Organization Science
Vol. 18, No. 3, May–June 2007, pp. 455–477
ISSN 1047-7039 | EISSN 1526-5455 | 07 | 1803 | 0455
DOI 10.1287/orsc.1070.0278
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The Inherent Limits of Organizational Structure and the Unfulfilled Role of Hierarchy: Lessons from a Near-War

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This paper examines how Greece nearly went to war with Turkey in 1996 over the uninhabited islets of Imia, to the detriment of the Greek decision makers involved. This escalation was driven by fragmented, piecemeal reactions resulting from the organizational structure of the Greek administration, which shaped identities, defined repertoires of action, sustained routines, and filtered and interpreted information. The division of labor inevitably imposed local responses that were not well calibrated. More importantly, the escalation was driven by a lack of hierarchical intervention, which was due to the conditions at the time. Drawing on this case as a natural experiment, the paper highlights the threefold role of hierarchy, which consists of devising means to structure attention and identify how problems are perceived and responded to; control and rein in routinized responses through exception management in the realm of actions; and helping to reframe problems by performing exception management at the level of cognition. In our case study, the hierarchy failed resulting in the issue being poorly framed, responses being local and disaggregated, and each partial reaction worsening the problem, leading to an escalation. This paper articulates a potential raison d'être for hierarchy, and considers the conditions that allow it to play its role to the full. Moving beyond the specifics of the case, the paper extends Cyert and March's work by considering the role of organizational structure and hierarchy in shaping search behavior and defining how problems are framed, and by providing a dynamic conception of organizational design. Implications for theory and practice are discussed.

Key words: organizational decision making; organizational structure; exception management; frames; divisionalization; hierarchy

On the night of January 31, 1996, Greece and Turkey were on the brink of war. Athens's air defense was on full alert and, for the first time since the Cyprus invasion of 1974, it was being threatened by a Turkish fighter air raid. Despite the diplomatic efforts of Richard Holbrooke, Bill Clinton's Undersecretary of State, full-scale military confrontation seemed inevitable until a compromise was achieved at 5.40 A.M. on February 1. The conflict was over a group of small, uninhabited islets in the Aegean Sea known as Imia, whose total area was less than nine acres.

How did this situation arise? What was behind the collective behavior that produced this dangerous near-war? Why did experienced politicians, members of one of the most technocratic Greek governments in recent years, allow the situation to escalate in a way that their reputations and, arguably, Greek interests were damaged? This was no classic case of escalation of commitment (Staw and Ross 1987) or of entrapment (Brockner and Rubin 1985). None of the organizational participants had an irrevocable a priori or public commitment, so there was no reason for irrational escalation. This paper aims at understanding how and why the situation arose, focusing in particular on how administrative partitioning and hierarchy created, or failed to avert the crisis from the Greek vantage point.

I apply an interpretative lens that draws on political science, social psychology, and organization theory, with three objectives in mind: First, to systematize both the benefits and shortcomings of the division of labor. Second, to develop a theory of the *dynamic properties* of this division of labor, focusing on how organizational structures create frames, filters, and routines that determine an organizational response. Third, to look at how hierarchy (in a broad sense, denoting the authority and deliberation relationships in an organization) interacts with organizational structure (i.e., with the templates that divide labor) to alleviate these issues.

The evidence suggests that the division of labor between different units *led to an inappropriate framing and conceptualization of the problem* that was exacerbated by partial administrative responses on the Greek side. This analysis supports Allison's (1971) seminal framework on factors that drive collective action and escalation of international relations. However, although hierarchy and organizational structure narrowly averted a nuclear holocaust in the Cuban missile crisis, they were less helpful in our setting. I focus on this important difference to examine the roles of division of labor and hierarchy in preventing problems.

The theoretical argument procedes in three steps. First, I consider why divisionalization creates a set of local frames. I argue that the division of labor within an organization creates roles that determine which elements of the environment receive attention, mediating the interactions between an organization and its environment. Thus,

I argue that organizational structure is an attention-focusing device. Second, I argue that hierarchy (in its broad sense) helps assess and moderate the inescapably partial responses of the constituent parts of an organization. Not only can hierarchy provide the right to exercise "exception management" or block a routine response but it can also help form judgments that transcend the constituents' views of what the problem is about, by reframing it. I thus argue that the dual role of authority and hierarchy is to reframe the problem, and either intervene in existing routines or design new interventions. Third, I argue that the potential functions of hierarchy interact to drive collective outcomes.

In the case of the near-conflict between Greece and Turkey, I argue that the Greek administrative apparatus lacked the safety valves that would have allowed the Prime Minister's office to diagnose and respond appropriately. There was a lack of structure or blueprint to guide a reasoned decision-making process, such as a well-functioning National Security Council. The absence of such structure was all the more important as the administration had been in office only three days when the crisis erupted and the decision makers were unfamiliar with reframing and routine checking processes. Time pressure and the prying role of the media exacerbated the problem, leading to path dependencies. One partial response was followed by another, and the administration unwittingly locked itself into an unenviable position. This provides us with a "natural experiment," to allow an assessment of the role of hierarchy through its absence.

This approach complements Cyert and March's (1963) seminal analysis by arguing that organizational structure and the division of labor affect the nature of problemistic search, and determine the issues that receive attention. More importantly, it suggests that hierarchical structures help to redress the inherent limits in the division of labor through: (a) the design of problem decomposition; (b) exception management in terms of *actions* (i.e., checking organizational routine responses); and (c) exception management in terms of *cognition*, i.e., by helping frame and reframe the problems.

Given this case-inspired theory setup, I start by providing the theoretical background and outlining the new theoretical angle, and then discuss the methods, limitations, and evidence. I examine what the existing approaches explain, and what they do not, before showing how our case evidence illustrates the proposed approach.

Division of Labor, Structuring Attention, and the Role of Hierarchy: From Building Blocks to a New Lens

Governmental Politics: How Structures and Charters Affect Perceptions, Agendas, and Actions

At least since the publication of Neustadt's (1960) book, students of political science have given considerable attention to the roles of the different organizational partitions within government. Halperin (1974) documents how different government agencies each focus on their own mission, and how the definition of their "organizational essence" shapes their actions. At the individual level, he notes that "a person's stand derives from his personal experiences, his career pattern, and his position in the bureaucracy" (1974, p. 84). At the collective level, he documents how, in their effort to solidify their position in the administration, different agencies limit the information available to decision makers.

This research amplifies previous work on sociology by Durkheim (1893) and especially Weber (1947), who studied how organizations partition work into segments. Students of international relations (IR) (e.g., Neustadt and May 1986) document how these divisions shape policy agendas, on both the civilian and military fronts. In a seminal book on these dynamics, Allison (1971) showed that the Cuban missile crisis was the result not only of the interaction between two countries, but also the result of organizational structures, routines, and inertial forces. He also suggests that the crisis was due in part to the efforts of intragovernmental units to increase their spheres of influence, and of individuals to advance their own views. Linking structure with cognition, he argued that "where you sit affects what you see." These perspectives focus on dysfunctional politicking as opposed to the simpler issues of framing and selective perception. Additionally, most of the research takes for granted the division of labor between different parts of the government. Still, relatively little work focuses on how structure affects organizational response.[1]

But if divisionalization has such drawbacks, why does it emerge in the first place? The answer lies in the fundamental issues of the division of labor, including the fact that it allows actors to focus their attention on narrower patches of a complicated reality (Smith 1776, Durkheim 1893). Division of labor not only enhances the ability to learn, but also allows more local experimentation (Simon 1962, Baldwin and Clark 2000). For all the problems of coordination and compartmentalization (Thompson 1967, Lawrence and Lorsch 1967), divisionalization enables discrete aspects of reality to be tackled separately. It also enables the creation of stable frames and roles that yield rules of action and interaction (Goffman 1986). This goes back to important psychological and precognitive regularities of decision making.

Roles, Tasks, and Attention Structuring in Social Psychology and Cognitive Science

The need to specialize, and its implications for perception, have been established in social psychology (see Morgan and Schwabe 1990). For instance, Pichert and Anderson (1977) created a text concerning the aspects of a dwelling, with some information more relevant to

a potential burglar (e.g., a coin collection), and some of concern to a home buyer (e.g., a damaged ceiling). Participants in the experiment were assigned the role of burglar or home buyer, leading them to focus their attention on the elements of interest to their particular role, although the instructions asked them to recall *all* the aspects of the house. Also, as Cohen (1980) shows, roles (of self and others) affect more than just recall accuracy; they drive perception and pattern recognition.

Social psychology (House and Mortimer 1990) and organizational behavior (Albert and Whetten 1985) have a rich literature on roles and identity.[2] Social psychologists have focused on self-esteem, motivation, and how these further reinforce roles (Gecas 1989), as well as how they impact sociological variables such as stratification (House and Mortimer 1990). This paper is less ambitious and simply draws on an important regularity—namely, that the role and position of an individual (determined by organizational structure) affects which part of the environment they attend to. Furthermore, it is worth noting that the resulting (potentially narrow) intra-organizationally shared frames are reinforced by reward and promotion criteria, which tend to be local. This allows organizational units to adopt simple procedural norms, which are easy to comprehend and follow (Simon 1945, March 1992). It also means that the nature of the divisionalization affects the partial vistas an organization can draw on.

Organizational Pathologies: Divisionalization and Routinized Behavior

The challenges that arise because of the existence of multiple units in business organizations have attracted comparatively less attention in organization theory, perhaps due to the difficulty of obtaining relevant data. Still, we know that similar dynamics are at play. Dougherty (1992), for instance, has documented the existence of different "thought worlds" within industrial companies that want to innovate. Research on "boundary objects" (e.g., Carlile 2002, Bechky 2003) has examined the intersection between different worlds. In a similar vein, Henderson and Clark (1990) focus on product development and inquire why organizations "miss out" on important developments in their environment. They argue that divisionalization has short-run benefits, but inevitably leads to a loss of perspective. They suggest that, "as a product evolves, information filters and communication channels . . . emerge in an organization to help it cope with complexity. They are efficient precisely because they do not have to be actively created each time a need for them arises . . . [Yet] the channels, filters, and strategies may become implicit in the organization," (Henderson and Clark 1990, pp. 15–16) and as such prevent some types of information from reaching the organization and restrict the innovations pursued.[3] This quote also highlights the role of routines.

The role of routines as constraints, and also the principal drivers of an organizations' actions, was identified by Nelson and Winter (1982), who expanded Simon's (1945) and Cyert and March's (1963) concept of "standard operating procedures" (SOPs). Routines, which are "patterned sequences of learned behavior involving multiple actors who are linked by relations of communication and/or authority" (Cohen and Bacdayan 1994, p. 554), have "an executable capability for repeated performance in some context that has been learned by an organization" (Cohen et al. 1996, p. 683). Organizational units can perform particular tasks on the basis of the stimuli they receive, such that collective actions are often outside the control of individual managers or those that partake in routines, because there are substantial inertial forces that canalize the activities and reactions of organizational participants.

As Allison's analysis demonstrates, much of the action in the Cuban missile crisis was delimited by the preexisting set of capabilities and stimulus-response patterns inherent in the U.S. and USSR governmental and military apparatuses. However, discussion of routines, inevitably returns to the issue of structure: How does organizational structure, in terms of the division of labor within the organization, affect routines? And how does it have an impact on cognition and decision making?

Organizational Structure, Routines, Decisions, and Action

Organizational structure provides the frames through which individuals see their world. Thus, the way each organization is structured shapes an ecology of different, distinct frames that exist *at the level of the organizational subunit.*[4]

Organizational structure also affects organizational action through two distinct channels. First, it provides the templates on which SOPs and routines rest. Second, it determines which individuals participate in particular decision-making processes, and thus to what extent their views shape the organization's actions. Whereas the former requires little explanation, the latter calls for a closer examination.

Individual organizational participants may often have the right information and frames (Vaughan 1996, Snook 1997); the problem is that they do not partake in the decision-making process.[5] So the question of who in the organization participates in both the sense-making and decision-making processes is critical; and, as George (1972) notes, even the *way* in which the information is aggregated and presented affects decisions.

This issue is discussed, albeit in a different context, by Cohen et al. (1972) in their "garbage-can" model of organizational choice, where they argue that the composition of the committees that resolve problems affects the organization's ability to make decisions. They investigate how *organized anarchies*, i.e., organizations with

ambiguous goals, reach decisions. Their model clearly implies that different ways of structuring the organization affect its ability to navigate its environment and effectively tackle its challenges.[6]

The Role of Hierarchy: Redressing the Inherent Limits of the Division of Labor

Organizations, as we saw, consist of many specialized subentities that attend to particular parts of their environment. Hierarchy and structure, I would argue, can help to overcome their limitations through different channels that deserve more study.

First, hierarchy manages the interdependencies between the different subunits that are not easily resolvable through direct interaction (cf. Thompson 1967). It also resolves issues by fiat, balancing incentives at the suborganizational level with the interests of the organization as a whole (Williamson 1985). A separate benefit comes from the ability of hierarchy to allow those "lower down" in the organization to deal with the routine issues, reserving more unusual issues for the specialist problem solvers (managers) through exception management (Garicano 2000). It also has the power to change the direction of the organization through substantive decisions on "what should be done," or through asset allocation (Bower 1974).

Relatedly, hierarchy's ability to take the role of the organizational architect and devise new ways of dividing labor allows a new set of frames to emerge. A new decomposition allows a new set of informational inputs to percolate through the organization, and for new views to be formed (see Simon 1962, Jacobides 2006).[7] This is the "cybernetic control" function of hierarchy.

Hierarchy can also help provide some real-time control of the organization's routine mode of operation, at the level of both actions and cognition. In terms of action, it can step in to block routines that are not functional and override or restructure a proposed course of action to the extent possible. In terms of cognition, it can help assimilate crucial information that may not be evident to any of the organizational subunits, and provide the opportunity to reframe the challenges faced.[8]

To give a stylized example, the CEO of an organization does not need to know the functional details within organizational subdivisions; neither does she need to know about every decision made by the chief financial officer (CFO) or the chief marketing officer (CMO). Her role is, first, to coordinate these units. It may be that routines generated in the CFO's office or in the marketing division need revision, or need to be overridden. Also there may be information about an evolution in the environment that cannot be "seen" by either unit. For instance, issues with "accounts receivable" and "repeat customers" may both be due to failures in customer relationship management (CRM), and the CEO might need to create a dedicated CRM unit. Such "exception management" (see Simon 1945) in the realm of either action or cognition is a function of hierarchy that might be fulfilled efficiently or inefficiently, as our case suggests.

Organizations often create dedicated structures to support this value-shaping element of hierarchy. For instance, there is often a group of support staff behind those responsible for the hierarchical recomposition and the critical evaluation of organizational response. Also, there are also often structured modes of deliberation (committees) that act as safety valves, ensuring that those in positions of hierarchy are exposed to the manifold aspects of a problem and that the responsibility to reframe does not rest exclusively on an individual's native intellect and perceptivity (see George 1972).[9]

Figure 1 summarizes the new lens, which explains how hierarchy can, *in principle*, redress the inherent limits of the division of labor. However, hierarchy does not always manage to play its role well. To understand why and how, let us consider our setting and turn to the data and methods used.

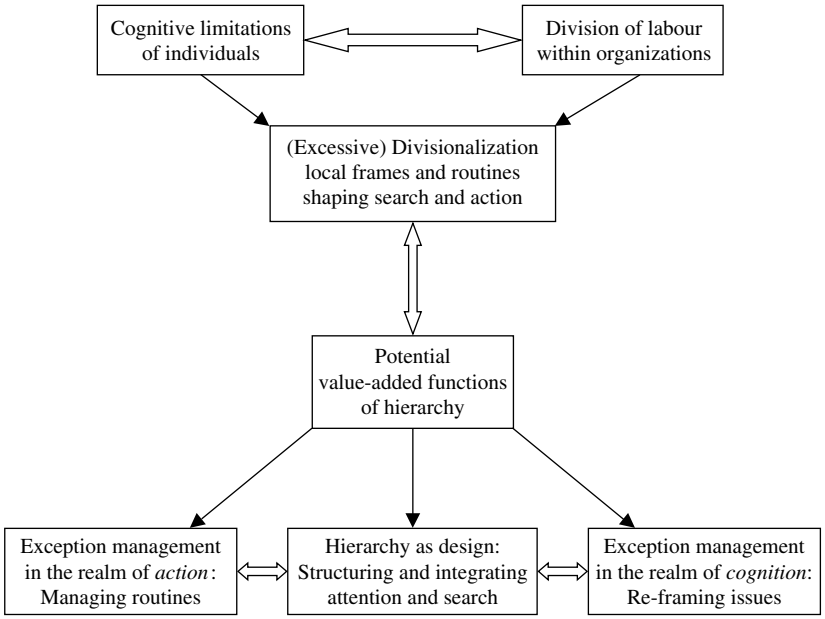
Setting, Methods, Limitations, and Evidence

Data and Methods

Methods. This paper started with some strong priors that guided the empirical investigation, but the theoretical framework substantially changed and was refined through empirical investigation. Before proposing a new approach, I researched other crisis accounts, including Allison's (1971)/Allison and Zelikow's (1999) analysis of the Cuban Missile Crisis; Neustadt and May's (1986) historical accounts; Kramer's (1998) discussion of Vietnam and the Bay of Pigs fiasco; Vaughan's (1996) Challenger account; Snook's (1997) friendly fire incident; and Weick's (1993) Mann Gulch analysis, looking at differences and similarities in settings and theory. Because no single approach offered a completely satisfactory account, I engaged in iterations between data and theory (Yin 1994). I consulted colleagues, other academics, and those involved in (or having followed) the crisis as commentators and as devil's advocates.

Timeline. This paper has been written over a period of 10 years. The first draft was made two months after the crisis, based on my study of the escalation in real time, and the material I had collected. I revised the paper as more data became available in 1998, and again in 2005. A further, thorough rewrite in early 2006 incorporated a substantial amount of new material published on the 10th anniversary of the crisis and contained in the memoirs of Admiral Lymberis (2005) and Prime Minister (PM) Simitis (2005). I thus took advantage of the renewed interest surrounding the 10th anniversary, and undertook further interviews. I also compared my notes compiled around the time of the crisis with those made 10 years later.

Figure 1 The Inherent Limits of Organizational Structure and Hierarchy's Functions



Primary, Publicly Accessible Data. Given the minimal cohesion among the decision-making group at the time of the crisis, and the demand for accountability and the scrutiny that followed, most decision makers give unusually detailed accounts. This reduced the danger of imputing intentions or assuming hidden agendas. Although no formal protocol or notes of meetings were kept, reports from participants with widely varying agendas were remarkably convergent.

I drew on a large number of interviews, participant reports, news coverage, and commentary provided during and immediately after the crisis, as well as the minutes of the discussions in the Greek Parliament in the aftermath of the crisis. Books by key journalists (e.g., Kourkoulas 1997, Pretenderis 1996) and content analyses of press accounts (Yallourides and Tsakonas 1997, Yallourides 2000) were consulted, as were Web-based news bulletins. I analyzed special editions of newspapers and magazines, televised debates, and two documentaries (*Mega TV, Fakelloi*, Papahelas 2001; *Antenna TV*, Tsimas 2006; see appendix), which included interviews with participants on both the Greek and Turkish sides, used as source material.

Secondary Reports. I consulted secondary material from academic sources, from an IR and security perspective (e.g., Alifantis 1997, Dipla et al. 1996, Dokos 1997, Dokos and Tsakonas 2005, Platias 2000, Mavridis and Fakiolas 1999, Keridis and Triantafyllou 2001) as well as from the vantage point of international law (Athanasopoulos 2001, Papadopoulos 1999, Raftopoulos 1997, Strati 1996, Denk 1999, Ioannou 1997). During the final rewrite of the paper, I consulted an unpublished report from the University of Macedonia (Vourvachakis and Moutafis 1996), which had separately developed an hour-by-hour account of the crisis that was consistent with my own; this was further confirmed in yet another detailed publication on the crisis (Michas and Adamopoulos 2006) that became available just before I finalized the paper.

Information on Organizational Structures. In addition to information directly pertaining to the crisis, I consulted a wide range of documents that describe the organizational structure of the Greek military and governmental apparatus. These documents included presidential decrees and laws defining functions and units in government, in the Ministries of Foreign Affairs and Defense and in the national Defense and Security Council, and publications on the organizational structure of the foreign policy administration (Dokos and Tsakonas 2005, Gikas 2002, Ioakeimidis 2003, Stoforopoulos and Makrydimitris 1997).

Interviews and Other Primary Data Collection. I conducted interviews with senior Greek officials, including the then director of the coast guard, Admiral Peloponnisios; a former secretary general for Foreign Affairs; senior diplomats involved in some of the key meetings; journalists who covered the crisis, and academics focusing on the Greek-Turkish relations or crisis handling (Foreign Affairs Minister Pangalos also commented on an early version). As the participants spoke only with the proviso that what they said was off the record, I do not include any interview data; rather, I have tried to identify corroborating sources in the public domain, which are reported whenever possible.

Non-Greek Sources. The literature search included Turkish sources (e.g., Aksu 2001, Denk 1999), official reports (e.g., from the Turkish Ministry of Foreign Affairs), and Turkish press reporting, as well as segments of Turkish TV material on the Aegean crisis, both at the time of the crisis, and at the 10-year anniversary. Interviews with individuals based in Istanbul complemented the Turkish archival research. In addition, I consulted reports from the United States, including documents from President Clinton to relevant subcommittees in the United States; and a report written by a member of the U.S. Air War College (Hickcock 1997). In all these sources, whether Turkish, U.S., or Greek, there is considerable consensus about the nature and evolution of the crisis (although each country's sources differ in terms of the interpretation of events and the identity of the aggressor).

Concluding Proviso. This analysis is unavoidably partial as the problem is examined from the perspective of Greek officials in order to examine the impact of their decision-making failures. Hence this analysis is *not* intended to be an impartial study of an IR problem, but rather an illustration of decision-making pathologies within an institutional environment, taking the *Greek* perspective and the failure on that side—a choice (and bias) affected the data analysis process. I thus use the Greek name for the islets throughout (Turks call them "Kardak").

Limitations

This investigation is, of course, not without its shortcomings. First, it is driven by theoretical primers, and lacks the extraordinarily detailed information available in the Cuban Missile Crisis (Allison 1971), the Bay of Pigs fiasco (Kramer 1998), the Challenger disaster (Vaughan 1996), and the Black Hawk incident (Snook 1997). So despite the thorough research, elements of this paper cannot but be speculative, especially to the extent in which it relies on counterfactual analysis. Also, there remains the possibility that other factors, unknown to the author (or even to the actors) might have been at play. Thus, the paper offers a *lens*, a potential means to analyze reality, rather than an assertive account.

Second, this paper draws on a governmental and military setting to address issues relating to business firms perhaps more so than to administrations. Although, as Cyert and March (1992, pp. 196–201) argue, theories could and should be made sufficiently general to encompass different types of organizations, the particularities of the setting do have to be noted, and limits to generalization accepted.

The Context: Historical Background to the Aegean Crisis

Greece and Turkey have a long history of troubled relations. Since the Byzantine Empire was swallowed up by the Ottoman Empire in the 15th century, Greeks have sought autonomy, which they gained, for a small part of their territory, in 1821. After that, Greece gradually grew, through revolutions and wars, with more areas being annexed to it. In 1921–1922, Greece launched an unsuccessful offensive designed to dispose permanently of the "Turkish threat," resulting in the death of 500,000 Greeks and the expulsion of another 1,500,000 Greeks from Asia Minor. Between 1922 and the time of this crisis, relations between Greece and Turkey had only marginally improved. Pogroms against ethnic Greeks in Turkey in the 1950s and 1960s, and the confiscation of Greek property in Turkey, are vivid memories for the Greeks. The Turkish invasion of Cyprus in 1974 has been a constant source of friction. The Greeks feel that violations of their airspace by Turkish military aircraft and the calling into question of their sovereign rights put them under constant threat of attack by the Turks. At the same time, the Turks blamed the Greeks for obstructing the furtherance of Turkey's relationships with Europe, and argue that the Greeks are giving support to the Kurd separatists, thus undermining Turkish sovereignty. They also feel that the Greek islands in the Aegean form a stranglehold around their country, depriving Turkey of unhindered access to the Mediterranean and access to the oil that is believed to be beneath the seabed. Although many disputes between Greece and Turkey seem local in character, they always relate to broader issues. Thus, Imia was important for Greece because it implicitly reopened debate over established treaties, and allowed the Turks to demand a renegotiation of what the Greeks saw as incontestable issues and, de facto, could affect the sovereignty of 350 islets and rocks.[10]

At the end of 1995, Greece was in political transition and the gravely ill premier, Andreas Papandreou, was replaced on January 15, 1996, after considerable political friction. Costas Simitis won the election by a narrow margin, with Defense Minister Arsenis being the third runner-up. The new premier faced the challenge of keeping his party and his government under control, a difficult task considering the 22 years of party dominance by the flamboyant and charismatic Papandreou. Until the Imia crisis, Simitis's low-key, technocratic style had earned him respect as a minister, largely in posts related to the economy. Alongside this, the political situation in Turkey was also not very stable. Following a marked rise by the Islamist party, the Prime Minister Tansu Ciller lost her majority in the Turkish Parliament. During January 1996 she was a caretaker PM, and several analysts suggest that she tried to use the Imia crisis to boost her popularity by pandering to nationalistic feeling. The army also played an important role in Turkish political life.

Timeline of the Crisis

December 25, 1995: The Turkish merchant ship *Figen Akat* ran aground on the islets of Imia (called "Kardak"

by the Turks). Imia lies 3.65 nautical miles (nm) off the Turkish coast, 2 nm from the small Greek islet of Kalolimnos, and 5.5 nm from the much bigger Greek island of Kalymnos. *Figen Akat's* captain initially rejected the Greek coastguard's help, claiming to be in Turkish territorial waters.

December 26, 1995: Admiral Peloponnisios, commander of the Coast Guard, and subsequently Ambassador Savvaidis, head of the Greek-Turkish Directorate in the Ministry of Foreign Affairs, informed the relevant Greek authorities of the incident, which received no further publicity.

December 28, 1995: The Greek tug *Matsas Star* helped refloat the *Figen Akat* and escorted it to the Turkish port of Gulluk.

December 29, 1995: The Turkish Ministry of Foreign Affairs addressed a verbal note to the Greek Embassy in Ankara, asserting that Imia was Turkish territory. Although this was the first time that Turkey had openly laid claim to what was considered to be Greek territory this claim received no prominence at diplomatic level.

January 9, 1996: The Greek Embassy in Ankara responded to Turkey's December 29th note with a detailed verbal note to the Turkish Ministry of Foreign Affairs, rejecting Turkish claims to the islets. It argued that by virtue of the 1923 Treaty of Lausanne, and a further 1932 agreement between Turkey and Italy specifying Imia, Imia belonged to Italy, which ceded them to Greece in 1947 with the rest of the Dodecanese islands. Hence, there was no legal ambiguity over Imia's sovereignty.

January 16, 1996: The General Military Command, having been notified by the Greek Foreign Office about mounting concerns, sent a message requesting heightened attention in the area around Imia.

January 18, 1996: Costas Simitis was elected Greek PM and formed a new government. He was to be sworn in on January 22nd. On the other side of the Aegean, Turkish caretaker Prime Minister Tansu Ciller was trying to form a new coalition government as she did not have a majority in the Parliament.

January 20, 1996: A Greek subscription-based newsletter leaked the Imia story, and press interest ensued.

January 22, 1996, at 1:30 P.M.: The mayor of Kalymnos, apparently on his own initiative, planted the Greek flag on Imia, witnessed by a few citizens and a local priest.

January 24, 1996: The Greek TV channel, Antenna, aired the story of the diplomatic exchanges over Imia, adopting a sensationalist tone. The following day saw a media frenzy in the Turkish and Greek daily press.

January 27, 1996, at 2:30 P.M.: A group of Turkish men, ostensibly journalists from the Turkish daily *Hurriet,* flew to Imia, removed the Greek flag and replaced it with the Turkish flag. A photograph of the Turkish flag on Imia was the main story in the following day's edition.

January 28, 1996, at 8:00 A.M.: the Greek Navy, which had sent two vessels to the area, confirmed the presence of the Turkish flag. The chairman of the Joint Chiefs of Staff (JCS) sent a boatload of men to restore the Greek flag (the Prime Minister was reportedly notified later in the day).

At 8:45 A.M.: the instruction was given, and at 10:30 A.M. Greek armed forces replaced the Turkish flag with a Greek one, an event that attracted enormous attention in both the Greek and Turkish press. The Turkish Foreign Office had not initially condoned the *Hurriet's* actions of the previous day, but the Turkish military dispatched a limited amount of firepower to match the Greek presence. Subsequently, seven Greek marines were sent to guard Imia.

January 29, 1996: Premier Simitis, despite the cabinet meeting decision that the crisis should be de-escalated, issued a sharp statement, reaffirming the position of his government. Ankara addressed a second verbal note to Greece, repeating its initial claim and requesting negotiations concerning the status of all the islands, islets, and rocks, which, according to Turkey, was not "well determined." Athens responded that Imia was Greek, that the signed treaties left no legal ambiguities, and hence that there was nothing to discuss. That afternoon, PM Ciller's tone hardened when she declared that she would not tolerate the Greek flag, demanding it and Greek marines immediate departure from Imia. She convened a joint meeting of the cabinet and senior military.

January 30, 1996, at 0:30 A.M.: Ciller met with Turkish President Demirel; according to him, she proposed a military attack, while his suggestion was to take over the smaller, unguarded islet to avoid all-out war.

At 3:00 A.M.: The Greek Navy detected Turkish warships in the disputed area and alerted the PM and key ministers; orders were given to push back any approaching Turkish vessels or aircraft.

At 4:30 A.M.: Greek Foreign Affairs Minister Pangalos convened with the secretary general and the head of the Greek-Turkish Directorate in the Ministry of Foreign Affairs. At about the same time, Defense Minister Arsenis was meeting with top military officials in his ministry's operations room. Orders were issued to shoot anyone approaching Imia, and the armed forces were put on high alert.

At 11:00 A.M.: The Greek fleet sailed for Imia, which was given wide coverage in the Greek press. The Turkish press responded, heightening the tone. Greek Foreign Minister Theodore Pangalos asserted that under no circumstances would Greece remove its flag from the islet. At diplomatic level, the escalation continued and, after 4.00 P.M., the United States was called on (by both parties) to act as a de facto mediating force.

At 8:30 P.M.: Defense Minister Arsenis, in a conference call with U.S. Undersecretary Christopher Perry, argued that the Turks had provoked the confrontation, but offered to recall the Greek ships and have the commandos leave Imia if the Turks would recall their ships. He insisted, though, that the Greek flag should remain on the islets. By this time, the entire Greek army had been mobilized, and adult males residing on nearby islands began receiving draft notices; both Greece and Turkey were amassing substantial firepower.

At 10:00 P.M.: Perry, and U.S. chairman of JCS General John Shalikashvili, informed Arsenis that both the United States and Turkey were seeking a de-escalation, but that Turkey would withdraw its forces only if the Greek flag was removed.

At 11:00 P.M.: U.S. President Bill Clinton telephoned PM Simitis to inform him that Turkish PM Ciller was threatening to attack after midnight if the situation was not defused. At roughly the same time, U.S. Secretary of State Warren Christopher telephoned Greek Foreign Minister Pangalos, the first in initiating a night-long series of calls between Pangalos and the State Department's Richard Holbrooke.

January 31, 1996, at 0:30 A.M.: PM Simitis convened Greece's ad hoc National Security Council (NSC), comprising of the ministers of Foreign Affairs, Defense, National Economy, and Press; the cabinet secretary, the chairman of JCS, and two of the PM's advisers.[11]

At 1:55 A.M.: Ten Turkish commandos landed speedboats on the islet of Akrogialia, opposite Imia, whose sovereignty was also contested by Turkey. Greece had no commandos there but its warships were within 400 m. Holbrooke reported this event to the Greek Foreign Minister. Although KYSEA did not receive confirmation from the Defense Ministry until nearly 4.50 A.M., Joint Chief of Staff Admiral Lymberis dispatched a reconnaissance helicopter to fly over Akrogialia. It was later learned that the helicopter had crashed and its three crewmen had been killed. Under pressure from Holbrooke, the Greek government considered the possibility of removing the flag.

At 4:50 A.M.: KYSEA debated two possibilities. One to bomb the occupied islet to kill the Turkish commandos, and the other to send special forces troops from the island of Kos to disarm and arrest them. The second option received serious consideration after the JCS confirmed the Turkish landings.[12] However, it was clear that pursuing this option would lead to a serious military confrontation, certainly in the Aegean, but also in Cyprus, where Turkish military equipment had been dispatched a few days earlier, and in Thrace (the land border between Greece and Turkey) where forces were prepared for an attack. At 5:15 A.M., war seemed imminent, despite U.S. mediation.

At 5:40 A.M.: A compromise solution was reached through Holbrooke's intervention. The Greek government agreed to take down the flag, but later Simitis, Arsenis, and Pangalos insisted that they retain the right to raise it again at any time, a claim that Turkey rejected. Both sides agreed that the situation should return to the status quo ante—interpreted by Greek officials as a positive outcome to the crisis on the grounds that "nothing was ceded," and interpreted as a victory by the Turks since the Greeks had left, taking their flag with them—exactly what Turkey had been demanding.

At 8:00 A.M.: The Greek commandos left Imia, taking their flag with them. Warships and troops from both countries distanced themselves from the region.

Aftermath: Decision Makers in Desolation

Although war was averted, the crisis had tarnished the reputations of those involved. The Greek chairman of the JCS was unceremoniously dismissed; the PM's approval ratings plummeted; the government's apparatus for handling crises was derided; and the consensus in the media and academic press (both then and later) was that the long-term interests of the country had been damaged.

In Greece, a feeling of defeat prevailed. The fleet returned with casualties and they had been beaten at Akrogialia. Sovereignty of an island to which Turkey had laid no territorial claims in the past was now clearly disputed, and the fleet had been ordered to retreat before it could react to a Turkish offensive. Those involved in the crisis were accused of being unable to make the right decisions. The ramifications for the stakeholders in this process were tremendous. Feelings toward the new premier changed dramatically. His unprecedented 80% popularity rating two days before the crisis, dropped to 36%. The Greek press was practically unanimous in its condemnation. "Defeat and Humiliation," deplored the daily *Apogevmatini*. "And Now? What Do We Do if Turkey Strikes Again?" wondered the progovernment *Eleftherotypia*, whereas *Kathimerini* bitterly commented on "Small (Leaders) in Vital Times: No One Felt the Obligation to Resign After the National Defeat They Led Us Into." The international press was not much kinder: "Greek Leader Already in Hot Water," reported the *New York Times*, whereas *The Irish Times* commented, "Greek PM (Barely) Survives Vote After 'Backdown'." The opposition was even more vehement: "The government proved its impotence and the danger of its policies. In such situations, prime ministers and ministers . . . [should] commit hara-kiri," said the leader of the conservative opposition, Miltiadis Evert, while the head of the Political Spring party, Antonis Samaras, commented, "We have adopted a foreign policy that centers on getting smacked on the head." Things certainly seemed to have gone awry.

The escalation and handling of the crisis represented failure for the actors involved.[13] So what had gone wrong? What could account for the mistakes made by these otherwise able politicians and experienced decision makers? The decision not to guard the island of

Akrogialia (Eastern Imia) might have been an operational mistake. However, the major strategic mistake was that the Greek side had escalated the crisis and, to quote Simitis, mindlessly "took the Turkish bait."

Explaining the Crisis: What Existing Lenses Cannot Fully Explain

In the second section, I proposed a new angle to help us to understand what happened and why. However, before we consider how a look through this new interpretive lens can shed some light on the crisis, we should return to existing theory, and consider why established approaches on crisis escalation cannot fully account for what transpired.

Decision Makers Reflecting, Regretting, Rationalizing: The Puzzle

In the aftermath of the crisis, Greek decision makers were almost unanimous that avoidance of a confrontation would have been the right course. "With such a tremendous accumulation of firepower in the area, a clash would have led to open war—not a battle—but an open war between Greece and Turkey," Greek Defense Minister Arsenis said, adding that "The choice was between war with a huge cost in human life or a peaceful solution that safeguards all our interests. We will let the Greek people make the judgment." "I'm stingy when it comes to spilling the blood of Greece's youth," said Foreign Minister Pangalos. "I'm not saying we shouldn't shed our blood for our country, but it has to be done carefully and only if every other possible solution has been eliminated." "Civilized countries do not solve their differences with war," Simitis (2005, p. 59) argued. As he and Pangalos pointed out, a military confrontation would convey the impression that Greece was the aggressor, wasting the strong legal backing for Greek claims and potentially opening up broader negotiations on the status of the Aegean.

Such measured comment appears sensible. Two months after the crisis, when the initial shock was over, the polls showed wide approval for the "no-war" policy. But if the objective was to "avoid confrontation and troops amassing" (Simitis 2005, p. 66), why was the response such that it caused an escalation that led Greece to the brink of war? Greek officials knew that a war would not be as catastrophic for the Turkish side—or at least for their key decision makers. If, as Susana Agnelli, Italian foreign minister, stated, "The primary goal of the crisis [was] the strengthening of Tansu Ciller and her party, which was defeated in the recent elections," why was escalation pursued from the Greek side? Greek policy makers stripped themselves of other options and opened Pandora's box, forcing Greece to renegotiate its sovereignty in the Aegean. How can this be accounted for? In the following section, I consider different "interpretive lenses" based on existing theory, each of which helps identify some of the factors underpinning this crisis, before returning to the proposed angle on organizational structure and design, and hierarchical intervention.

Organizational Escalation of Commitment: A Cause or an Effect?

We might conclude that the crisis was just another instance of a nonrational escalation of commitment and entrapment—phenomena well understood in the literature (Ross and Staw 1986, Staw and Ross 1987, Bazerman et al. 1984, Brockner and Rubin 1985). Individuals stick to a wrong course of action, even when faced with evidence that its outcome may be ultimately detrimental. The simplest application of the escalation literature is to consider each country as a unitary actor (Allison 1971). We could argue that "Athens" believed that "Ankara" should not be allowed to get away with provocation.[14] In nonrational escalation, placing an ever "higher bid" (i.e., being more adamant and tougher) is uncritically seen as the only way forward as actors would fear appearing inconsistent, thus becoming "entrapped," unable to view the situation critically or rationally.

Some evidence can be marshaled to support such a view. On January 28th, 1996, Foreign Minister Pangalos told a TV reporter: "I am worried about [the Turkish offensive in] Imia . . . we must insist on our rights. I am sure that recent events have shown that those who advocate talks with Turkey on all issues are wrong." Escalation was mounting. On January 29th, Premier Simitis officially stated: "To any aggressive nationalism Greece's response will be strong, direct, and effective. Greece has the means and will not hesitate to use them. Greece will accept absolutely no dispute regarding its sovereign rights." Obviously, the implied recourse to the use of arms was used to signal Greece's commitment, rather than being a credible and calculated possibility. However Turkey soon took advantage of the aggressive Greek tone, and upped its demands by essentially claiming rights to all the frontier islets, and amassing its fleet. Greece felt it had "no choice." Indeed, retreating at that point could have damaged both Greece's bargaining position and the image of the newly formed Greek government. But ways did exist to save face and de-escalate the crisis. Greece could have focused on Turkish aggression and sought the legal involvement of a third party, such as Italy, president of the EU at the time. Greece, however, dug itself in even deeper, leaving a choice between an unwanted war and a humiliating, unpopular retreat.

That said, the escalation seemed to be the *result* of some major underlying processes: What and *who*, in particular, drove it? What were the factors underpinning the dynamics? In this case, the decision was based on interactions among players from different organizational subgroups. More importantly, the case under study fails to

support a necessary ingredient of escalation, the unambiguous upfront cost of committing to a course of action (Staw and Ross 1987, p. 40). The Greek premier never wholly invested in the military option, and his ex post facto public thanks to Richard Holbrooke and Bill Clinton for helping to avert a war serves as a potent counterargument to suggestions that he was trying to enhance his image and demonstrate his toughness. Retreating from military confrontation to diplomatic negotiations incurred no direct cost, and the militarization of the crisis occurred in the absence of real planning. Furthermore, as a matter of methodology, one should resist the temptation to impute feelings, behaviors, and intentions to a body of decision makers who did not act as an entity. We need to move to the organizational level to look for an explanation of this entrapment—see *how* the actors got to become entrapped and fuelled, not always consciously, this escalation.

Groupthink, Legitimized Deviance, and Practical Drift

A possibility we need to consider is whether the escalation was the result of "groupthink" (Janis 1971), i.e., that nobody wanted to go against the norms by presenting a socially cohesive group with an unpleasant truth. However this did not appear to be the case; there was no evidence of individuals holding off or withholding information, nor was there excessive cohesion in the group (cf. Kramer 1998). The top team consisted of politicians who were intraparty rivals and, as a group, quite heterogeneous.

We should also consider whether, as occurred in the case of the Challenger disaster, there was a process that legitimized "deviance" in that it allowed for the gradual disregard of crucial information, or increasing tolerance of behaviors that were ultimately disastrous (Vaughan 1996). This, also, does not appear to be plausible in our setting: The problem was not the gradual acceptance of actions or behaviors that would be to the detriment of the country as a whole, but rather the adoption of an escalating stance that was not, in itself, "deviant."

Could this be the result of a gradual process of things "drifting apart" within an organization? In his fascinating account of the accidental friendly fire shooting of two Black Hawk helicopters in Iraq, Snook (1997) shows how SOPs become "adapted" to the local context over time, and how routines can develop that circumvent the checks and balances put in place by organizational designers. There does not seem to be any "practical drift" in our case; no SOPs were disregarded. The crisis was not born out of actors departing from the "rulebook"; if anything, it resulted from a too strict and uncritical adherence to it, as we demonstrate later in the paper.

So, if group dynamics or practical drift were not important, could it be that the escalation of commitment was due to the quest for power from different parts of the governmental apparatus? Or, alternatively, was it the fault of a jockeying for position among key decision makers?

Bureaucratic Politics, Political Constraints, the Press, and Escalation

In his account of the Cuban missile crisis, Allison (1971) documents how Russia and the United States were nearly thrust into a nuclear war, and suggests that to understand such confrontations we need to apply increasingly deeper levels of analysis. He suggests that there was a shift from the "rational [unitary] actor" (rational "states" or "governments" with aggregate "desires" and "plans") to the "organizational process" or "bureaucratic (governmental) politics" model, which acknowledges that individuals have political objectives and that they will steer their departments to maximize their influence.

The "bureaucratic politics" model, though, is not particularly apt here: In our case, there was no clear-cut juxtaposition of "hawks" (usually associated with the military) and "doves" (usually originating in the Foreign Office). The policy emerged without much debate, through the partial reactions of the different entities, each responding to stimuli release. There was no conscious effort by one department to "win the debate." Notable was the stance of Foreign Affairs Secretary Pangalos, who, while keen to avoid war, did not try to veto the escalation of the crisis; in that sense, he did not embody the typical reflexes of a foreign affairs minister (or alternatively, he was not provided with the opportunity to argue as one in an appropriate forum while the crisis unfolded).

To appreciate the reasons for this, we should consider the roles of the individuals, their background, and agendas (see Halperin 1974, p. 84; Neustadt and May 1986). First, recall that the government had been sworn in only three days before the crisis became public and, judging from the media reports at the time, there was a keen interest to show strength and resolution in the post-Papandreou era. Second, note that Theodore Pangalos (grandson of General Theodore Pangalos, a noted military and political figure of the 1920s) had a reputation for being hard-line, and reputedly had not benefited from an effective hand-off of his ministry from his predecessor. He was also unlikely to have had strong working relations with the career diplomats who were following the crisis. And third, Defense Minister Arsenis had been recently defeated by Simitis in the premiership election and perhaps the PM was reluctant to override his defeated rival by blocking military action. These political issues have to do with divisionalizations, frames, and the exercise of hierarchy, which we will return to, as opposed to the "bureaucratic politics" described by Allison. So, was there any politicking that affected the crisis?

The Greek daily press and a number of subsequent publications and specialist reports scrutinized every action of the officeholders to identify where political interests might have overtaken national security imperatives. The opposition added its criticism and tried to prove, both in parliamentary debate and through discussions in the press, that hidden agendas mattered. However, despite the rhetoric, there do not appear to have been any blatantly self-interested decisions that proved detrimental to the nation (*To Vima*, February 4, pp. A2–14; February 11, pp. A4–A12; *Kathimerini*, February 1–4, 1996; *Odyssey*, January–February 1996; Pretenderis 1996; Tsiplakos 2006, Madras 2005, pp. 355–414; Dokos and Tsakonas 2005, pp. 257–274). What was important was the lack of coordination and leadership, a subject we will return to, and the role of the press (Giallouridis 2000, Madras 2005).

The crisis was essentially created and inflamed by the press. The dispute was first aired by Greek *Antenna TV*; this was taken up by the Turkish newspapers; and reporters from the Turkish daily *Hurriet* took down the Greek flag and replaced it with a Turkish one. So the events that led to the militarization were all driven by the press. More important, politicians, especially on the Greek side, were responding to the press, in a fairly myopic fashion.

Defense Minister Arsenis, who had earned respect as Minister of Defense, felt the need to show that the Greek armed forces could protect Greek rights—a reaction expected from a defense minister. Pangalos also "proved his mettle"; indeed, he was the last to join the dramatic meeting the night of the January 31st as he was appearing live on the *Mega TV* channel, talking about the crisis. More consequentially, Premier Simitis' strongly worded statement on the morning of January 29th, *despite* his decision that a de-escalation was needed, allowed the Turkish position to harden. Apparently, the PM wanted to be seen as strong, even though pursuing a de-escalation. As a close collaborator of Premier Simitis told a *To Vima* reporter (February 4, p. A7), the Premier and his entourage were increasingly aware of the media perception that he was "being too mild."

These responses to the press were "localized." Politicians appeared to adopt a rather "knee-jerk" reaction to the press, despite the fact that the PM had asked his ministers to "avoid inflammatory statements" (Simitis 2005, p. 58ff.; Lymberis 2005). At the same time, Simitis himself issued a strongly worded statement, but this did not appear to be a case of a PM establishing a "hard line." On February 2nd, Simitis publicly expressed gratitude to the U.S. President for his mediation, an act that many saw as a very "un-Greek" public display of subservience. It was ridiculed in the press (*Odyssey* 1996, Giallouridis 2000, Madras 2005), and disparaged by other participants (Lymberis 2005).

Such fragmentary responses bring us full circle to the role of divisionalization and the problematic function of hierarchy.

How Organizational Structure and Design Contributed to the Near-War

Inherent Limits Left to Their Own Devices: How Fragmentary Reactions Shaped the Setting

To consider how the crisis escalated, it is instructive to look at who took decisions and when. Up to January 24th, the crisis had received little attention; it was the media that heightened its profile. The first inflammatory action was the hoisting of the Greek flag; however, this was not done by the Greek government, but rather by the nationalist mayor of Kalymnos, M. Diakomanolis, who, when asked if he had sought permission for his action, replied "I did not ask for permission, nor did I need it . . . because Imia is part of my municipality." More importantly, on January 27th, a group of Turkish *reporters* staged the sensationalist hoisting of the Turkish flag. At that time, the Turkish undersecretary had distanced himself from the action; the editor-in-chief of the newspaper mentioned that he received a stern call from Undersecretary Batu, who, in the issue of *Hurriet* that carried the picture of the flag-raising, voiced his disapproval of the paper's action saying: "We cannot have a 'war of flags' . . . Turkey believes that a diplomatic solution must be found by peaceful means." At that point, the crisis was not militarized and the Greek side could have asked for clarification from the Italians, who were both the adjudicating power (having been ceded the area from Turkey in 1923 before ceding it back to Greece in 1947) and, more importantly, held the EU Presidency. And, as was evident after the crisis, Italy had a clear view on the matter, which would have allowed Greece to fend off Turkish claims, and also created a precedent to Greece's advantage by arguing that Greece had been provoked.

What transpired, however, was very different. After the presence of the Turkish flag on Imia was verified, members of the Greek patrol boat *Panagopoulos* took it down. As *Panagopoulos* did not carry a spare Greek flag, the commander of Naval Forces located the torpedo boat *Antoniou*, which did, and notified Admiral Lymberis of his intentions to raise the Greek flag. Lymberis agreed,[15] and informed Defense Minister Arsenis. Thus, at a stroke, the crisis was militarized. Later that same afternoon, Arsenis, somewhat reluctantly, agreed to send the marines to Imia.

Another detail worth noting is that from January 28th the coast guard was ordered to cede its position to the Navy. Although there is little doubt that the navy was better equipped for surveillance and protection, there is a crucial difference. The Coast Guard is a "police force,"

and thus a skirmish and exchange of fire would not be considered an act of national aggression. In contrast, a single bullet from any member of a country's navy aimed at another is considered a casus belli, a sufficient justification for war. So removing the coast guard, well before it had exhausted its operational capabilities, was another mistake that progressed the path toward militarization.

On the diplomatic front, another unwitting escalation took place. Just after the Turkish flag was replaced with the Greek one, Turkish Undersecretary Baku, late on January 28th, stated that "The Turkish government . . . would tolerate the Greek flag but it could not see how [this] would contribute [to the resolution of this issue or Greek-Turkish relations at large]"; that is, Turkey continued its claims, and although firepower was amassing on its side, its position had not hardened. The change in tone began on the Greek side. On January 29th, Greek politicians, including the PM, were confronted by a media frenzy about the incident. The tone of the statements that were issued hardened, in direct response to the need to satisfy the media, despite the fact that the decision had been substantively made to try for a de-escalation. As Kourkoulas (1997, p. 40) reports, "The question that Ankara [even in the most moderate circles] was trying to answer was why the Greek government was escalating its actions and statements." This increasingly hard tone, and the increased media attention in Turkey was what ostensibly drove the dramatic change in Ciller's position, the demands for the Greek flag (and marines) be removed, and the expansion of Turkey's claims over what Greeks considered to be their territory. The crisis was irrevocably escalated; and from then on, both sides began preparing for war.[16]

The crisis emerged from a series of partial, path-dependent responses, each making things increasingly more difficult and less manageable for the Greek side. An important contributing factor—over and above the lack of experience of the government and the PM in dealing with such complex issues—was the speed with which it all happened, and the fact that each action taken further constrained the menu of options available to the decision makers. The scrutiny and constant intrusion of the press exacerbated this situation, making it difficult for the government as a whole to regroup and react to this issue effectively, a far cry from the more measured pace and relatively controlled environment of the Cuban missile crisis (Allison 1971).

Still, this leaves the question of *why* this was so unanswered. Why did the Greek side lose the opportunity to capitalize on the Italian position and Greece's EU membership, by having the mayor of Kalymnos or some other local hoist the European flag, or both the Greek and European flags (see Dokos 2000, p. 257), thereby forcing Turkey to renounce its claims, implicitly activating Article 227 of the EU Treaty of Rome on borders? To answer such questions, I apply the interpretive lens proposed earlier in this paper.

Division of Labor, Compartmentalization, and the Inherent Limits of Local Frames

The first factor driving the crisis was the application of stimuli-response patterns in terms of Greek-Turkish confrontations (Nelson and Winter 1982), and the existence of local frames. This can be seen in the three key steps in this escalation: First, in the unwitting militarization of the crisis accomplished by allowing Greek warship personnel on January 28th to lower the Turkish flag and hoist the Greek one and dispatching the marines to mount a guard on it; second, in the hardening of Simitis's language on January 29th, despite the decision to de-escalate; and third, in the press coverage of the mass exodus of the fleet on January 30th from the port of Salamis, which produced a war-like ambiance.

The first incident is chillingly straightforward. Following the publication of the *Hurriet* picture, the commander of the navy thought that it was up to him to provide a solution: To restore the national symbol, an essential task for any military leader. As far as he was concerned, this was about protecting Greek soil from a Turkish incursion. The fact that the "Turkish incursion" involved newspaper reporters; the fact that this was not (initially) condoned by the Turkish Foreign Affairs Ministry; the fact that Greece could point to this incident as an example of Turkish aggression, reinforcing the Greek position; and the fact that it was in Greece's national interests to avoid any militarization were all outside his purview. Neither was his superior commanding officer, the Chairman of the Joint Chiefs of Staff (CJCS), Admiral Lymberis, focused on "such details." The navy was exercising a familiar routine ("get the aggressors out, reclaim the territory") and the individuals within the military were considering the parts of the environment they deemed relevant, from their standpoint. Admiral Lymberis (2005, p. 559) in his memoirs describes that, "We had, in 1995, a scenario in our crisis handling handbook about an invasion on uninhabited islets; this provided for recapturing the islet, taking off the foreign flag, and hoisting the Greek flag . . . [also, there was no clear policy to respond to this provocation] . . . if the politicians wanted a policy, they could have articulated it. What did they expect out of an officer? Not to be outraged and keep his calm on the sight of having his flag taken down and seeing the Turkish one?" Given the Greek-Turkish tensions and the tasks assigned to the military, this framing is not unexpected. Neither was the accompanying action.

The second incident, i.e., Simitis's hardening stance, is also illuminating. By January 29th, the media was in a frenzy about what was happening, and nationalism was rampant on both sides of the Aegean.[17] Simitis was familiar with the responsibilities of a politician and a senior minister, but had no direct experience in foreign affairs, defense, or prime-ministerial duties. Although

in his memoirs he stresses his position in terms of de-escalating the crisis (Simitis 2005, p. 66), on that day his role as a politician took over, satisfying the press and national opinion by his stern command.[18] However at the same time, he was inadvertently provoking a direct confrontation; he was implicitly identifying "what this was about," using his hierarchical mandate. Foreign Affairs Minister Pangalos might also have become entrapped by the flag incident despite his desire *not* to escalate (Lymberis 2005). Although familiar with international issues, Pangalos did not internalize the reflexes of caution that accompanied the job. Also, his subtle relations with the PM and the defense minister meant he was not given the opportunity to be the first to react to the crisis. As a consequence, political considerations came to the forefront (cf. Kramer 1998).

Third, the fact that the vast majority of the fleet set sail for Imia on January 30th was the concluding part of the drama. Certainly, it could be argued that by that time, there was little choice but to provide adequate firepower to counter balance a potential Turkish threat. Admiral Lymberis makes it clear that gaining tactical supremacy was his guiding principle, and that his interest was to ensure that the Greeks could maintain their advantage after a confrontation. As he notes (Lymberis 2005, pp. 539, 556, 573–575), "as a CJCS I have always argued for the need to have the first strike . . . that evening, we had tactical superiority in terms of naval forces (position, firepower, morale, readiness) and in air-strike preparedness . . . we had the upper hand [both in the Aegean, and in Thrace, the land frontier with Turkey]." On the evening of January 30th he told the senior officers in the command center "We are very close to confrontation. Prepare for war. I declare a condition of preparedness for surprise attack" (Madras 2005, p. 372). Indeed, it is very likely that he left Akrogialia unguarded because he was focused on securing a tactical advantage and on the looming confrontation. For the same reason, he criticized (along with the majority of the Greek press) Premier Simitis for not running the crisis meeting from the operations room in the Greek Pentagon. The focus in the army appears to have been disconcertingly simple: Win a tactical confrontation, suffer fewer damages than your opponent, end by being considered the superior army. Ensuring a tactical advantage, especially when so heavily publicized through the media, came at the expense of de-escalation. And although Simitis's insistence on having the crisis meeting in his parliamentary office was probably a step in the right direction (in the sense that his focus was not on winning a war), it was not sufficient. The *real* failure was that he did not rein in an entirely expected set of responses from his own administrative apparatus.

The Conspicuous Lack of Hierarchy: Learning from an Unfortunate Natural Experiment

As in many crises, the requisite information did exist in the administration. It was well known that Turkey was in crisis, and that an escalation would have provided with a welcome opportunity for Ciller to appear decisive—the reverse of Simitis's much more comfortable precrisis position. It is also clear, as several academic and political commentators in Greece point out, that a confrontation over an issue where the Greeks felt confident of their international legal and political rights (Simitis 2005, p. 59) was best avoided.

So why did things go awry? Why could hierarchy not fulfill its potential role? A number of factors can help explain why. This crisis, much like the Bay of Pigs fiasco (see Kramer 1998), involved an administration that had not had time to learn to work properly, and was headed by an inexperienced prime minister. As Dokos and Tsakonas (2005, pp. 261–262) argue, Simitis "lacked experience, and was busy putting together his government . . . there was no integrated plan, but rather some fragmentary, partial measures were authorized." The handing-over process was patchy, at best, and although all the politicians involved had known one another for years, they had not yet operated as a team under Simitis. Furthermore, due to Papandreou's personal decision-making style, there was no infrastructure to help hierarchical decision making. Intense time pressure, fragmented responses, excessive specialization within the Greek apparatus, and the constraining role of media attention also played important roles. Yet disastrous as these factors might have been for those involved in the crisis, they are a blessing of sorts for those studying outcome and processes. Indeed, these factors illuminate the functions that hierarchy *can* perform (although it may not always do so). So let us see how exactly it played a role in this crisis.

Hierarchy as the "Provider of Templates": Managing Through Structuring Attention

The first shortcoming was that the existing division of labor did not foresee the need for someone to be monitoring the parts of the environment that might be missed by the existing mode of divisionalization. There was also no structure to facilitate the interaction of decision makers from different units to arrive at more nuanced views. As Dokos (2005, p. 258) observes, "There was no mechanism to incite the ministers of Defense and Foreign Affairs to systematically exchange views." And, given the fact that these two were political opponents, there is little to suggest that such exchange would happen voluntarily. Operational collaboration was also absent, and there was, and still is, a remarkable separation of tasks between these two important ministries. In this sense, hierarchy failed to provide appropriate spotlights, because of excessive divisionalization, and inappropriate

partitioning of the search process for the country as a whole.

A related, but separate issue was that there was essentially no structured means or process to cope with *the crisis process itself* (unlike the situation in other countries, such as the United States where the NSC fulfills this role). There was no means through which information coming from the constituent parts of the Greek administrative apparatus could be resynthesized and evaluated, as there was no forum, no context for this to happen properly. As Dokos and Tsakonas (2005, p. 261) note, "Decisions were taken largely through a two-way communication (PM-Defense Minister or PM-Foreign Affairs Minister) without a timely effort to coordinate activities."

Surprisingly, the "small KYSEA," i.e., the body that handled this crisis, had no administrative support; the only diplomat involved was Dimitris Karaitidis, who was the PM's diplomatic (and relatively junior) advisor, whose mandate did not include representing the Foreign Office. There was also no set of organized meetings to cope with the crisis while it developed. The only institutional (and physical) infrastructure consisted of the National Centre for Crisis Handling of the Ministry of Defense, which, however, was a purely tactical unit, employed by military personnel in times of national emergencies. It was, in essence, the operational command centre, which is why Premier Simitis preferred not to manage the crisis from there. Although undoubtedly the Imia issue was discussed in both full cabinet meetings and in smaller groupings, none of these discussions was systematic or included a formal assessment of the options or scenarios that could develop (cf. Dokos and Tsakonas 2005, esp. 262–265; Mavridis and Fakiolas 1999).[19]

The lack of any set structure arguably led to inertial, fragmented responses, and in particular to the careless media management that was a very important component of the crisis. This points to the crucial role of administrative structures, such as the NSC in the United States, where different participants are ascribed particular roles and provide information relevant to their role, and there is an opportunity to approach the issue in a holistic way. Thus, hierarchy as a design that structures and manages attention was absent, simply because of the poor organizational design of the Greek apparatus.

Hierarchy and "Exception Management" in Terms of Actions: Controlling Routine Responses

In addition to the poorly executed role of hierarchy as the provider of the "blueprint" that determines what the collective can see and react to, there was another failure: the lack of "exception management" (cf. March and Simon 1958, Cyert and March 1963) in terms of actions (i.e., controlling, blocking, or redevising routines) or cognition (reframing the problem). Certainly, overriding the expected response of the organization is no mean feat; it requires both a thorough understanding of the *actual* organizational routines and some sense of control of such routine processes, which may or may not be present. Understanding the "expected" stimulus-response patterns and redressing them where necessary is a crucial task of hierarchy.

The logic of the stimulus-response pattern of the Navy hoisting the flag, for instance, or of replacing the Coast Guard with the Navy, is clear. But whereas such "local" actions were entirely understandable in isolation, if one took the perspective of the country as a whole, then they should simply not have been allowed. Both the Defense Minister and the PM should have stopped the military from hoisting the flag. After the crisis, of course, the Defense Minister accused the Navy of folly and excessive zeal, and the PM declared he had not been consulted. However, Admiral Lymberis's response on hoisting the flag seems plausible: "When a Defense Minister disagrees with the commander of the Navy, he overturns his proposal; else, he [de facto] accepts it, whatever the results of this action" (Lymberis 2005, p. 559). Certainly, hierarchy exists to overturn routine responses that are inappropriately initiated.

In the case under discussion, hierarchy did not fulfill this role. The leading politicians' limited understanding of the military's inherent bias, organizational routines and reflexes (Simitis was broadly reported to be fairly uncomfortable with the military in general, a point that Lymberis notes in his memoirs) meant that they were not able to control their administration effectively. Both Simitis and Arsenis, for instance, ordered Admiral Lymberis to ensure that Greece avoid any hostility from the first days of the crisis. However at the same time, General Spyridon (then Greek military commander of the Aegean) remarked, that the Greeks "were doing everything you'd expect if we wanted to escalate!" The problem was that the requisite routines were not blocked. Intentions for action meant precious little; the organizational apparatus was carried along by its own inertia and frames.[20]

Hierarchy and "Exception Management" in Terms of Cognition: Reframing and Conceptualizing

Another, perhaps even more important function of hierarchy concerns exception management in terms of "cognition"—i.e., the ability to identify a frame that guides the organization overall. This consists of two elements: synthesizing and reframing.

The argument that hierarchy adds value by synthesizing (or allowing some in the organization to focus on common problems and others to consider rarer, more challenging problems) is not new (see Sloan 1934, Garicano 2000). Indeed, managers have to synthesize information, integrate, and evaluate it—not necessarily because of superior capability, but rather because they

have the opportunity to do so. In addition to simply integrating information, they also need to reframe it.

Our case demonstrates both facets. First, the fragments of information that existed in parts of the Greek apparatus were not put together (much in the same way as information preceding 9/11 in the United States was not put together by the U.S. leadership); the signals mounted by the crisis were ignored; and elements pertaining to its responses left unutilized. As Pretenderis (1996, p. 153), a respected journalist, notes, "From beginning to end there was no unified, consistent view in the various ministries, there was no clarity and confidence in handling the crisis . . . there was no understanding of the real balance of power, interrelationships, and options."

More important, though, leadership failed to initiate and then communicate a new frame—one that did not naturally emerge from the constituent parts of the organization. The PM might have been able to see that the Turkish "invasion" was not really an "invasion," but rather an opportunity for Greece to use the planted flag incident either to ask for Turkey to rescind, or to seek a solution that would create a positive fait accompli. The role of hierarchy is to be able to transcend such (expected) frames, and to be able to consider the situation: its key dimensions and how it affects the country as a whole. Then it should communicate its understanding to outside and inside constituents, shaping the way events evolve by defining the problem and brokering a solution. Lack of relevant experience, and perhaps even a lack of understanding about how hierarchical functions can be exercised in such a crisis contributed to the woes of the Greek PM and his team.

How the Three Value-Shaping Functions of Hierarchy Interact

The argument so far is that hierarchy can shape the evolution of an organization through three distinct functions that help redress the inherent problems associated with the division of labor (see Figure 1). These three different "value-shaping" functions interact in interesting ways. First, structure and routines interacted, because structure allowed the Army and Ministry of Defense to take the initial role, and as such, as Dokos (2000, p. 257) observed, "the role of the ministry of Defense was [perceived to be] more important than that of Foreign Affairs, which contravenes the [efficient] rules of handling crises."

Second, the pre-existing mode of dividing labor between organizational constituents made it *harder* for hierarchy to engage in its reframing role. The problem here was that Simitis did not benefit from any of the structures, such as a full-fledged NSC or any other body that would enable him to compare and contrast the many different ways in which this problem could be viewed, and what might be the nature of the different components (i.e., was it a military incident? A diplomatic opportunity? A media event?) and devise an integrated response.

Third, the existing structures and routines led to an increasingly rigid separation between diplomats and policymakers. Partly due to the personality-driven politics of Andreas Papandreou, "a 'focus on procedures' dominates the Greek diplomatic service . . . the contributions of diplomatic personnel usually revolves around procedures [to support decisions taken]." As a result, "neither at the bureaucratic nor at the political level was there a collective body that could constitute a structured institutional system to yield policy. The clear implication was that key decisions were taken by individuals and as such reflected personal preferences" (Ioakeimidis 2003, pp. 101–103). This suggests that a stronger diplomatic corps, especially if integrated in structures that inform decision making, could have helped the reframing process through the involvement of diverse engaged participants.[21]

Summing up, the crisis was largely driven by hierarchy's inability to fulfill its role in terms of stopping routine responses and devising new ones; in terms of understanding the inherent limitations, and partial frames of the situation that would emerge; and in terms of being able to reframe problems, in ways that transcended (or at least combined) the views expressed by organizational participants. It fell prey to the inherent limits of the existing division of labor, as Figure 1 suggests.

Discussion: What This Means for Our Understanding of Organizations

The Raison d'Être of Hierarchy, Revisited

In terms of theory, the central contribution of this paper is to revisit the role of hierarchy, and the way in which it can redress the inherent limitations of the division of labor. The paper proposes a three-fold role of hierarchy, pointing to its potential ability to control/rein in routine responses through exception management; to reframe issues, using exception management at the cognitive level; and to implement new, more appropriately calibrated responses.

This approach extends and qualifies the "information gathering" approach advocated by Marschack and Radner (1972) and Radner (1992), who argue that hierarchy, reporting structures, and divisionalization affect the speed and cost of information transmission in an organization. In addition to considering different hierarchical structures as alternative means to synthesize information (as is done, e.g., in the computational organization theory tradition—cf. Carley and Prietula 1994), I focus on the role of divisionalization in shaping inescapably limited angles of attack and on the way hierarchy can overcome them. Rather than claiming that "exception management" only denotes the "passing on" of problems that are more complex higher up the hierarchy (as in Garicano 2000),

I propose a broader view on how exception management works, and identify its impact on actions and decisions. Likewise, bypassing the institutional economists' focus on hierarchy as a "dispute resolution" mechanism (Williamson 1985), I highlight important potential merits of hierarchy that relate to its ability to design, control, respond, and reframe. I also consider when these potential benefits do not materialize.

This paper builds on and extends the pioneering work of early administrative theorists (Fayol 1949, Gulick and Urwick 1937) and Barnard's (1938) early analysis of management. This is also consistent with Mintzberg's (1973) earlier work on management and its added value, and it extends our understanding of hierarchy (and management) from a structural vantage point.

The discussion of the way in which hierarchy can fulfill its potential benefits also highlights the importance of the means and structures through which it can be effective. This was made painfully evident in the Greek case, where there was no real infrastructure to support effective hierarchical interventions. On the basis that one of hierarchy's key functions is to reframe and control routines, we need to work more directly on creating the appropriate infrastructure that will assist it in its task (see George 1972 for a fascinating analysis of the NSC in the United States).

Toward a Dynamic View of Organizational Design

In addition to helping us revisit "what hierarchy does," this approach has implications for research in organizational theory and design. It suggests that rather than looking at frames that emerge at the level of the organization *as a whole* (Daft and Weick 1984, Dutton 1993, Dutton and Dukerich 1991, Ocasio 1997), we may want to consider frames at the level of the subunit (e.g., at the level of the Ministry of Defense versus the Foreign Affairs Ministry; at the level of the marketing versus finance division). This implies that organizational structure and divisionalization mediate the relationship of an organization with its environment, by structuring attention and by determining on what the organization will focus.

More important, perhaps, this approach helps us revisit how we think about the design of organizations. It suggests that we need to move beyond analysis of the interactions between units in an organization (Thompson 1967), or between different "modules" (Baldwin and Clark 2000), or different choices in an organization (Siggelkow and Levinthal 2003). Rather than partitioning organizations on the basis of what types of activities tend to interact with each other, we should consider how any partitioning will affect an organization's ability to "see" parts of its environment.

In Cyert and March's (1963) footsteps, we should take the impact of divisionalization on *search* behavior seriously. We should study in greater detail how the division of labor in the organization implicitly leads to a "cognitive architecture," how divisionalization shapes search, and how it affects an organization's ability to adapt and respond (cf. Cacciatori and Jacobides 2005, Jacobides 2006, Levinthal and Warglien 1999, Levinthal and Siggelkow 2005, Siggelkow and Rivkin 2005). We should also study exactly how hierarchy can play a role in overcoming such inherent limitations, and explain how we can construct the templates that will facilitate the hierarchical "recomposition." We should consider how each of the three functions outlined in this paper can be better supported and implemented to enhance an organization's adaptability. In other words, we need to move from static to dynamic conceptions of design and hierarchy as they shape the behavior of organizations.[22]

Inferences in Context: Limitations and Contribution, and the Role of Leaders

The focus of this paper on organizational structures and dynamics, as well as on the role of hierarchy, inescapably downplays parts of a subtler reality. Most important, this paper is relatively silent on the role of the individual, and how they relate to the position conferred on them by the hierarchical structure. In this regard, though, a few observations are in order: First, individuals do not uncritically adopt the vantage point of their own organizational subdivision; the reality is more complex.[23] Second, whatever the formal ability of the individual in a hierarchical position to reframe or block routines, their real power to do so is mediated by their personal role and impact (Barnard 1938). And third, individuals approach hierarchical tasks in very different ways—especially those relating to exception management and reframing. Some (like Papandreou) would consider framing and reframing as a closely guarded personal prerogative; others would engage more in bringing in the structure to facilitate debate. It is beyond the confines of this paper to explore the efficiency of each, but the question of how the diverse roles of hierarchy are managed by different individuals takes us to fascinating discussions that relate to leadership and its functions (e.g., see Chemers 1997). Likewise, issues of individual competency in fulfilling these functions of hierarchy and the agenda for shaping more effective leaders branch into interesting theoretical and pragmatic issues that have not been discussed sufficiently to date.

A methodological limitation of this paper is that it rests on the premise that the crisis *was* handled mistakenly, and proceeds by the argument that it could have been resolved without such cost to the Greek side, should escalation have been avoided. Furthermore, in a crisis such as this, it is difficult to have the entire set of facts and to discount alternative explanations. Interpersonal or political issues, for instance, or entrapment dynamics after the Greek flag was on Imia (Brockner and Rubin 1985) might have played a more significant

role. Overall, this paper offered a *lens*, and although this hopefully provides some new perspective, it does not offer a comprehensive or exclusive account.

Despite these limitations and the constraints noted earlier though, the paper sheds light on issues that have not received adequate attention to date, and it also helps bridge two different traditions. Political scientists and students of international crises have expended considerable efforts on understanding how different units within an administration (and the military) see the same issue in different ways, and how each tries to impose its own views (Allison 1971, Halperin 1974). Also, pioneering work such as Neustadt's (1960) analysis of presidential power has considered how, *given* the inherent limitations, a president could best exercise his power. In much of this research, the structure of the environment is taken as a given. Organizational theorists, on the other hand, consider organizational design, including the way in which labor is divided, as a *variable*. However, perhaps due to the dearth of data, they have been relatively silent on how divisionalization affects the search and response of an organization, and how hierarchy can be used. So there seems to be an obvious opportunity for gains from trade, and this paper is an effort in that direction.

Implications for Practice, and the Debt to Cyert and March

In practical terms, this suggests that we could be more explicit in educating those in or destined for hierarchical positions, highlighting the multifaceted and subtle nature of their work, lest they be carried away by their own, narrow frames. It also means that we need to be clear about the important parts of the environment, and about the factors that need to be taken into account: For instance, in the Greek case, the lack of a resident advisor with a deep understanding of the press and communications strategy (not merely tactics) was detrimental, given how important the press was in the evolution of the crisis on both sides of the Aegean. Excessive specialization in the Greek governmental and military apparatus, narrow frames and lack of dialogue (or, barring that, effective leadership) cost Greeks dearly. Likewise, the lack of expertise in scenario planning and the absence of comprehensive debates on the issue and its ramifications, exacted a high cost.

Echoing the suggestions of March et al. (1991) on learning from rare events, this analysis suggests that organizations can prepare for excessive compartmentalization and for potential hierarchical failures, and as a result they should institute structures that will be able to detect what existing structures will not do for themselves (e.g., noting the fact that the Turkish "invasion" on January 27th was primarily a media invasion). Structured decision-making processes, even though they may appear to be straitjackets, have merit insofar as they are appropriately implemented and integrated into the decision-making routines of an organization (see March 1988, 1992). Also, by pointing out that the appropriate exercise of hierarchy needs an appropriate infrastructure, this paper bridges Cyert and March's (1963) work and March's (1988, 1992) research on decision making.

More broadly, this paper builds on and extends Cyert and March (1963) by suggesting that *organizational structure* shapes the nature of the search and problem-solving activities in which organizations engage. Thus, it points to an understudied dynamic implication of organizational structure and design. It also links Cyert and March to Simon's (1962) analysis, helping revisit the role of hierarchy in shaping organizations' search and action.

To conclude, I hope that this paper might open up the debate on the nature of hierarchy, and also provide a fresh set of tools that can help us build more effective organizations, be they business firms or administrations. In an increasingly complex world, we need all the understanding we can get in terms of avoiding costly mistakes in general and war in particular.

Acknowledgments

The early version of the paper has largely benefited from stimulating discussions with Jim March and guidance from Sid Winter. Howard Kunreuther, Rob McMillan, Harry Tzimitras, Rod Kramer, and Roberto Weber provided helpful comments, and Vassiliki Zafolia provided dedicated research assistance on early drafts. The author thanks Mie Augier for her enthusiasm, support, and encouragement to rework the paper; Evaghoras Evaghorou for research support in the recent rewrite, and Yiorgos Mylonadis, Eugenia Cacciatori, Stephan Billinger, Heidi Gardner, Phanish Puranam, Don Sull, Sarah Kaplan, Susan Lynch, Henry Moon, Holly Arrow, Sofoulis Tataridis, and seminar participants at the London Business School, Carnegie Mellon University, and Stanford University for valuable comments. Two anonymous reviewers offered thoughtful comments and valuable guidance. The author would also like to thank the diplomats, military, journalists, and politicians who gave their time and suggestions, making this paper possible. The Decision Sciences Program at The Wharton School assisted financially when the author was Decision Sciences Interdepartmental Doctoral Fellow at Wharton. The North Atlantic Treaty Organization (NATO) is acknowledged for funding; the original paper was largely written when the author was a NATO science fellow. The Research and Material Development fund at the London Business School is also acknowledged for its support.

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Endnotes

[1]In an important exception to this trend, George (1972) considers the changes undertaken by Nixon to the National Security Council (NSC), and prescribes a different structure. He suggests that delegating debate to the lower administrative echelons in the NSC, and thus creating some consensus early on, diminishes the quality of the information, eliminates useful discussion, and leads to inferior decisions. George's starting point is similar to the one I adopt: He considers the challenges of hierarchy (in this case, the President), which need to work with the constituent parts, which are specialized (and for good reason), and limited in their vantage points. He looks at how hierarchy, and the structure through which hierarchy is manifested (the structure of the NSC), can redress these inherent limitations of divisionalization and yield the appropriate information, to the benefit of the whole country.

[2]The analysis of roles is outside the purview of this paper; it is clear, e.g., that individuals face multiple, often conflicting roles, and that roles shape experience and perceptive filters (Goffman 1986). My focus here is narrower; it centers on how the creation of roles by organizations affects individual and hence collective action.

[3]This problem is exacerbated by the natural propensity of organizations to "overmeasure" particular items to provide stronger incentives for achieving divisional objectives and the natural propensity of actors to try to "play the system" (or just comply with it) by behavior that meets the assessed criteria, but does not necessarily answer the underlying value-adding processes (Jacobides and Croson 2001). This leads to goal displacement, i.e., the tendency of subunits to reify their partial goals often to the detriment of the organization as a whole, an important organizational pathology noted by Merton (1957) and Selznik (1957), but not studied in depth.

[4]Tolman (1948) argued that individuals use frames, which are shared representations and information filters, that assist the "adaptive mapping" of their environment (Acha 2004, Kaplan 2006). Starbuck and Milliken (1988) observed that such frames and perceptual filters, although necessary, may lead to problems. As Dutton (1993) argues, they put an organization into "automatic" diagnosis mode, creating cognitive shortcuts that economize on conscious effort (Gavetti and Levinthal 2001, Tripsas and Gavetti 2000), but also creating blinders. Although organizational scholars have studied frames, the focus has been at the level of the entire firm. I propose that over and above the frames of the whole organization, each organizational division has frames that define which parts of the environment will receive attention.

[5]Previous studies have identified additional organizational pathologies that facilitate organizational failure. Vaughan (1996), for instance, in her review of the Challenger tragedy, suggests that over time, there is a "normalization of deviance" from stated objectives and norms, which leads to increasingly problematic decisions. Snook (1997) in his examination of the "friendly fire" accident when U.S. fighters shot down two U.S. Black Hawk helicopters, documents the gradual dismantling of a well-functioning system as a result of "practical drift," where local units become increasingly decoupled from each other, which led to the appropriate information being ignored, and interactions between organizational units being not managed.

[6]In the garbage-can model, hierarchy is described in a stylized way, in the context of a simulation, and consists of mapping "important choices" to "important decision makers" and "important problems," in a correspondence matrix.

[7]Of course, this abstract discussion of "hierarchy" should not distract us from the fact that it is individuals (whether senior managers, political leaders, or public servants) who manage interdependencies, redesign organizations, and set directions. However, doing full justice to the ways in which hierarchy manifests itself in organizations, political or business, is outside the scope of this paper. Suffice to say that often there are limits imposed on those in "hierarchical positions" as to the amount of leeway they have to engage in such activities; e.g., politicians can only undertake changes within the limits prescribed by the constitution and existing law, and managers can only undertake changes within their mandate, provided either by even more senior managers, or by the company's owners. In addition, it is necessary to consider the leeway of hierarchy in fact, as opposed to its mandate in principle.

[8]A question that naturally emerges here is whether those in hierarchical positions are more intelligent than others. Can they overcome the boundedness that is so pervasive in other parts of the organization? The answer is: not necessarily. Rather, they are not encumbered with the more direct tasks of "running a division" and reserve their cognitive capacities to focus on the *appropriateness* of routinized interventions and the elements of the environment that are expected to be "missed out" given the existing organizational structure. In this sense, hierarchy has much to do with opportunities of those fortunate enough to be in a position of power. That being said, capabilities of those in power, clearly help—especially when they relate to the effective carrying out of the "control" and "reframing" aspects.

[9]George's (1972) analysis of the potential structures, e.g., U.S. NSC, can be seen in this light: George compares and contrasts

the efficiency of different potential structures of the NSC. In one case, debate occurs between representatives of the various government agencies and staff and a consensus view is presented to the president; in an alternate structure, there is greater deliberation and disagreement and the president's opinion is called for based on his hearing of the different perspectives. How exactly the very same partial vistas are combined affects the quality of the decisions taken. In addition to different structures of internal constituent, the use of outsiders such as consultants may be another tool to help the process of framing, reframing, and synthesizing.

[10]Several analysts have marvelled that two countries could go to war over an islet "smaller than a football field" (*The Irish Times*, February 1, 1996), "smaller than the place de la Concorde" (*Le Monde*, January 31, 1996) and "smaller than the White House" (Richard Holbrooke). However the significance of the crisis for the stakeholders in both nations was great. In legal terms, the issue was not just the sovereignty of Imia, but the precedent it set for other islets.

[11]Hereafter this is referred to as "small KYSEA," i.e. "small Governmental Council of External Affairs and Security," the part of the Cabinet charged with dealing with such major national issues. I use the term "small" as not all the KYSEA members were in attendance that evening.

[12]At this point the chairman of the JCS Admiral Lymberis, tendered his resignation, due to the fact that the islet of Akrogialia had been left unguarded, despite its obvious symbolic importance. The resignation was not immediately accepted, but eight days later Lymberis was sacked by the PM and KYSEA.

[13]The situation prompted the de facto adjudicating powers (the United States and the EU) to find a pragmatic solution that avoided war, rather than an unbiased resolution of an international dispute. Greece's escalation of events did not help its international standing—and also did not allow it to capitalize on the Turkish nationalist rhetoric. Ciller, for instance, stated that "In our history, lives can be sacrificed, but not land." This stance could have supported Greece's national interests if it had not been for the "equal-distance policy" prompted by the near war. The minutes of the EU's formal reaction (from the Council of Ministers and the European Parliament) attests to Greece's political capital, which was wasted—or, at a minimum, not tapped—as a result of the crisis handling process. See the European Parliament vote of February 15, 1996 (342 for the resolution, 21 against, 11 abstentions); and the declaration of EU Council of Ministers of Foreign Affairs on July 15, 1996 (SN 3543/96).

[14]In addition to a "unitary nonrational actor," we could also apply game theory, to rationalize the war on the basis of a "critical realist" unitary-actor approach (see Evaghorou 2005). However, such an approach would be difficult to justify, at least on the Greek side; the critical issue here is that if Greece had not escalated the confrontation, it is almost certain that it would have been better off, the unanimous view of almost everyone that delved into the crisis.

[15]In his memoirs, Admiral Lymberis argues that he then sought to find the commander of *Antoniou*, to ask him to find a civilian to hoist the flag; but he argues that "because of time shortage and a communication failure, I did not manage to get in touch with him [and Greek sailors from *Antoniou* hoisted the Greek flag]" (Lymberis 2004, p. 559).

[16]Much of the discussion in the Greek press, in the memoirs of participants, and in academic analyses of the crisis, focuses on the reasons why Akrogialia was left unguarded; why the Greek helicopter crashed; and what led to the loss of tactical advantage. However, the real shortcoming lay in the militarization of the crisis.

[17]To give a sense of the media frenzy, Turkish channel *Star TV*, having been beaten by rival *Channel D* in breaking the news of the Akrogialia islet (*D* broadcasted it almost three hours before the Greek KYSEA was able to confirm it) reportedly "created" on January 31st, an entirely fictitious incident where Turks were seen taking down a Greek flag and replacing it with a Turkish one (a scene shot entirely on the Turkish mainland); it also used video footage of an old military exercise to "dress up" the crisis story. The Greek media, although not as gutsy in fabricating events, were certainly keen to increase their viewing rates by dramatic and inflammatory reporting (Pretenderis 1996, Giallouridis 2000).

[18]Although such a bellicose framing is understandable, it was far from unavoidable: Individual preferences and frames matter. General Spyridon, commander of the Forces of the Aegean at the time of the crisis, suggested in 2001 that Lymberis had more than one "script" at his disposal, and that the repertoire also included de-escalating actions.

[19]Only in 1998 was an explicit provision made for an organizational infrastructure to support effective crisis handling. Law 2594/1998 instituted a Centre of Analysis and Planning (CAP), and the Mixed Unit for Crisis Handling (MUCH) both of which report directly to the Foreign Affairs Minister. MUCH is supposed to include representatives of the Defense Ministry, the National Intelligence Service, the Ministry for Press and Mass Media, the National Economy Ministry, and the Public Order Ministry. Although these centers were instituted in 2001, and a special office for them was found, the first five years of operation saw scant, if any activity. As Dokos and Tsakonas (2005, p. 215), academics who participated in their design, argue, this necessary institutional redesign has fallen prey to organizational resistance and politics. Apparently, each part of the administration wants to maintain its sovereignty, and no Greek government has had the courage to challenge these routines, to facilitate its own role. Within the Ministry of Defense, Presidential Decree 157/1998 provides for a Directorate of Strategic Studies, which consists of a studies unit and a strategic information unit, aimed at collecting and evaluating information that could be useful in the prevention of or response to a potential or current crisis; the unit reports directly to the Defense Minister. Finally, and partly in response to the coordination challenges involved in the Greek forces serving in Kosovo, the Minister of Defense and the Foreign Affairs Minister, through a joint decree on 10/2/02 instituted a "Mixed Cooperation Committee" to coordinate military and IR issues. Reportedly, this committee was mothballed by the new Greek government that took office in 2004; see Dokos and Tsakonas (2005), esp. 195–222, and Gikas (2002). A consultative body, the National Council of Foreign Policy, was instituted in April 2003 including opposition representatives, whose main objective is to reduce political friction in designing foreign policy; however, this council does not have the mandate to *handle* crises; see Law 3132/2003. This rather surprising disinterest in the organizational infrastructure to facilitate hierarchical decision making, and the limited effort to

redress the inherent limitations divisionalization should concern the Greeks, and suggests a distinct lack of learning from mistakes (Neustadt and May 1986).

[20]In this respect, a careful rereading of Allison (1971; see Allison and Zelikow 1999, pp. 230–242) would suggest that part of Kennedy's success in dealing with the Cuban missile crisis was that he fully appreciated these limits. Kennedy had shown a very keen interest in checking the operational details of how his orders would be translated; he showed a remarkable ability to understand the implementation difficulties. This, and his keen understanding of the frames and distortions in information coming from different parts of the administration, seem to constitute the difference between the handling of the Cuban crisis and the Bay of Pigs fiasco (see Neustadt and May 1986).

[21]These interactions also indicate some interesting trade-offs inherent in the function of hierarchy: The strengthening of the civil service, for instance, might lead to more effective debate and framing, yet also make hierarchical fiat and reframing harder to implement as the organization can "harden" and routines can exert greater inertial force. Likewise, the ability of individuals to carefully consider organizational views may make it harder for them to be able to block routines, as they can become too enmeshed within the organization.

[22]The importance of structure for framing a problem (especially in nascent fields) can be confirmed through the fact that large organizations often experiment with multiple and often competing divisions, each with a slightly different scope and mandate (Galunic and Eisenhardt 2001, Birkinshaw and Lingbladt 2005). Put in terms of our approach, firms foster the co-existence, and competition of different ways to "slice and dice" the environment. This can lead to more effective framing and searching a dynamic environment.

[23]Whiting notes that, "much of the policy struggle cuts across institutional lines and that factions in a department like State are often allied with like-minded factions in Defense against rival State factions who are also allied with still other Defense factions" (see Hilsman 1990, pp. 80–81).

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