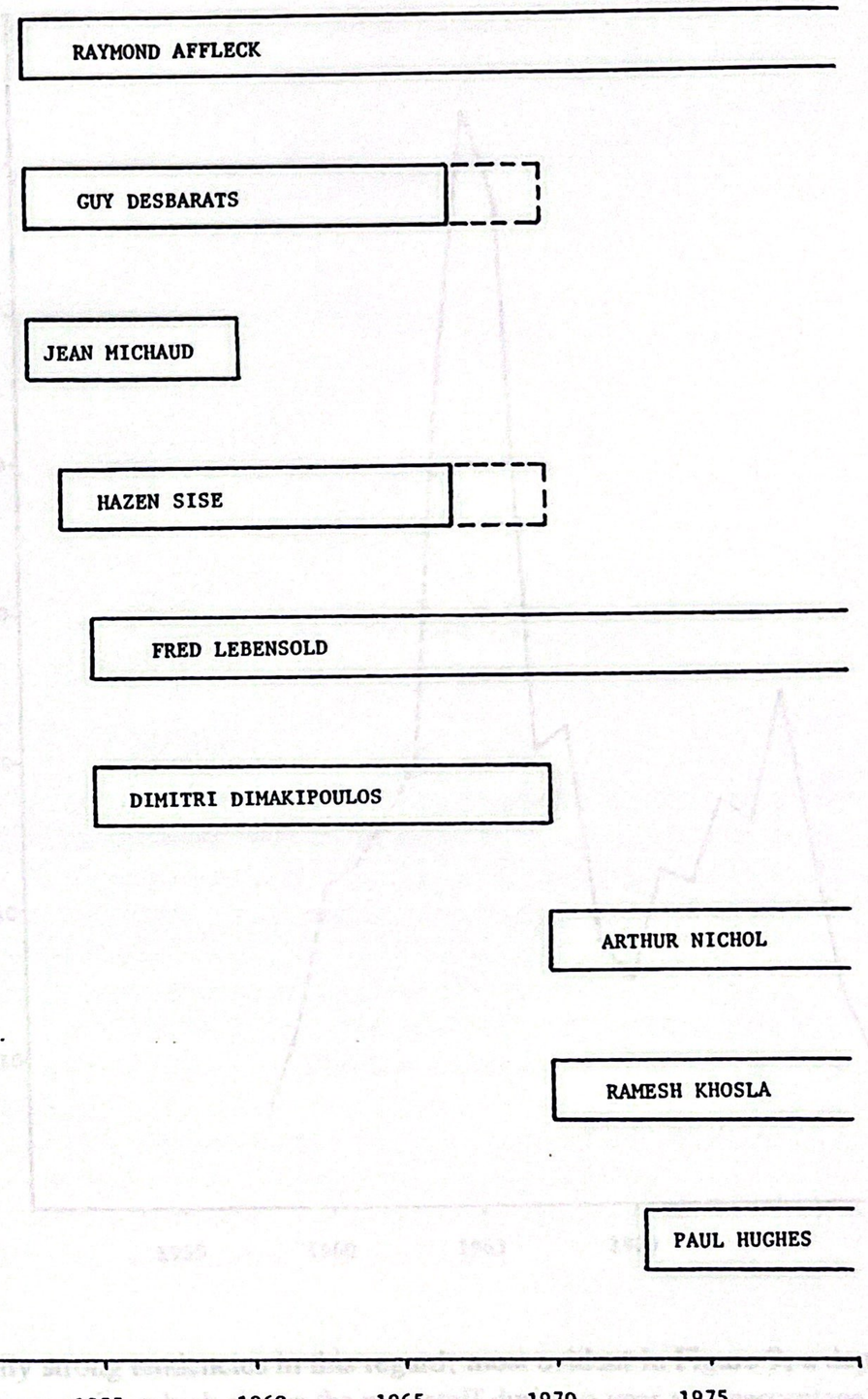


Figure 9. Staff Turnover

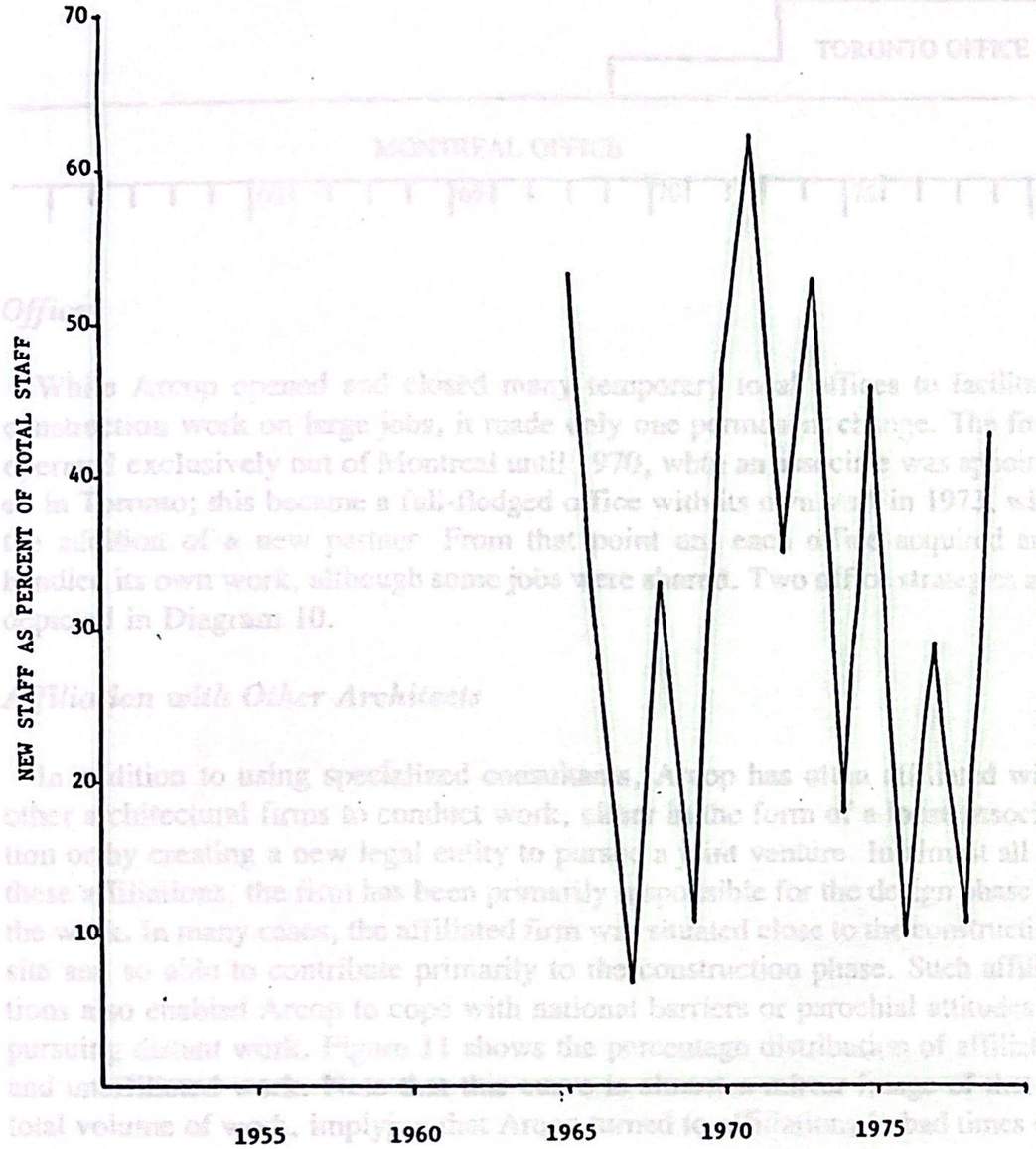


Diagram 9. Staffing Strategies

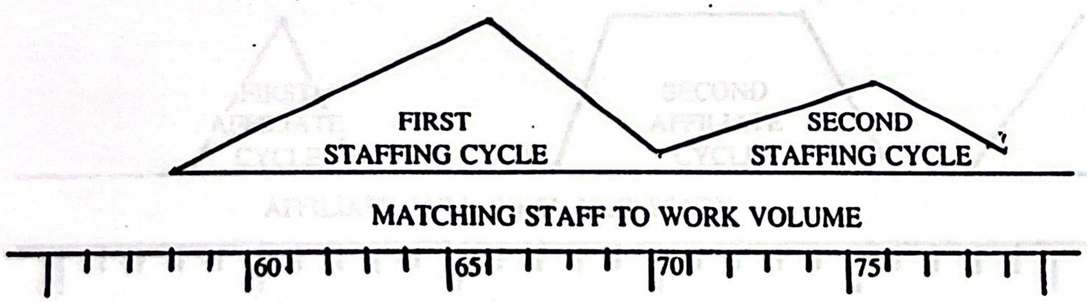
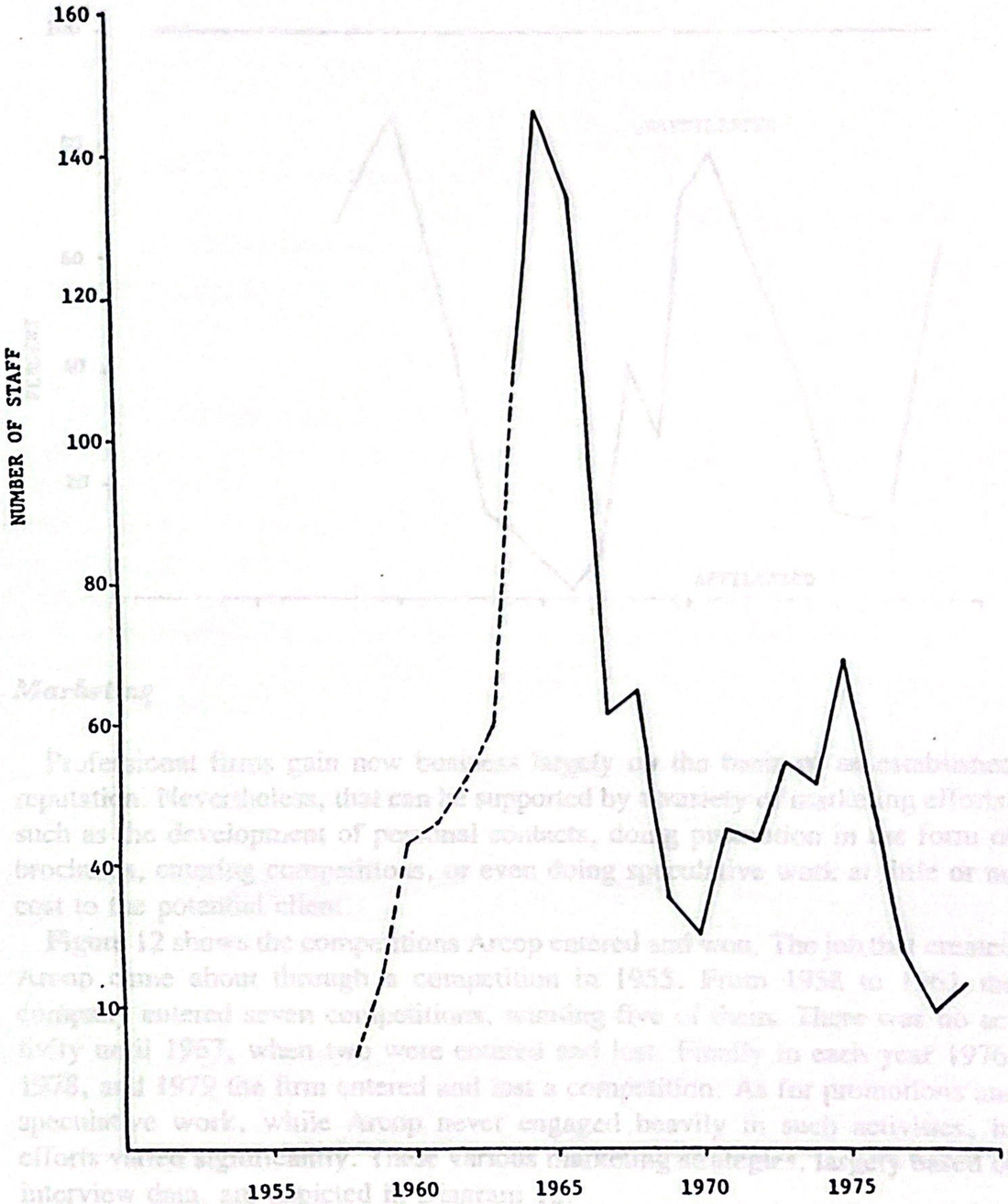
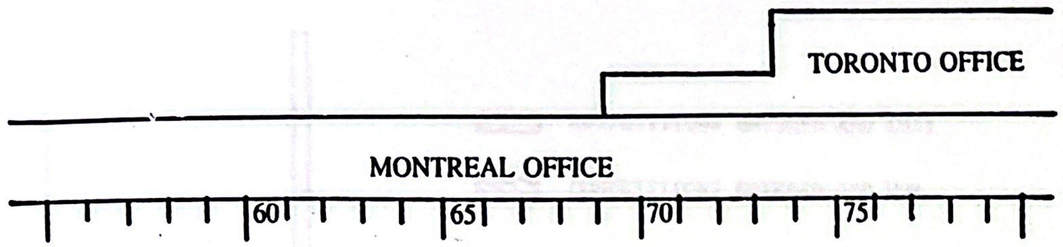


Figure 10. Staff Totals at Year End



especially strong tendencies in this regard, most evident in Figure 9, a depiction of turnover ratio, which shows the new staff during a year as a percentage of the total staff. Figure 10 shows the total number of staff on the payroll at the end of each year. These last data, when compared with the total volume of work in Figure 1, suggest a strategy of matching staff to volume. This, together with two growth-decline cycles in staffing strategy, is shown in Diagram 9.

Diagram 10. Office Strategies



Offices

While Arcop opened and closed many temporary local offices to facilitate construction work on large jobs, it made only one permanent change. The firm operated exclusively out of Montreal until 1970, whtn an associate was appointed in Toronto; this became a full-fledged office with its own staff in 1973, with the addition of a new partner. From that point on, each office acquired and handled its own work, although some jobs were shared. Two office strategies are depicted in Diagram 10.

Affiliation with Other Architects

In addition to using specialized consultants, Arcop has often affiliated with other architectural firms to conduct work, either in the form of a loose association or by creating a new legal entity to pursue a joint venture. In almost all of these affiliations, the firm has been primarily responsible for the design phase of the work. In many cases, the affiliated firm was situated close to the construction site and so able to contribute primarily to the construction phase. Such affiliations also enabled Arcop to cope with national barriers or parochial attitudes in pursuing distant work. Figure 11 shows the percentage distribution of affiliated and unaffiliated work. Note that this curve is almost a mirror image of that of total volume of work, implying that Arcop turned to affiliations in bad times or, more likely, given slight lags in the curve, turned away from them when it no longer needed them. The strategies are shown in Diagram 11.

Diagram 11. Affiliation Strategies

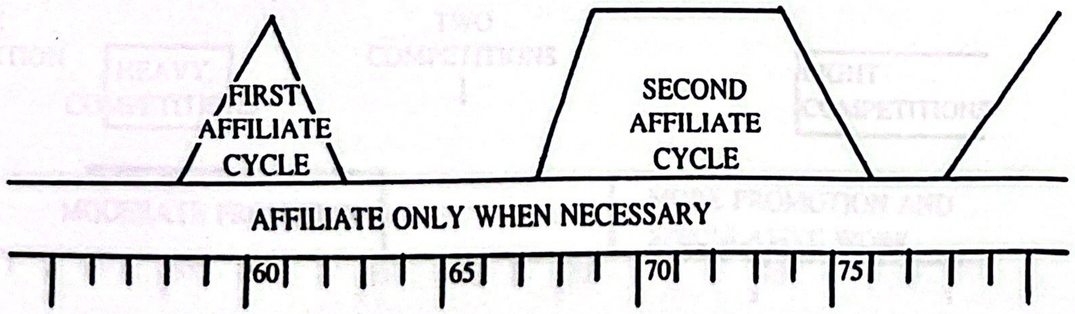
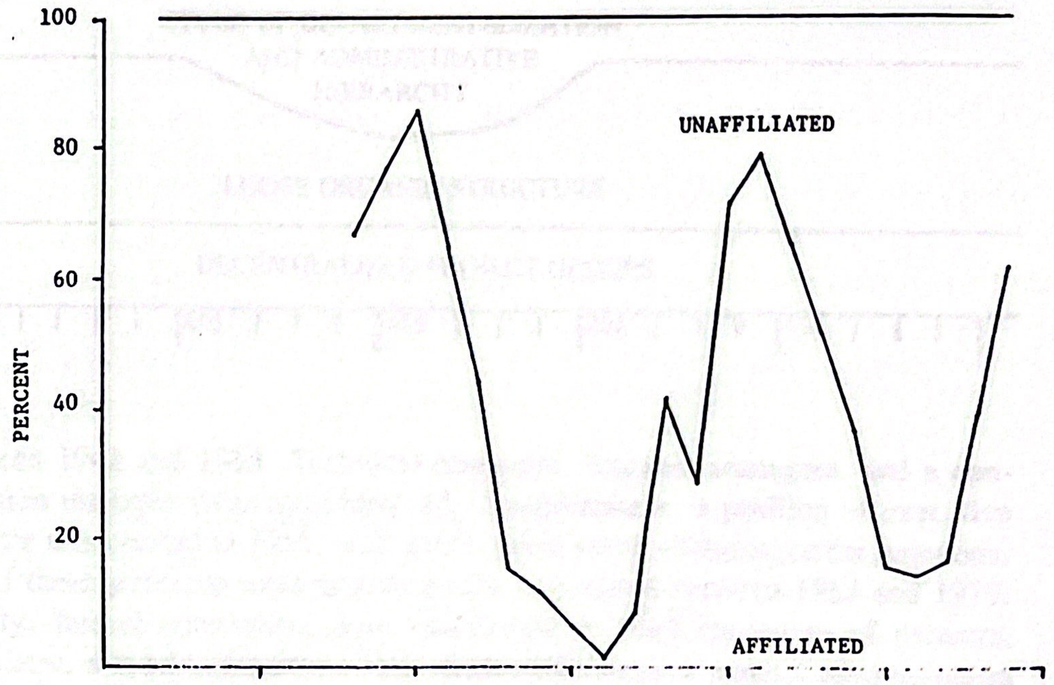


Figure 11. Percentage Distribution of Affiliated and Unaffiliated Work



Marketing

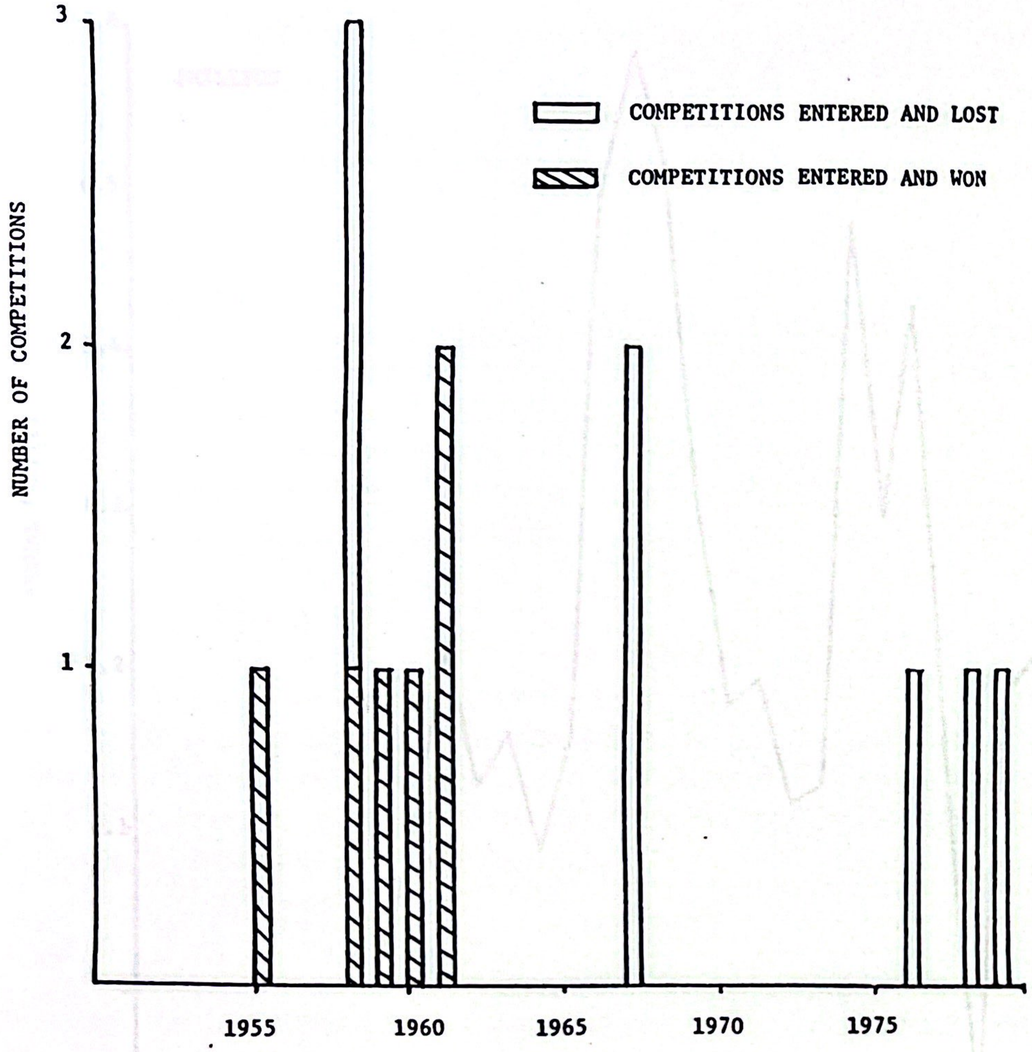
Professional firms gain new business largely on the basis of an established reputation. Nevertheless, that can be supported by a variety of marketing efforts, such as the development of personal contacts, doing promotion in the form of brochures, entering competitions, or even doing speculative work at little or no cost to the potential client.

Figure 12 shows the competitions Arcop entered and won. The job that created Arcop came about through a competition in 1955. From 1958 to 1961 the company entered seven competitions, winning five of them. There was no activity until 1967, when two were entered and lost. Finally in each year 1976, 1978, and 1979 the firm entered and lost a competition. As for promotions and speculative work, while Arcop never engaged heavily in such activities, its efforts varied significantly. These various marketing strategies, largely based on interview data, are depicted in Diagram 12.

Structure

Archival documents reveal some clear tendencies with regard to the formal internal structure of Arcop. In brief, one tendency was always strong—a project orientation with a good deal of decentralization to individual experts on each job. Staff at all levels generally worked on more than one job at a time. Morever, there were always strong pressures to keep the structure loose and fluid.

Figure 12. Competitors Entered and Won



But for a time these tendencies were challenged by various efforts to structure the organization more formally. There was an increasing emphasis on grouping staff by function (design, drafting, graphics, specifications, field supervision, and interior design) beginning in 1961, peaking around 1966, and largely phased out by 1970. In parallel with this, an administrative hierarchy was built up

Diagram 12. Marketing Strategies

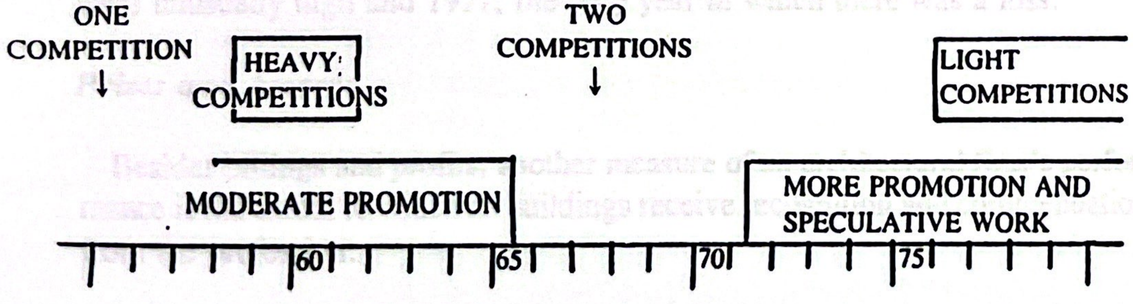
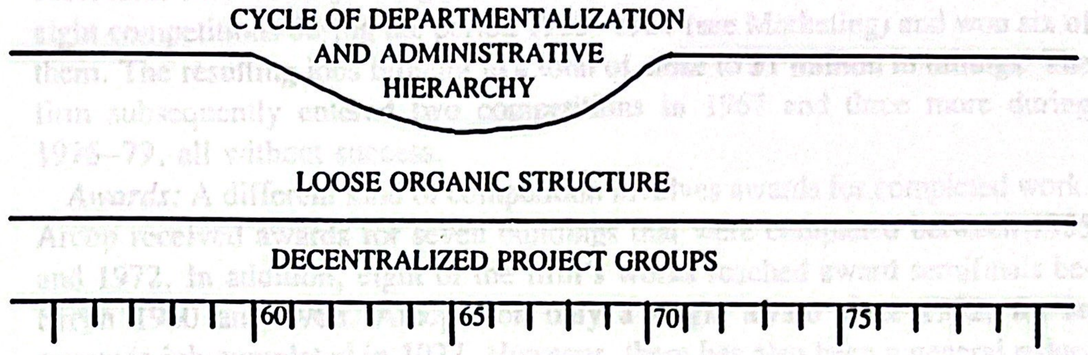


Diagram 13. Organization Strategies



between 1962 and 1965. Technical managers, business managers, and a construction manager were appointed. Most significantly, a position of executive director was created in 1965, with the broadest range of management functions. All of these positions were systematically eliminated between 1967 and 1970. Finally, formal committees were established in 1964 consisting of partners, associates, and administrators. They dealt with issues of general administration as well as with specific areas of salaries, finances, and procedures. These had also declined by 1970. The strategies pertaining to organizational structure are depicted in Diagram 13.

PERFORMANCE OF ARCOP

Arcop's performance results are reported in three categories: billings, net profits, and prizes and awards.

Billings

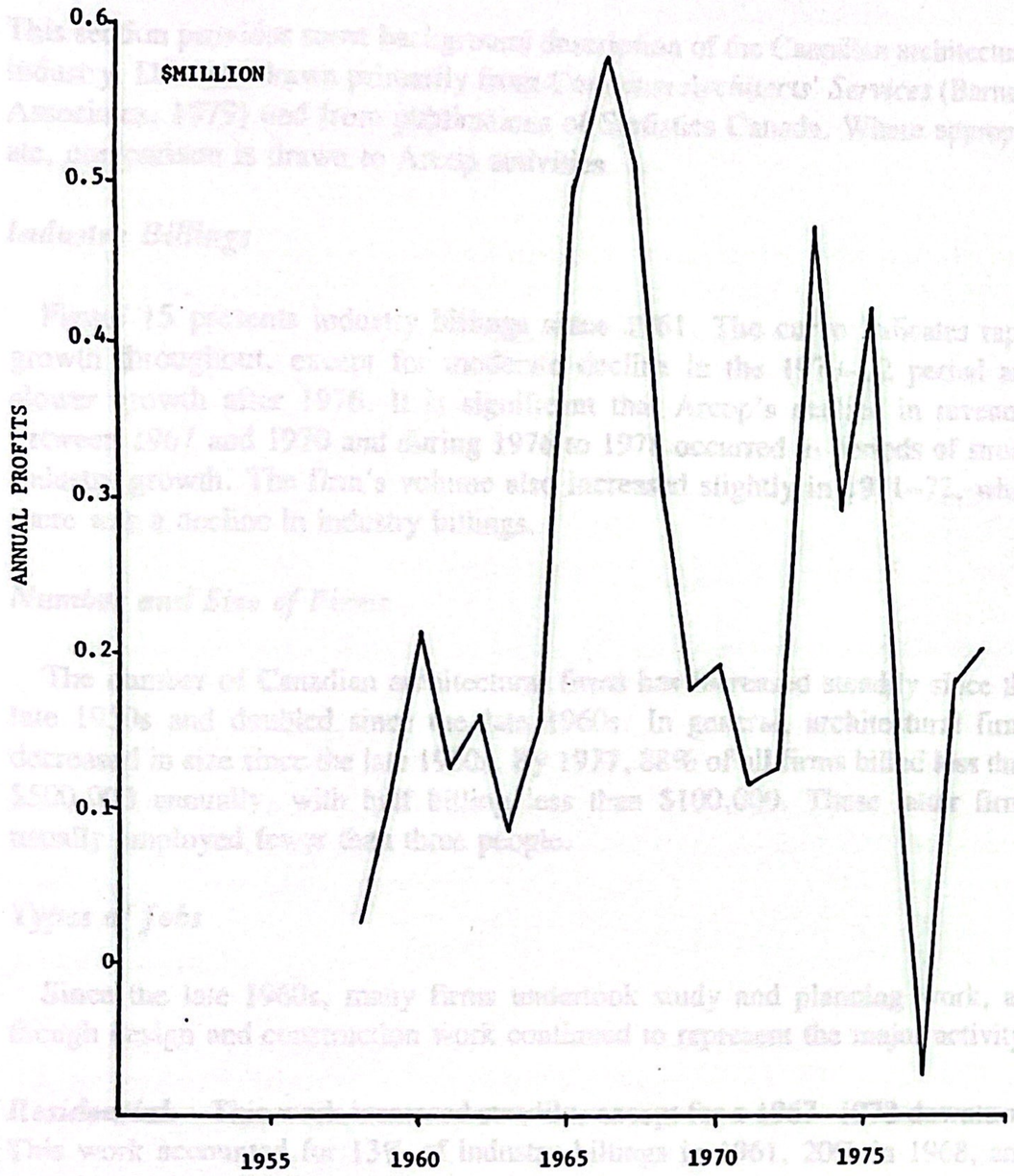
Figure 1 showed the actual annual billings to clients in the year in which they were invoiced. Billings grew sharply from 1958 to 1966, and then declined just as sharply between 1967 and 1970. They rose again less sharply from 1971 to 1975, and then declined sharply in 1976 and 1977.

Net Profits

Figure 13 presents actual net profits, and Figure 14 presents net profit as a percentage of annual billings. (Profits are reported before payments to partners or bonuses to employees.)

The profit curve inexactly mirrors the billing curve, in part because high quality standards often overrode cost controls, with the partners occasionally redoing complete stages of work at the expense of profits. Nevertheless, given

Figure 13. Net Profits of ARCOP



the wide fluctuations in billings, profits were rather steady, generally in the 10% to 25% range, with the exception of 1958, 1959, 1960. and 1973, when they were unusually high and 1977, the only year in which there was a loss.

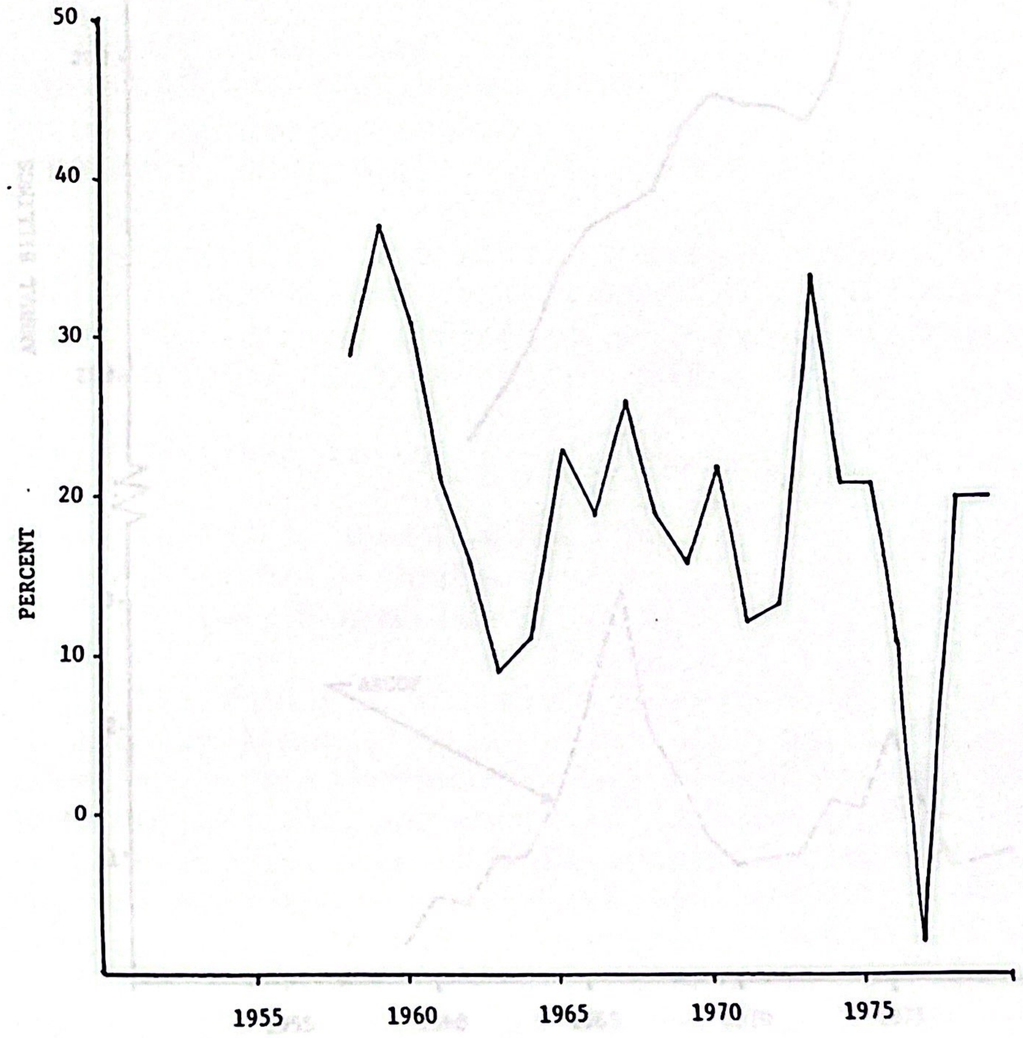
Prizes and Awards

Besides billings and profits, another measure of an architectural firm's performance is the extent to which its buildings receive recognition and commendation from the profession.

Prizes: Competitions invite design submissions for intended buildings, the successful firm usually being awarded the contract for the job. Arcop entered eight competitions during the period 1955–1961 (see Marketing) and won six of them. The resulting jobs brought in a total of close to $1 million in billings. The firm subsequently entered two competitions in 1967 and three more during 1976–79, all without success.

Awards: A different kind of competition involves awards for completed work. Arcop received awards for seven buildings that were completed between 1955 and 1972. In addition, eight of the firm's works reached award semifinals between 1960 and 1966. Arcop won only a single award since 1972, for an overseas job completed in 1977. However, there has also been a general reduction in the number of awards given in Canada, particularly since 1975.

Figure 14. Net Profits as Percentage of Billings



ARCOP'S INDUSTRY

This section provides some background description of the Canadian architectural industry. Data are drawn primarily from *Canadian Architects' Services* (Barnard Associates, 1979) and from publications of Statistics Canada. Where appropriate, comparison is drawn to Arcop activities.

Industry Billings

Figure 15 presents industry billings since 1961. The curve indicates rapid growth throughout, except for moderate decline in the 1970–72 period and slower growth after 1976. It is significant that Arcop's decline in revenues between 1967 and 1970 and during 1976 to 1978 occurred in periods of strong industry growth. The firm's volume also increased slightly in 1971–72, while there was a decline in industry billings.

Number and Size of Firms

The number of Canadian architectural firms has increased steadily since the late 1950s and doubled since the late 1960s. In general, architectural firms decreased in size since the late 1960s. By 1977, 88% of all firms billed less than $500,000 annually, with half billing less than $100,000. These latter firms usually employed fewer than three people.

Types of Jobs

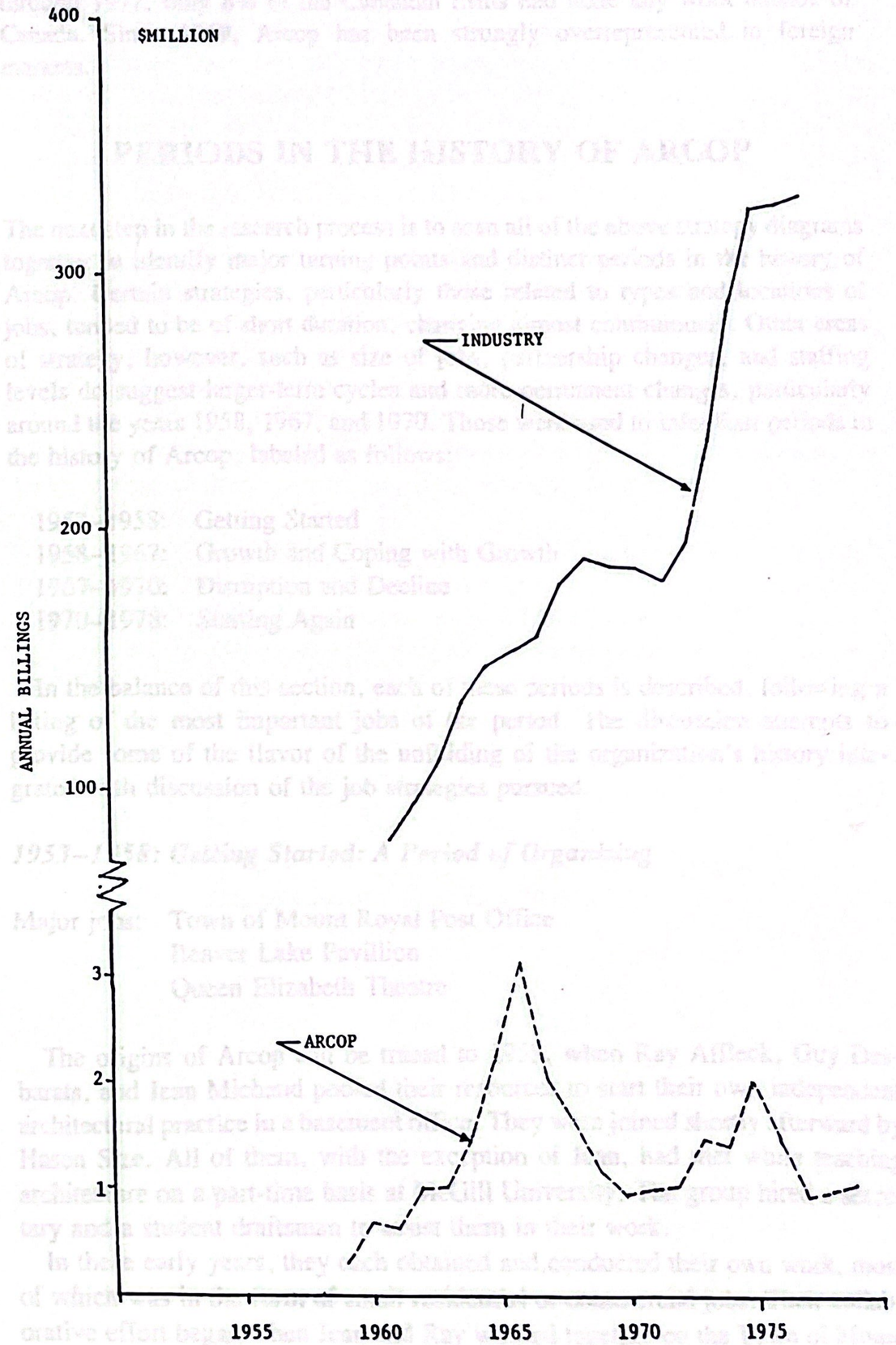
Since the late 1960s, many firms undertook study and planning work, although design and construction work continued to represent the major activity.

Residential. This work increased steadily, except for a 1967–1973 downturn. This work accounted for 13% of industry billings in 1961, 20% in 1968, and 22% in 1977. Arcop has been somewhat underrepresented in this category.

Commercial. This work increased consistently, with sharp growth between 1960–66 and 1969–1976. Mixed-use and office building activity turned down between 1966 and 1973, while retail buildings, including hotels, increased. This category of work accounted for 18% of industry billings in 1961 and 24% in 1976. Arcop has been strongly over-represented here.

Leisure. This work showed consistent slow growth, with more pronounced increases from 1965–67 and 1973–78. Work in this category has tended to depend on a few large projects, such as those resulting from Expo 67 and the

Figure 15. Architectural Billings



1976 Olympics, both in Montreal. This work has generally averaged around 5% of industry billings, making Arcop strongly overrepresented in this category.

Industrial. This work was less important, although it did account for as much as 10% in occasional years. Arcop was perhaps somewhat underrepresented in this category.

Institutional. This work showed a rapid increase between 1960 and 1968 and declined consistently after 1968. It has been dominated by educational and medical buildings. This work accounted for 48% of industry billings in 1961, 51% in 1967, and only 24% in 1977. Arcop was consistent with industry averages in the late 1960s but was underrepresented during the mid- and late-1970s.

Governmental. This work was relatively consistent with the strongest growth from 1960–67 and 1973–78 and accounted for 5% of industry billings in 1961, 6% in 1968, and 10% in 1977. On average, Arcop was somewhat overrepresented.

Since the late 1960s, the private sector gained in importance in comparison with the public sector. In 1961, 53% of industry billings were derived from work from the public sector (largely consisting of governmental leisure and institutional work); in 1977, this figure had declined to 41%. Medium-sized firms with annual billings between $250,000 and $500,000 have tended to rely more heavily on the public sector. Arcop has generally had a greater than average involvement with private sector clients.

Work Location

1. Quebec: This province exhibited strong growth from 1960–65 and 1971–76, accounting for close to 25% of industry billings in 1961, 1968, and 1977. As would be expected, Arcop is very strongly overrepresented in Quebec.
2. Ontario: Work grew from 1960–66 and from 1971–75, accounting for 48% of industry billings in 1961, 45% in 1968, and 35% in 1977. Arcop was erratically involved in Ontario but on average was underrepresented.
3. Eastern Canada: This area exhibited growth from 1960–66, 1968–1970, and 1973–76, accounting for around 5% of industry billings in 1961, 1968, and 1977. Arcop participated heavily in each of the growth spurts noted and was generally strongly overrepresented in Eastern Canada.
4. Western Canada: This region generally exhibited strong growth, particularly in British Columbia between 1958 and 1974 and Alberta during 1960–66 and 1973–78. It accounted for 26% of industry billings in 1961, 28% in 1968, and 36% in 1977. Arcop has been severely underrepresented here.
5. U.S.A. and Overseas: In 1977, only 2% of industry billings came from outside Canada, and of these, only 9% from the United States. Most foreign work was being done in the middle East, Africa, and the Carribbean. Indeed, through 1977, only 8% of the Canadian firms had done any work outside of Canada. Since 1969, Arcop has been strongly overrepresented in foreign markets.

PERIODS IN THE HISTORY OF ARCOP

The next step in the research process is to scan all of the above strategy diagrams together to identify major turning points and distinct periods in the history of Arcop. Certain strategies, particularly those related to types and locations of jobs, tended to be of short duration, changing almost continuously. Other areas of strategy, however, such as size of jobs, partnership changes, and staffing levels do suggest larger-term cycles and more permanent changes, particularly around the years 1958, 1967, and 1970. Those were used to infer four periods in the history of Arcop, labeled as follows:

1953–1958: Getting Started
1958–1967: Growth and Coping with Growth
1967–1970: Disruption and Decline
1970–1978: Starting Again

In the balance of this section, each of these periods is described, following a listing of the most important jobs of the period. The discussion attempts to provide some of the flavor of the unfolding of the organization's history integrated with discussion of the job strategies pursued.

1953–1958: Getting Started: A Period of Organizing

Major jobs: Town of Mount Royal Post Office
Beaver Lake Pavillion
Queen Elizabeth Theatre

The origins of Arcop can be traced to 1953, when Ray Affleck, Guy Desbarats, and Jean Michaud pooled their resources to start their own independent architectural practice in a basement office. They were joined shortly afterward by Hasen Size. All of them, with the exception of Jean, had met while teaching architecture on a part-time basis at McGill University. The group hired a secretary and a student draftsman to assist them in their work.

In these early years, they each obtained and conducted their own work, most of which was in the form of small residential or commercial jobs. Their collaborative effort began when Jean and Ray worked together on the Town of Mount Royal Post Office and Hasen and Guy worked on the Beaver Lake Pavillion.

This work also reflected a shared commitment to innovation and excellence: these were generally regarded as the first modern buildings in Montreal. The Town of Mount Royal Post Office became the first public building to receive a Canadian national award for architecture.

The development of Arcop was encouraged by the many architectural competitions being organized all across the country to support the development of domestic talent. In late 1954 the group joined forces with another colleague at McGill, Fred Lebensold, and one of Fred's students, Dimitri Dimakopoulos, to prepare a submission for a performing arts centre in Vancouver. Their joint entry was awarded first place in the competition, and the group, now six architects, had its first large job: the Queen Elizabeth Theatre.

The award necessitated a firm partnership agreement. As Fred noted, "We suddenly realized . . . that it wasn't just a competition . . . it was a real job. . . . We had never done a job of that size before . . . never." The theatre became the first job shared among all the partners. It also marked the first work on performing arts buildings, which was to continue on and off for almost twenty years, even though, as Ray described it, "We did the Vancouver competition not because we were particularly interested in performing arts centres. . . . It was just the nature of the competition."

However, the partners continued to work more or less on their own on other small residential and commercial jobs, occasionally splitting work on a job. In 1956 they all moved into a two-story house in Montreal and hired several architects and draftsmen primarily to assist with the work for the theatre. The total staff reached 15 people by early 1958. An office manager was hired to oversee nontechnical office functions, including billing and record maintenance.

Around this time, the emerging organization was further crystallized as a result of a visit from I.M. Pei and Associates, a large U.S. firm in need of a local group to supervise production of a major commercial complex planned for Montreal. Commenting on the partners' response to the visit, Ray noted "They were very New York, offices right on Madison Avenue . . . asked to see our brochures, c.v.'s . . . we did not have any, of course, so we had to put something together."

The nature of the organization at this time was further pictured in Dimitri's recollections of a key meeting between the firms: "They came up to see us in our building: . . . We had quickly fixed the office up, put pictures on the walls, we all tried to look proper. . . . While we were sitting around the conference table, I.M. Pei leaned back and one of the pictures we had stuck on the wall fell off and landed on his head. . . . There was a grim silence for a moment or two, then we all burst out laughing spontaneously. . . . It seemed to clinch the job."

Thus Arcop was selected to work with I.M. Pei on the Place Ville Marie complex, which was the first skyscraper in Canada and involved extensive aboveground and underground levels, mostly oriented to commercial and retail activities. Arcop was hired to manage the later stages of work leading to construction and provided only limited input to the design. As a result, Arcop's involvement began only late in this period, after completion of the design work and procurement of the rights for the site.

As the Place Ville Marie job developed, the partners decided to expand their partnership to cover all their jobs. Being radical in their outlook, the firm adopted the name "Arcop," standing for "architects in co-partnership," and emphasizing the values of equality and collaboration. The laws governing professional practice, however, required use of the names of the partners, so these were placed in alphabetical order to denote lack of hierarchy.

Despite the egalitarian intentions, the partners discovered that, with so many partners, someone had to take formal charge of the execution of each project, whether or not the work was shared. Moreover, they found that clients preferred dealing with a single partner as the primary contact. Hence there was an understanding that one partner would take charge of each job, and this was usually worked out between them on an informal basis.

The group was also learning to work in affiliation with other architectural firms. As a mirror image of its work in Montreal with I.M. Pei, Arcop associated with a firm in Vancouver to supervise the construction work on the Queen Elizabeth Theatre.

In summary, the 1953–58 period saw the six partners being drawn into a closer and closer relationship. They banded together informally to enter a competition, and winning it forced them to band together formally. They scrambled to create the appearance of a more tightly knit group to get the Place Ville Marie job, and getting it knitted them more tightly together in all their work. By 1958, from a collection of individuals largely doing their own work, the group had coalesced into a full-fledged partnership with feelings about a strong architectural mission.

1958–1967: Growth and Coping with Growth: A Period of Expansion and Growing Tension

Major jobs:
- Queen Elizabeth Theatre
- Place Ville Marie
- Place Bonaventure
- Expo Exhibition Buildings
- National Arts Centre
- Place des Arts
- Confederation Centre
- P.E.I. Provincial Buildings
- Arts and Culture Centre
- Laval Civic Centre
- McGill Leacock Building
- McGill Student Union
- Place Ville Marie Extensions

With the partnership firmly established, Arcop experienced a period of dramatic growth and professional achievement. From 1958 to 1961, the firm entered seven competitions and won five of them. The quality of their winning designs was felt to reflect the intense collaboration among the partners. In addition, the group engaged in moderate promotion and speculative work through the early part of this period to solicit other new business.

In 1958, the group moved to a large office in downtown Montreal, and soon after some of the partners began working on the design of an office building to house Arcop's own practice. The overall staff grew from 15 in 1958 to 43 at the beginning of 1961, largely as a response to the construction work on Place Ville Marie. The firm was hiring bright young architects and giving them major responsibilities on various jobs. It had also appointed two associates by 1961. With the addition of another performing arts centre, Place des Arts in Montreal, the work centered largely in Quebec, at least early in the period (93% by 1961).

Most of the collaboration among the partners occurred in the early stages of conceptual design work. Once work got under way, collaboration was usually limited to meetings to review the progress on different jobs. Individual partners generally controlled their own jobs, working closely with their clients.

The partners were also learning to manage bigger jobs. Staff was organized into teams headed by job captains, who were responsible for different sections. Later, project managers were appointed to assume overall charge of jobs, working under a partner. With the increased workload, tensions arose around the participation of one of the partners, who was perceived by some of his colleagues as less involved in the architectural work. He left the partnership in 1960.

The rapid growth also required increased attention to the management of the overall practice. Guy Desbarats tended to assume responsibility for most of the administrative work, assisted by Susan Ellis, the office manager. The partners discovered that they differed fundamentally in their emphasis on formal organization and structure. In particular, Ray Affleck preferred a loose structure that would not restrict his work, while Guy favored a clearer and tighter organization structure. Ray commented that "in the early days, it was a healthy difference." But it remained an ongoing tension. Another source of tension was the selection of partner-in-charge on desirable projects. In this and other cases, conflicts were generally sorted out informally among the partners, but underlying stresses remained in the group.

In 1961, Arcop hired a firm of management consultants to consider some of these issues. The consultants concluded that the partners had to decide upon a desirable balance between design achievement and profitability, since most jobs, excepting Place Ville Marie, were not generating sufficient profits. The partners were also urged to reach a consensus on a desired size for the firm, on the services to be offered, and on the types of work to be pursued (i.e., to formulate intended strategies). It was also suggested that a senior management person be hired to handle business affairs and that other roles be established to schedule and plan the work.

Around the same time, the work volume grew and became more diverse. With work winding down on Place Ville Marie and Place des Arts in Montreal, new work included another performing arts center and a set of provincial government buildings, both in Prince Edward Island. These resulted in a surge of work in Eastern Canada that represented close to 25% of the total volume in 1963 and 1964. Other jobs continued in or around Montreal on the Laval Civic Centre and on a few educational buildings, mostly for McGill University.

With continued growth of work, certain of the suggestions made by the management consultants were gradually implemented. Expertise was built up in the areas of design, drafting, graphics, specifications, field supervision, and interior design. In something of a matrix-management approach, individuals from these various functional areas worked closely with each other on job teams, coordinated by a project manager. Ray Affleck described one clear example of the resulting departmentalization: "We got some young ladies . . . they had a little corner. . . . They were not architects, they were specialists in furnishings, colors. . . . We formed them into a little department." Other changes included the appointment of a production manager, with responsibility for scheduling and supervising the staff on the various jobs, and the hiring of business managers to manage finances. Finally, a construction manager was appointed to assist the technical and field supervision staff with the construction phase of the jobs.

In 1963, the firm—with 52 staff members at this point—moved into the office building that some of the partners had begun to design in 1958. This move also put the firm into the realty business in a small way in order to rent the excess office space. A modified profit-sharing plan was also introduced for the associates and the senior staff in 1963.

As the mid-1960s approached, the firm was about to experience its greatest spurt of growth, the result of the simultaneous occurrence of several very large jobs. Work on Expo 67, the world's fair held in Montreal in conjunction with Canada's centennial of 1967, involved a grouping of exhibition buildings. The performing arts center stream continued with the National Arts Centre in Ottawa and the Arts and Culture Centre in St. John's, Newfoundland. Commercial work continued with Place Bonaventure, a combination exhibition hall, office building, shopping concourse, and hotel. Although Ray Affleck took this job somewhat reluctantly, it eventually had a major impact on his and Arcop's reputation. Another commercial job consisted of subsequent additions to the ongoing Place Ville Marie complex. As such, the work of the firm began to return to Quebec, which together with Ottawa accounted for over 85% of volume by 1966.

As might be expected, the firm also experienced its most dramatic growth of staff, which increased from 52 in 1963 to a peak of 146 in early 1966. The number of associates also grew from two in 1963 to six in 1965.

Staff were added to fill in the various functional areas until the end of this period. The interior design department, in particular, began to lobby for a more independent practice. Its members wanted to take steps, including a possible change of location, to solicit independent work. The partners rejected the idea,

however, because most viewed the department's role as serving the architectural function.

Administrative demands paralleled the growth in work, with the result that a number of senior office positions, including one to handle public relations, were created. Nevertheless, there was a growing concern among the various administrative managers that the firm was making insufficient profits and even losing money on the big jobs. Ray commented that "there was a feeling that we were inefficient . . . we should be making more money . . . everything should be going like clockwork."

Another management consultant was hired in 1964 and recommended more standardized accounting techniques and more systematic performance control reports. The partners subsequently asked the other senior staff, mostly associates, to form a management committee to deal with the administration of the firm. This committee was headed by Roger Marshall who, in 1965, was appointed executive director and given extensive powers to manage the daily operations. Under Marshall's direction, committees were established to deal with specific management challenges—for example, to create job descriptions and clarify responsibilities, to review job contracts and administer budgets, and to review salaries and recommend employment or dismissal of staff.

Further, two separate subsidiaries were registered in 1966, largely as a result of Guy Desbarat's initiatives. Each employing a different part of the staff, they were intended to control the operations of the practice (as well as to minimize taxes) and to give more control to the senior staff, who were appointed directors and executives. These subsidiaries billed the partnership for services rendered.

All these efforts at formalization and control, however, received little support from the other partners, who insisted on being consulted on almost all decisions and would tolerate no changes that infringed on their personal control of their jobs, regardless of cost or profit considerations.

While all this was going on, the partners were working increasingly on their own jobs, even during the initial design phase and even to the point where partners were deliberately excluding other parties from their own projects. An early indication of breakdown in the collaborative ethic occurred in 1963 when a plaque appeared at the completed Place des Arts building specifically mentioning one partner as the architect. This ran contrary to the agreement that the firm as a whole would be credited with all work. Although the plaque was subsequently removed, the incident was a harbinger of future conflicts. These conflicts showed up particularly in the distribution of the larger jobs. Guy had developed criteria for the appointment of partners-in-charge on new jobs, emphasizing rotation among the partners depending on their current workloads. Nevertheless, this did not prevent them from lobbying for prestigious jobs in a manner that undermined the cooperative spirit of the firm.

The declining collaboration among the partners brought increasing polarization among the rest of the staff as each partner began working more exclusively

with certain individuals. In one instance, according to one interviewee, a job was lost because one partner would not release a particular staff member requested by a potential client.

The continuing rapid growth put the unresolved conflicts into sharp perspective. Guy noted of the period, "the more successful we were, the more tensions we created." The core conflict revolved around the growth and formalization of the firm. Again, the different orientations were represented particularly by Guy, who pushed for a larger and more tightly organized firm, and Ray, who preferred a smaller and looser practice that would not curb his freedom. The breakdown in collaboration became a breakdown in communication. Dimitri remarked that "Guy and Ray found themselves in boxes . . . with no windows or doors open."

Eventually, in 1966, the partnership began to disintegrate visibly, although not without some last-ditch efforts to maintain it. The partners attempted to recreate the earlier atmosphere through weekend retreats away from the office, but these were unsuccessful. Reflecting on the period, Guy commented that "our spirit had lost its dynamism . . . because of the individual thrust." Dimitri recalled, "there was a feeling of a lost touch."

In summary, the innovative design work which resulted from the collaboration of the partners produced great success for the firm over the period. But the success eventually drove the partners away from the very collaboration that produced it. This drift eventually forced a choice about the type of organization that could best carry out the basic mission. Fundamentally different partner orientations toward this choice necessitated the disintegration of the partnership.

1967–1970: Disruption and Decline: A Period of Scaling Down

Major Jobs: National Arts Centre
Dalhousie Life Sciences Building
Polyvalente School Buildings
La Cité Development

The cracks in the partnership, which became visible in late 1966, continued to widen over this next period, until the partnership was essentially reconstituted in 1970. Though billings in the industry continued to grow through 1969, Arcop's own volume declined rapidly starting in late 1966, as work on Place Bonaventure and the Expo buildings wound down. The major jobs during this period consisted of ongoing work on the National Arts Centre in Ottawa and new work on school buildings in suburban Montreal and on a large complex at Dalhousie University in Halifax. The period also witnessed the emergence of study and planning work as a significant complement to the main design and construction work of the firm. One of the major pieces of study and planning work, La Cité Development, was eventually to introduce new conflict to the firm and, in some sense, to

become the final blow to the original partnership. In terms of location, the early part of the period was dominated by Quebec and Ontario, the latter by Eastern Canada.

In spite of this work, combined volume fell far short of that achieved in 1966, and staff totals fell precipitously, from 136 in 1966 to 61 in 1967 and 30 in 1970. The office was moved in late 1966 from the Arcop-owned building to a downtown location. The vacated building was sold soon after, resulting in the elimination of realty operations by 1967.

Following the overt conflict of 1966, the partnership shrank to three active partners. Guy, who earlier had accepted a half-time teaching position at the University of Montreal, chose to increase his load there in 1967 and reduce his involvement with Arcop. Hasen Size ceased to be a partner in 1967, though he continued to receive some benefits from the practice as part of his settlement.

The emphasis on different services declined sharply during this period as well; several areas other than design and drafting were scaled down or eliminated. By 1968, only one interior designer remained in the practice. There was also a sharp reduction in office staff, while the people who remained assumed multiple roles—for example, the interior designer also handled public relations.

The move away from functional specialization was a result partly of declining work volume and partly of Guy's diminished involvement in the firm. Guy had most strongly backed specialized departments, but the other partners, in particular Ray, felt that work should be solicited for the overall job and not for individual departments. Ray explained: "Our experience has been that the types of work we get has always been very erratic. Sometimes we get something to do requiring specifications or interiors, sometimes we don't."

Six of the eight associates left during this period, starting with the departure of Roger Marshall in late 1967. Four new ones were appointed during the period, but one of these had also left the firm by 1970.

The associates left for many reasons. One was the reluctance of the partners to involve them in the management of the firm. Throughout this period, the different management committees were gradually eliminated, and the two subsidiaries were wound down. In essence, the management structure set up in the previous period was dismantled in this one. Commenting on Roger Marshall's departure, Ray Affleck noted: "It was a terrible disfavor we did to him. . . . In my view, the position never worked at all. . . . I found he was trying to coordinate the uncoordinatable." In contrast, Guy Desbarats lamented that Marshall's departure "was really the disintegration of any possibility of setting up a managed firm."

The associates also left because of the general decline in work volume. Arcop had concentrated on large jobs, "monuments," often in the public sector and particularly performing arts centres. In the face of the decline of this type of work, the firm found that it did not have a base of private work, particulary in small commercial, industrial, and residential jobs. Guy explained this gap in the following way: "They were all cut fee jobs. We did not take cut fee jobs. We were very proud. We were very moral in our approaches. It did not bring us more work."

Finally, associates left in part because of the slim prospects of eventually becoming full partners. The existing partners were reluctant to involve the associates in the design stage of their work (just as they excluded each other!). They were also unwilling to consider bringing other design-oriented architects into the partnership, given the tensions they had experienced among themselves.

Meanwhile, the individualistic thrust had developed to the point that the prospect of competitions did not bring about the earlier collaboration. The firm entered two competitions in 1967, the first since 1961. However, the three active partners did not get involved, and most of the work was handled by two of the associates. The firm did not win, in Guy's opinion, "because we did not have our hearts in it."

The divisions between two of the remaining three partners were eventually widened beyond repair as a result of La Cité, a major study and planning project for an urban apartment complex. Ray Affleck recalled his involvement and subsequent withdrawal from the project as follows: "It started as an interesting job . . . the notion of a great big development in an existing urban fabric. It involved a fair amount of demolition and of pushing people out. . . . That kind of thing I don't think any developer would even try to do today. . . . I attempted for quite a while to involve the citizens in the decision-making . . . it ended up in quite a clash of values that I found myself very much caught in. . . . I resigned that commission because I was pretty divided in my loyalties, and I couldn't perform, in my opinion, with integrity and commitment, particularly with respect to the client." Dimitri Dimakopoulos disagreed strongly with Ray and recalled his feelings at the time: "I felt it was our duty to examine the situation properly. . . . I think Ray abandoned the job without examining all the possibilities . . . it was easier pulling out. . . ." Given this sense of commitment to client and community, Dimitri took over the job as Ray withdrew his services. The conflict over the La Cité job was so deep that the only partnership questions that remained were whether Ray or Dimitri would leave, and with whom Fred Lebensold would align himself. Dimitri left Arcop to start out on his own, taking with him the La Cité job as well as several staff members who usually worked with him. At around the same time, Guy Desbarats completed his withdrawal. Ray and Fred decided to continue the Arcop practice.

In summary, the period witnessed a decline in work volume at a rate equivalent to that of growth in the previous period. At the same time, the period also witnessed the disintegration of the original partnership and the dismantling of the organization structure built up in the previous period.

What precipitated the drastic scaling down of operations? Three explanations are possible: that the available work fell off, that the conflicts preoccupied the partners and so deflected the firm from pursuing its basic mission, and that deliberate choices were made to scale down the operations.

Although Canadian billings continued to grow, there was a decline of activity

in Quebec; perhaps Arcop was not able to respond quickly enough to find work in other locations. And conflict between individualistic partners who jealously guarded their spheres of influence was certainly a factor. The strongest element, however, seems to have been the differences over the type of organization that each of the partners desired. In other words, we believe that at the root of the conflict was not so much interpersonal relations per se as fundamental differences about Arcop's size and the threat or opportunity that they posed to the type and style of work the various partners wished to do. Fred spoke later about the nature of this conflict. "Once we get institutionalized, organized, categorized, that's when we are dead. . . . The most important considerations for us were the preservation of our spirit . . . and the preservation of our quality."

In other words, despite the elements of decline and breakdown in this period, there was a quality of deliberateness to it as well. The predominant partners, particularly Ray, favored a smaller, looser organization. The shrinkage of the firm was evidently well managed, if the rather stable profitability throughout this period (16–26%) is any indication. In any event, the firm went through a difficult time between 1966 and 1970 and, at the end of this period, might be characterized as "sadder but wiser."

1970–1978: Starting Again: A Period of Moderate Renewal

Major Jobs:
- Dalhousie Life Sciences Building
- World Trade Center
- Onondaga County Civic Center
- La Chaudriere
- Winnipeg Square
- Centrum Center
- Montreal Museum of Fine Arts
- Holiday Inn
- The 500 Apartments
- Halifax Waterfront Study
- Toronto Harbourfront Study
- Seychelles Island Hotel
- Adeda-Odeku Shopping Centre

In the 1967–1970 period, much of the attention and energy of the principal actors was directed inward, at the nature of their relationships, at questions about the need for administration, and at the nature of values to be pursued in their work. The subsequent shift of attention outward, to the realities of operating in an increasingly competitive architectural world, marked the start of the next and final period of the study. The label "starting again" is used to characterize the period, to draw attention to the interruption of what might be called "soul-searching" in favor of "business-searching." While total billings in the industry grew rapidly again, the number of firms pursuing that volume doubled. Arcop's

business swung moderately up and then down during this final period, but the cycle was not accompanied by the marked strategic changes that characterized the previous cycle.

Ray Affleck and Fred Lebensold decided to continue working together after the decision was made to terminate the earlier partnership agreement and thus became successors to the Arcop practice. Two of the four associates remaining with the firm, Art Nichol and Ramesh Khosla, were made partners. Art had been the first associate appointed in the firm in 1958, while Ramesh had joined the practice in 1966 and had only recently been appointed an associate.

Work in the United States dominated the early part of this period, reflecting in some part the decline of work in Canada. One of the significant jobs involved the lower levels of the World Trade Center in New York City. This work came to the firm on the basis of the reputation it earned with the recently completed Place Bonaventure. Another major job was the Onondaga County Civic Center in Syracuse, which, although partly governmental, resulted from the firm's history of success with performing arts centres. Work on the Civic Center was carried out in joint venture with some young architects in Syracuse, and Art Nichol recalls that "they came looking for us. . . . It was hard on the heels of the National Arts Centre. They knew about this job. They thought they might get (the Syracuse job) if they had experienced help." In addition, there were some smaller jobs spun off from the work on the World Trade Center in New York and scaling down of work on the building for Dalhousie University in Halifax. U.S. work accounted for around 70% of the total volume during the early part of this period, in 1971 and 1972.

Study and planning work continued at previous levels of about 25% of total volume, but now the emphasis shifted to urban development as opposed to concern for single sites. The most significant jobs came, after 1972, in the development of the waterfront in Halifax and the harborfront in Toronto.

Meanwhile, staff levels grew moderately from 30 people in 1970 to 43 people by early 1973. The number of associates had dropped to two by 1972. The office remained in the same location over the period.

During its renewed growth, the firm moved clearly away from departmentalization of the staff. With the departure in 1971 of the last interior designer, no specialized departments remained. Most of the remaining staff were general-purpose designers and draftsmen. Even when, in 1971, three urban designers were hired in response to the volume in urban planning work, they retained a strong job orientation, working with architects on project teams. Similarly, after the departure of the last manager in 1971, the partners avoided the creation of formal managerial positions other than those connected with particular jobs (such as project manager). Ray Affleck explained the shift: "Managers tend to be too administratively oriented. They are not close enough to the work."

At the beginning of the period, there were clearly fewer tensions in the partnership than in the previous period. In addition to the shift to a task orientation, a hierarchy had emerged in the partnership structure. Ray and Fred were viewed as

the senior partners, while Art and Ramesh were, in a sense, feeling their way into the partner role. The decline in the ideology of equality was further indicated by Fred's negotiation of first listing of his name in the partnership. The partners also tried to stay clear of organizational issues, which had created such conflict in earlier years. Within the generally looser management structure, Art Nichols, who had been substantially involved in administrative work even as an associate, assumed many of the management responsibilities. His more junior partnership role helped to ensure that administrative work would not become a major preoccupation of the partnership.

As part of the effort to acquire new business, office operations were established in Toronto. In 1971, the partners appointed an associate in Toronto, but the arrangement was minimally successful. This arrangement was subsequently terminated in 1973 when Paul Hughes was taken in as a partner to oversee a full-fledged office in Toronto, which was run relatively independently. Some jobs, however, such as work on the Toronto Harbourfront and on the Halifax Waterfront, were shared, creating closer ties between the two offices.

By 1973, several important jobs were developing. These included work on Winnipeg Square and on a proposed Centrum Center in Los Angeles, both resulting from the Place Bonaventure job. An important job was started on a Holiday Inn in Montreal, stemming in part from the work on its hotel in Place Bonaventure. The firm was also contracted to do renovation work on the Museum of Fine Arts in Montreal. Finally, the office in Toronto contracted significant residential work on an apartment complex in Kitchener, Ontario.

The location of jobs shifted back primarily to Quebec and Ontario, which together accounted for almost 70% of work by 1975. This shift reflected renewed growth in the industry in Canada. The overall focus of the work also began to shift away from the public sector toward the private sector. Art Nichols related this shift to an overall industry pattern: "It was more a change of the times . . . as public investment began to dry up . . . we had to try and work with private developers . . . and found some jobs with the better developers."

The staff grew significantly from 43 people in early 1973 to 68 people by late 1975, distributed between the two offices. Similarly, the number of associates in both locations grew to 11 by 1975. There was an intention again to involve the senior associates in the management of the firm, initiated by Art and Paul. At the end of 1975, another corporate organization was briefly created with involvement of the associates. But these moves did not arouse much interest from the associates and were never fully implemented.

The partnership, as a whole, had begun to engage more heavily in promotion and speculative work since the reorganization in 1970. In particular, both Paul and Ramesh, the youngest partners, were aggressively seeking new work. By the mid-1970s the firm was even seeking work in overseas locations. Paul explained the moves: "It seemed that the only way to survive was to go where the action was. . . . We ended up having to go far afield to get to the action."

Some new jobs did come into the firm. The largest of these was for a complex, Les Terrasses de la Chaudière, in Hull. This work was partly commercial, partly governmental. There was substantial work on hotels in some overseas locations, most prominently in the Seychelles Islands. The office in Toronto began work on a large shopping center in Nigeria. The job locations became more dispersed, with substantial volume (almost 16%) coming from overseas. Quebec still accounted for at least 40% of work volume, but jobs in Ontario declined significantly.

But, echoing the events of the mid-1960s, staff levels declined from 68 people in 1975 to 19 people in 1978. The number of associates concurrently declined from eleven to seven. By the end of the period, there was evidence of growing strains in the relations among the partners, and a strong rivalry began to develop between the two senior partners. At first, as a result, Ray and Fred would share work with Art and Ramesh but not with each other. But Art and Ramesh also had difficulty getting along with each other, and the partnership began to polarize. While Art managed to keep himself clear of the growing conflict between Ray and Fred, Ramesh gradually aligned himself more strongly and openly with Ray. The new conflict came to a head when Arcop, together with another Montreal architectural firm, entered a federally sponsored competition. Art described the events as follows: "It was a great opportunity. There was a great desire for everyone to get involved. However, there were sharp differences in the approaches of Fred and Ray to the job. Things went from bad to worse. Each partner pulled in their favorite staff. It ended up as a competition in the office. Ray's design finally won out, but there was great bitterness created in the process." The resulting entry lost in the competition. The lingering bitterness in the office was accentuated by a continuing decline in work (and probably vice-versa), this time in parallel with a decline in the industry. Therefore, we can more clearly explain this second major drop in work volume by market forces coupled with some interpersonal strife.

Fred began to feel increasingly concerned about the extent of his influence on the nature and direction of the practice. He was also growing concerned about his prospects for attracting work in Quebec, in view of political and economic developments there. His attention turned to Toronto, and he moved there in 1978. Ray Affleck became the only member of the original partnership to remain in Montreal.[1]

INTERPRETING THE STUDY OF ARCOP IN CONCEPTUAL TERMS

At this point, having described Arcop's strategies and having reviewed its history, we wish to move the analysis up to a conceptual level, both to better understand what occurred at Arcop across the decades of the study and to draw some

broader conclusions about the process of strategy formation. We shall begin with a discussion of the cycles of strategic change and conclude that short-term opportunistic cycles, emergent in nature, were nested within a deliberate "strategic umbrella" which dictated the longer-term periods. Then we shall look at the interplay of the forces of leadership and organization, characterizing Arcop as a "reluctant organization" that strived to maintain its craft-oriented beliefs in the face of the "imperatives of administration."

Cycles of Change within a Strategic Umbrella

The most compelling issues in this study revolved around questions of strategic choice: What did an organization like Arcop really decide about? What aspects of its realized strategy did Arcop control and how?

The distinctions between internal choice, external influence, and result were less than crystal clear in this study. For example, was a new job in Arcop a reflection of strategic choice (to seek the job in the first place, or at least to accept it), environmental influence (selection by the client), or performance (a sale)? In fact, one can imagine a range of answers, depending on the behavior of the firm. As we struggled with this issue, it became increasingly evident that some important conceptual matters were at stake in its resolution.

Two points quickly became clear. The first was that realized strategy had to be considered as a pattern in a stream of actions, not necessarily decisions (as in our original definition). A focus on decisions might have precluded the study of architectural jobs from our analysis of Arcop's strategies, since while those jobs certainly gave rise to actions within the organization, it is not clear that they involved specific decisions. In fact, we came to realize that decision, like the conventional definition of strategy, is rooted in intention; hence, we changed our definition (see Mintzberg and Waters, 1983). The second point, which follows from the first, was that strategies, as consistencies of action, could be determined externally—in other words, the environment could impose a strategy on the organization. Specifically, in this case, Arcop's job strategies could have been dictated by the choices made by its clients.

These points opened up our conception of strategy, but they really begged the basic question of strategic choice. Investigation of that issue required an analysis to determine which aspects of its activities Arcop really did control and which it ceded to its environment, and why. That analysis suggested that in some strategy areas Arcop was a highly opportunistic firm, while in others it was more determined to establish direction for itself. When these two behaviors were considered together, a subtle, and in some ways effective, combination resulted, guided by what we call a "strategic umbrella."

What stands out strongly about job location and job type strategies in Arcop is the virtual absence of any sustained focus. With the possible exception of Quebec from 1958 to 1967, all the location clusters evident in the charts are

clearly of brief duration—short cycles or just temporary "blips." One gets the impression of geographical areas coming and going, almost at random, with no deliberate strategy of geographic location.

In fact, Arcop was established in Quebec by architects domiciled in Montreal, and so it was natural that most of its early work came from there. The reduction of the proportion of work from Quebec below 50% in 1968 is indicative of two important external changes: the end of the surge of building activity associated with Canada's centennial year, especially Expo 67 in Montreal, and the political upheaval taking place in Quebec (which was to peak, in terms of physical violence, in 1970). Clearly evident to the people in Arcop, these changes led to what seems to be the one clearly intended geographic strategy: to disperse the work of the firm. Ironically, however, there was only one specific manifestation of this intention—the establishment of an office in Toronto. But the sharp reduction in Ontario work two years later suggests that even this limited intended strategy was largely unrealized. Besides this, Arcop's strategies of geographic location—to the extent that these brief patterns can be called strategies—appear to be emergent and opportunistic. Arcop took the work it wanted from wherever it came, so long as it was convenient.

An analysis of Arcop's types of work, probably a more important issue than location, leads to a similar conclusion. Arcop did not seem to favor commercial or leisure or institutional or governmental or residential jobs per se; rather it seemed to cycle almost randomly among all of these. In other words, it sustained focus in no specific markets; it provided its services across a range of them with no apparent consistency. True, the partners did have personal preferences—Ray for mixed-use buildings, Fred for theaters, and so on—so that some personal intentions were present. But these intentions were not organizational in the sense of being shared by all of the partners. Nor were they favored exclusively even by the partners in question, all of whom liked variety in their work. Hence, these intentions were not realized with any consistency.

Thus, the analysis to this point suggests that Arcop did not pursue specific strategies per se; rather it pursued jobs, wherever and from whomever it could get them. That the jobs happened at times to cluster temporarily may have enabled us to identify broader realized strategies. But that does not necessarily imply intention on the part of the organizaton.

Job strategies were not, however, quite so purely emergent as they may seem. In broader terms, a clearer picture of intention emerges. Arcop sustained focus in design, which was what the partners liked to do. And most significantly, what drove that design work most of the time was the desire to design buildings that were unique, excellent, and visible. Words like exciting, prestigious, unconventional, landmarks, and jewels capture the nature of the buildings Arcop people liked to work on. One competitor described Arcop people as interested in "opportunities for design"; another expression used by Arcop people themselves was buildings that "celebrated the spirit of a community," whether a massive

commercial complex or a small golf club. In an early promotion brochure, the partners expressed the objective of the firm to "above all develop the utmost social and artistic values that represent the highest contribution of architecture to our civilization." These lofty intentions were in good part realized by the work they produced.

Contingent on such work was control of the front-end conceptual work. Only once did the firm surrender such control, when it worked with I.M. Pei Associates on Place Ville Marie. But that experience, rather than breaking the pattern, established it: "Never again" said the partners of Arcop. These essential characteristics constituted the basic umbrella under which the specific location and job type strategies of Arcop emerged. By "strategic umbrella" we mean a deliberate set of guildelines within which more specific strategies are allowed to emerge.

Thus Arcop was an organization driven less by specific intentions than by broad values, by normative beliefs. The result was that while Arcop seemed to be opportunistic, intentions did guide what it ended up doing. And these intentions were clearly organizational in nature. That is, while they may not have been defined in terms of explicit plans emanating from a central point, they were, nevertheless, shared on a collective basis, internalized in the normative beliefs of the various actors. Thus, while each specific strategy may have been emergent, the overall strategic pattern was deliberate—realized as collectively intended in the form of a strategic umbrella.

The strategic umbrella can perhaps explain why both markets and locations came and went in short-term cycles. On the one hand, Arcop was not preoccupied with type of job or location, with the result that no pattern was encouraged by specific intentions. On the other hand, there were probably not many design opportunities of the kind that Arcop insisted on. Thus, the firm may have had to shift its job types and locations almost continuously in order to maintain its strategic umbrella.

With the exception of the Place Ville Marie job and some small, mundane jobs that the firm sometimes took to keep bread on the table, Arcop never strayed from under its strategic umbrella, although in 1966 it took a crisis to keep it there. When its billings declined, the firm did not compromise the belief system reflected in its strategic umbrella. In fact, the crisis of decline in the late 1960s could be explained, at least in part, by the very intentions of its leading actors to maintain those beliefs.

Staffing strategies seem to reinforce these conclusions. An organization acting in a more deliberate manner would likely target markets, promote aggressively, hire staff to meet the demand, and thereafter increase promotion to maintain or enlarge its staff (or at least avoid having to lay people off during downturns). In other words, it would keep being driven as much by the supply of its own personnel as by the demands of the marketplace. Arcop did none of this, as the various graphs on staffing levels and work volume (as well as fairly steady project levels) indicate. Rather, it engaged in little sustained promotion, and it

quickly adjusted its staff level to the work it happened to have in-house, hiring frantically when work expanded and laying off as soon as it declined. In other words, Arcop chose not to manage staffing levels per se—for example, hiring staff in order to grow or trying to maintain staff when conditions became difficult—but rather to allow them to respond to work volume, which was ultimately dictated by market responses to its strategic umbrella. Sustenance of beliefs drove Arcop, not sustenance of organization or even support of staff.

Several elements of Arcop's structure also reinforce these conclusions. Arcop did engage some of its own specialists. But there was no ambiguity about their role—not to help the organization grow, not to broaden the firm's range of services, but to serve the basic architectural mission. The story of the interior designers is indicative: the partners would not let them establish an independent unit, which would have constituted a form of diversification that would have encouraged growth (supply-driven). Telling, too, is what Arcop did during the downturn: it closed down a number of the specialist departments, just as it laid off architects. Arcop's behavior was in a sense very deliberate here: to let nothing interfere with its one basic business, and its strategic umbrella.

The surge of formalization in the mid-1960s, the issue that seemed to precipitate the major conflict, tells a similar story. This introduces the theme to be treated at greater length in the next section; the success of Arcop's strategic umbrella in the 1960s generated its growth, which necessitated formalization and elaboration of its structure, which in turn threatened that umbrella, at least in the eyes of Ray Afflick. Guy Desbarats was the partner behind the forces for formalization, but in his absence, someone else inevitably would have championed the cause to enable the organization to sustain its size, if not its rate of growth. Yet these strategies of formalization and elaboration did not develop from any overall or shared intentions. Guy certainly intended them, but lacking support from his co-partners, he could only realize them in terms of ad hoc responses to specific pressures. Thus, while these strategies may have been *personally* deliberate, they were *organizationally* emergent. When Arcop changed course, an organizationally deliberate strategy was then pursued, namely, to contract and to rid the organization of all possible vestiges of administrative influence. That strategy is called organizational because it was shared by those who controlled, or more exactly ended up controlling, the organization.

To conclude this discussion, when we compare the findings of this study with the more conventional literature on strategy-making, or even when we compare Arcop with the more conventional organizations we have studied (e.g., Mintzberg, 1978; Brunet, Mintzberg, and Waters, 1983), we find much more subtlety in the notions of deliberate and emergent strategy. Whereas the conventional literature and conventional organizations are preoccupied with designing deliberate strategies, here we find an interesting mixture of the two. In particular, umbrella strategy means deliberateness in overall direction without precise specification of pattern, leaving room for emergence in detailed strategies. The result

is that while individual actions may appear to be ad hoc, and individual strategies emergent, the overall pattern among them is not. Broader forces guide these actions and patterns, much as geographical conditions determine the pathways and later the roads that emerge in the high mountains. In short, Arcop was the reactive organization, but only within its proactive umbrella.

This subtle combination of deliberate and emergent strategy dictated the choices that Arcop "chose" to make. And in that respect this study contains some fascinating messages about strategic choice and about the abdication of decision. Few strategic decisions—by which we mean here specific major commitments to action, whether to set major precedents deliberately or to invest resources for the long term—could be found in Arcop. Yet this does not seem to be an organization that lacked control of its own destiny; quite the contrary.

The fact is that while Arcop ceded a middle range of choices to its environment—the range that most organizations seem intent to control, namely, about what specific products and services to market and where—this organization retained tight control of choices at either end. At the high end, Arcop defined its own strategic umbrella, to guide the work that it ended up doing. And at the lower end, Arcop maintained tight control over the details of its designs. The choice of doorknobs in Arcop-designed buildings was literally a big issue with some of its people. This can be contrasted with some firms whose focus on the middle range can force them to cede control over the broad issues and sometimes even the details as well. How many architectural firms, for example, not to mention mass producers, dispense with their early values in their vigorous pursuit of target markets? And how many fall into standard industry recipes (Grinyer and Spender, 1979) in their operating details?

Thus, in some sense, Arcop may have ended up in greater control of its destiny than the organization that grows large only to find itself locked into central industry trends. Arcop's strategies may have been dispensable, but its beliefs were not. It did not need to make decisions or formulate strategies so long as it maintained control of these beliefs. Ultimately, then, this firm may have been less opportunistic than apparent, despite the appearance of its specific strategies, that is, because it did not seize on deliberate strategies to exploit opportunities that violated its beliefs. The message of the Arcop study seems to be that when you are pursuing strategies of design (at least excellent design), you do not need to design strategies!

Adhocracy and the Reluctant Organization

Another theme dominates the history of Arcop: an unrelenting tension between the forces of organization and those of craft. A distinguishing characteristic of Arcop is that craft eventually won out. In other words, Arcop did not give in to the imperatives of administration. But it paid a high price for this.

From its inception, Arcop was the "reluctant" organization, structuring, de-

partmentalizing, and formalizing almost inadvertently, reluctant step after reluctant step until, faced with crisis, it deliberately reversed the pattern. Arcop may have been in the business of planning for its clients, but it never really accepted planning for itself.

Before 1966, this was not an unusual story for a successful professional organization. Created on the basis of skill and enthusiasm, Arcop fell into structure as a requirement to apply these. Its original partners had to incorporate—organize, at least officially—to do their first big job; later they had to seem organized to get their next big job; and then they had to introduce hierarchy to satisfy clients that a partner was in charge of each job. Growth required more systems, procedures, and controls just to keep order; if the partners refused to realize it, consultants were there to tell them so (as consultants tend to do). But some partners sensed an incompatibility between these trends and the kind of craft they wished to practice. Hence, rather than accepting the acceleration of these trends, as do most organizations intent on growing, they eventually confronted them, deliberately eliminating most of the administrative component of the organization. Arcop, in fact, so weakened its administrative structure that it becomes fair to ask whether it ended up being an organization at all, or just a group of professionals sharing space.

Organization means collective action in the pursuit of a common mission. Arcop was a partnership committed to individual freedom and growth. The partners worked mostly on their own projects, resisting pressures to knit themselves tightly together. Much of the architectural staff, particularly senior people, quickly became used to working under a specific partner. On the other hand, all the partners shared the common mission of doing excellent architectural work that would have an impact on society. Moreover, there was a pool of junior and support staff that generally served the organization as a whole.

An organization is also easily labeled; for example, if one out of the many thousands of IBM managers discriminates against a woman or a black, then IBM is identified as so doing. In this respect, particularly up to 1966, Arcop was an organization. The very fact that the partners chose to call themselves Arcop, rather than using their own names, was one sign of this. Insisting on putting that label on their buildings, instead of the name of the partner in charge, was another, in form if not in substance. Following a similar pattern were activities such as promotion, which had to be collective in nature. Thus, we can conclude that Arcop was an organization, although hardly the best example of a tightly knit one.

What kind of organization was Arcop? In terminology introduced elsewhere (Mintzberg, 1979), Arcop closely resembled *adhocracy:* project structure staffed by highly trained experts intent on innovating rather than standardizing in their work. Characteristic of adhocracy, Arcop's structure was highly fluid; the firm never settled down; nothing it did ever became routine. Except for its basic system of beliefs, everything was dispensable, and indeed, except for two part-

ners, everything was at some point dispensed with. Perhaps nothing epitomizes adhocracy better than the dramatic swings in Arcop's annual staff turnover (see Figure 19). In fact, one possible explanation for the continual shifting of locations and job types might be a deliberate effort to sustain adhocracy. As organizations age and grow, the urge to converge, to focus, to repeat what works best, to avoid the fear of the unknown, typically becomes irresistible. Consequently, most move toward a more formalized structure, a type of machine bureaucracy, characterized by sharp divisions of labor and departmentalization, by pervasive rules and job descriptions, by an emphasis on systems of control and planning.

As it grew, Arcop experienced these pressures, too. Ultimately they had to be confronted. But even before this, Arcop appears to have kept these forces at bay by constantly changing, by avoiding concentration and instead by dipping into one market after another. We have no evidence that this strategy of "keeping moving" (clearly a pattern in Arcop's actions) was deliberate. It might have been inadvertent, a consequence of the limited availability in any one market for the kind of work Arcop people preferred to do (as noted earlier). But that strategy might have been somewhat deliberate, too, a conscious (or perhaps even subconscious) means to maintain adhocracy in the face of the pressures to formalize. Or perhaps the partners had personal needs for constant change and challenge and consequently discouraged convergence whenever it appeared.

This study, as compared with some of our others, seems to highlight some key differences between strategy formation in adhocracy and machine bureaucracy. Machine bureaucracy is a mass producer, adhocracy a developer of prototypes. Hence, in machine bureaucracy central strategists formulate (or more exactly specify) precise intended strategies ("plans") for others to implement; in adhocracy everyone becomes a strategist as his or her specific decisions and actions contribute to the streams from which strategies emerge. Its planning process encourages machine bureaucracy to treat strategies as indispensable. The underlying premise for effectiveness seems to be: if you get your specific strategies straight, nothing else really matters. Adhocracy, in contrast, seems to be based on the premise that if you get your basic beliefs straight and back them with the right people, nothing else needs to be managed—it will all fall naturally into place. And, in contrast to the case of machine bureaucracy, the close touch that the many strategists of adhocracy have with the operating details can serve to reinforce the basic beliefs (and to render most formal controls unnecessary). But strategies may be especially dispensable in adhocracy. Indeed, as discussed above, it might be that adhocracies *have* to dispense with their strategies periodically—to deliberately destroy focus—in order to sustain their *ad hoc*, innovative character.

Integration by plan requires tight organization. If you know exactly what you want to do, then you must "get organized" to do it. If, instead, you really wish to innovate—which means you do not know how your work is going to turn out—then organization gets in the way. Indeed, to look at the other side of the relationship, it will only encourage you to start planning.

Efficiency and the system itself are what matter in machine bureaucracy; administration is paramount. In contrast, the focus of attention in adhocracy, as well as the craft expertise that underlies it, is innovation. Thus, while adhocracies like Arcop may build monuments, they have to be careful not to build *themselves* into monuments.

When Arcop was small, the forces of adhocracy were clearly dominant, while those of administration were minor. Craft skill, allegiance to central beliefs, and informal controls of a normative nature could all be maintained. In fact, Arcop was a planner, but at the job, not the administrative, level. But growth upset the equilibrium. It necessitated more administrative structure, which encouraged formal controls at the expense of normative ones, hierarchy at the expense of commitment, and departmentalization at the expense of flexibility. To be sure, some administration was always necessary to ensure that large jobs were completed with some level of efficiency and to keep the organization from flying apart. But to maintain Arcop's system of beliefs, the impact of these forces eventually had to be limited.

In essence, to maintain excellence in innovative design, the partners felt they could not distance themselves from the details of their work, could not delegate the design of doorknobs, so to speak. They had to maintain close personal control of design. Perhaps they felt the associates were not as good designers as they were; perhaps they simply wanted to hang on to power for its own sake. But it seems more evident to us that hierarchy and impersonalization could very well interfere with attention to craft excellence, that excellence does not come from delegation in the abstract, from being "in charge," from supervising others who do things; it comes from having one's hands on, next to those others. As Dimitri Dimakopoulos commented to us, "We had an element that made us successful. The same magic cannot be reproduced with the associates." In that respect, growth and strengthened administration may have proved inimical to Arcop's basic system of beliefs. If so, one or the other had to give: a confrontation between commercial and craft orientations became inevitable.

At the center of this confrontation were Guy Desbarats and Ray Affleck. Guy, in particular, felt that the firm could grow without any threat to its basic mission. In fact, he was sure that greater size would contribute to greater excellence in design through diversity of inputs, and greater scale would provide more opportunities for the firm to pursue its mission. Thus Guy encouraged the administrative arrangements that would allow the firm to grow.

Ray, on the other hand, exercised his influence in a more implicit manner. He stood for the values and beliefs that were the roots of Arcop. Ray felt that the orientation of the firm could only be maintained in a small organization, where it was possible to maintain personal contact. In this, Ray showed little flexibility, was not easily swayed from his position. The other partners were thus forced either to swing over to Ray's position or to find a way of getting around him, even it if meant leaving the firm. "Do what you like," Ray seemed to say, "but I'm doing X." And Arcop did X, or, more precisely, those who remained at

Arcop did X. In the end, Ray—who never managed Arcop, never held the position of chief executive, never issued the orders—won out. He set the tone; the fact that he never budged from his position meant that Arcop never strayed from its basic system of beliefs. Arcop, in the final analysis, was Ray. What finally made Arcop an organization—what above all held this melange of *ad hoc* projects and temperamental experts together—was this system of beliefs, what we have called the strategic umbrella, and this system was in large part defined and protected by Ray.

Such "implicit leadership"—rooted in norms rather than administration—can be potent indeed, at least in the small organization, where all the members can be in personal touch with each other. But because growth and strong formal administration challenge such an arrangement, Ray exercised his leadership more overtly for a time, in order to encourage a retreat to Arcop's basic craft orientation, consolidation at one-fifth its previous size, and the almost total dismantling of its administrative component.

When Guy left, he said that Arcop was a schizophrenic organization that wanted grand projects but did not want the organization that went along with them. He was right. After the confrontation, Arcop resolved the problem somewhat by increasing its proportion of smaller jobs and by teaming up on more of the larger ones with other firms that took charge of the construction phase, which required more administration, keeping front-end design for itself. But Arcop lost a large part of itself in the dismantling process. The organization that emerged in the 1970s was very different from the earlier one, having lost a great deal of talent as well as work.

To conclude, the story of Arcop is the story of the reluctant organization, one unwilling to face the fact that it was an organization. This story contains interesting messages about leadership and control, about strategies and structures, about decisions and choices. It gives us some insight into what strategic choice and organization itself might mean. Arcop's story has important implications for today's world of organizations. For here is an organization that challenged the imperatives of administration and won in its own way, but paid a high price for its victory. Arcop avoided the syndrome of our age—capture by administration—but it consequently destroyed a part of itself in the process. Arcop lost not only its size but some of its magic too.

Arcop was an organization that created monuments, yet would not let itself become a monument. It stands in sharp contrast to no small number of organizations in professional fields such as architecture, management consulting, and law which, intent on capturing their early success, lose it by trying to institutionalize it, organizations driven to become monuments at the expense of their own beliefs and talents. Arcop could have been big, but that might have made it bland. It likely could have ensured its survival as an organization, beyond its partners, and sustained its large size, simply by widening its umbrella and deferring more to its administrators. But that might have threatened its integrity. So it chose to ensure that integrity instead.

There is a certain sadness to this story, both for Arcop and for society. Arcop survived as a successful organization, on a much smaller scale, perhaps wiser but undoubtedly wearier. It maintained its integrity and decided its own fate but spent a large part of itself in the process.

Could Arcop have had it both ways—scale as well as integrity? Did it have to choose between craft excellence and commercial success? Some organizations manage not to, at least for a time, because of potent ideologies or highly charismatic leaders. But many of these eventually succumb to the imperatives of administration. And a great many others that succeed in material terms make that choice early: size impersonalizes their relationships, dulls their ideology, dampens their commitments, deflects their attention from the central mission. Their normative beliefs give way to formal controls, and administrative forces become ends in themselves. Arcop might prove to have been like a shooting star that burns brilliantly for a short time before it fades away. Perhaps we need more organizations in this world that fade away with their beliefs intact.

ACKNOWLEDGEMENTS

The authors wish to express their appreciation to the partners and staff of Arcop for their generous cooperation and openess and to the Social Sciences and Humanities Research Council which provided financial support for this project.

NOTES

1. At the end of 1982, Arcop employed about 70 people and generated sales of over $2 million.

REFERENCES

Barnard Associates, P. (1979). *Canadian Architects' Services*. Federal Department of Industry, Trade and Commerce.

Brunet, J. P., H. Mintzberg and J. A. Waters (1983). "Tracking Strategies Quantitatively: A Study of Air Canada from 1937 to 1976." Working paper, McGill University.

Grinyer, P. H., and J. C. Spender (1979). *Turnaround: Managerial Recipies for Strategic Success*. London: Associated Business Press.

Mintzberg, H. (1978). "Patterns in Strategy Formation." *Management Science*, 934–948.

Mintzberg, H. (1979). *The Structuring of Organizations*. Englewood Cliffs, NJ: Prentice-Hall.

Mintzberg, H., and J. A. Waters (1982). "Tracking Strategy in an Entrepreneurial Firm." *Academy of Management Journal*, 465–499.

Mintzberg, H., and J. A. Waters (1985). "Of Strategies, Deliberate and Emergent," *Strategic Management Journal*, 6, 3, 257–272.

Mintzberg, H., and J. A. Waters (1984). "Researching the Formation of Strategies: The History of Canadian Lady, 1939–1976. In R. Lamb (ed.) *Competitive Strategic Management*. Englewood Cliffs, NJ: Prentice-Hall.

Statistics Canada (1979). *Office of Architects: 1977*. Department of Industry, Trade and Commerce.

Arcop did X. In the end, Ray—who never managed Arcop, never held the position of chief executive, never issued the orders—won out. He set the tone; the fact that he never budged from his position meant that Arcop never strayed from its basic system of beliefs. Arcop, in the final analysis, was Ray. What finally made Arcop an organization—what above all held this melange of *ad hoc* projects and temperamental experts together—was this system of beliefs, what we have called the strategic umbrella, and this system was in large part defined and protected by Ray.

Such "implicit leadership"—rooted in norms rather than administration—can be potent indeed, at least in the small organization, where all the members can be in personal touch with each other. But because growth and strong formal administration challenge such an arrangement, Ray exercised his leadership more overtly for a time, in order to encourage a retreat to Arcop's basic craft orientation, consolidation at one-fifth its previous size, and the almost total dismantling of its administrative component.

When Guy left, he said that Arcop was a schizophrenic organization that wanted grand projects but did not want the organization that went along with them. He was right. After the confrontation, Arcop resolved the problem somewhat by increasing its proportion of smaller jobs and by teaming up on more of the larger ones with other firms that took charge of the construction phase, which required more administration, keeping front-end design for itself. But Arcop lost a large part of itself in the dismantling process. The organization that emerged in the 1970s was very different from the earlier one, having lost a great deal of talent as well as work.

To conclude, the story of Arcop is the story of the reluctant organization, one unwilling to face the fact that it was an organization. This story contains interesting messages about leadership and control, about strategies and structures, about decisions and choices. It gives us some insight into what strategic choice and organization itself might mean. Arcop's story has important implications for today's world of organizations. For here is an organization that challenged the imperatives of administration and won in its own way, but paid a high price for its victory. Arcop avoided the syndrome of our age—capture by administration—but it consequently destroyed a part of itself in the process. Arcop lost not only its size but some of its magic too.

Arcop was an organization that created monuments, yet would not let itself become a monument. It stands in sharp contrast to no small number of organizations in professional fields such as architecture, management consulting, and law which, intent on capturing their early success, lose it by trying to institutionalize it, organizations driven to become monuments at the expense of their own beliefs and talents. Arcop could have been big, but that might have made it bland. It likely could have ensured its survival as an organization, beyond its partners, and sustained its large size, simply by widening its umbrella and deferring more to its administrators. But that might have threatened its integrity. So it chose to ensure that integrity instead.

There is a certain sadness to this story, both for Arcop and for society. Arcop survived as a successful organization, on a much smaller scale, perhaps wiser but undoubtedly wearier. It maintained its integrity and decided its own fate but spent a large part of itself in the process.

Could Arcop have had it both ways—scale as well as integrity? Did it have to choose between craft excellence and commercial success? Some organizations manage not to, at least for a time, because of potent ideologies or highly charismatic leaders. But many of these eventually succumb to the imperatives of administration. And a great many others that succeed in material terms make that choice early: size impersonalizes their relationships, dulls their ideology, dampens their commitments, deflects their attention from the central mission. Their normative beliefs give way to formal controls, and administrative forces become ends in themselves. Arcop might prove to have been like a shooting star that burns brilliantly for a short time before it fades away. Perhaps we need more organizations in this world that fade away with their beliefs intact.

ACKNOWLEDGEMENTS

The authors wish to express their appreciation to the partners and staff of Arcop for their generous cooperation and openess and to the Social Sciences and Humanities Research Council which provided financial support for this project.

NOTES

1. At the end of 1982, Arcop employed about 70 people and generated sales of over $2 million.

REFERENCES

Barnard Associates, P. (1979). *Canadian Architects' Services*. Federal Department of Industry, Trade and Commerce.

Brunet, J. P., H. Mintzberg and J. A. Waters (1983). "Tracking Strategies Quantitatively: A Study of Air Canada from 1937 to 1976." Working paper, McGill University.

Grinyer, P. H., and J. C. Spender (1979). *Turnaround: Managerial Recipies for Strategic Success*. London: Associated Business Press.

Mintzberg, H. (1978). "Patterns in Strategy Formation." *Management Science*, 934–948.

Mintzberg, H. (1979). *The Structuring of Organizations*. Englewood Cliffs, NJ: Prentice-Hall.

Mintzberg, H., and J. A. Waters (1982). "Tracking Strategy in an Entrepreneurial Firm." *Academy of Management Journal*, 465–499.

Mintzberg, H., and J. A. Waters (1985). "Of Strategies, Deliberate and Emergent," *Strategic Management Journal*, 6, 3, 257–272.

Mintzberg, H., and J. A. Waters (1984). "Researching the Formation of Strategies: The History of Canadian Lady, 1939–1976. In R. Lamb (ed.) *Competitive Strategic Management*. Englewood Cliffs, NJ: Prentice-Hall.

Statistics Canada (1979). *Office of Architects: 1977*. Department of Industry, Trade and Commerce.