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Strategy process in practice

Practices and logics of action of middle managers in strategy implementation

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Abstract

The study focuses on strategy process in practice from the viewpoint of middle managers and practices in strategy implementation. The strategy process of an organization creates and implements strategy. Although this process influences the activities of many members of the organization, strategy research has only recently started to become interested in the activities of practitioners and practices in strategizing. In addition to organizational actions, micro-level activities have thus become a relevant focus of research. Middle managers, acting both as subordinates and superiors, represent a group of actors whose role in the strategy process is still not understood to a significant extent. Although the literature has to some extent noticed their significance, their activities related to practices remain unexplored. Current literature is not informative about the routines, tools and ways of working of middle managers in putting the intended strategy into action.

The purpose of this study is to explore the experiences of middle managers in strategy implementation and describe the practices and strategy process in practice. In this constructivist study, the strategy process is treated as a social system, in which knowledgeable purposive agents create the structures, while, at the same time, these same structures constrain and enable their choices. The activities of middle managers are studied through their logics of action, relating to a cognitive framework in a social exchange relationship binding the actors' means and ends. In the qualitative design of this study, semi-structured interviews with fifty-four middle managers in eight service-sector organizations constitute the primary data. Additional data consists of documentation of the official strategy processes of the organizations.

It is acknowledged that structural properties appear differently in practices and make them different from each other. For describing practices-in-use, a framework is created. The framework differentiates four types of practices: Institutionalized and loosely-coupled; Established and recurrent; Individualized and stochastic; and Individualized and systemic practices. However, it is the practitioners who, by the actual use of practices, define the meaning of the practices. An inductive analysis of the experiences of the middle managers identifies four logics of action for practices, Executing, Facilitating, Empowering and Reflecting, the characteristics of which are described. It is noticed that the logics of action strive not only for strategy implementation, but also strategic renewal. The relations of the logics of action and different types of practices are described in general and also across the eight organizations. Based on analyses of the experienced and intended strategy processes, four types of strategy processes in practice (Sustainable, Self-directed, Unbalanced and Weak strategy process) are described.

By showing how middle managers use practices, the study adds to our understanding of their activities in strategy implementation and their influence on strategic renewal. The study suggests that, for strategic renewal to emerge, both the extent to which the practices-in-use are coherent and the degree to which middle managers have enabling experiences of practices are significant. The study provides strategy research with a new understanding of what strategy process is in practice. Instead of a homogenous entity, strategy process is seen as a repertoire of practices. Describing practices, and exploring the experiences that middle managers have of practices-in-use, shows the relevance of various practices, including those that are not part of the official strategy process.

Tiivistelmä (Abstract in Finnish)

Tutkimus käsittelee strategiaprosessia käytännössä lähestymällä sitä käytäntöjen ja keskijohdon strategian toimeenpanon kokemusten kautta. Organisaation strategiaprosessi luo ja toteuttaa strategiaa. Tämä prosessi koskettaa laajasti organisaation eri toimijoita, joita ei kuitenkaan ole huomioitu strategiatutkimuksessa. Kiinnostus käytäntöihin edustaa strategiatutkimuksessa uutta näkökulmaa, jossa ollaan kiinnostuneita laajasti organisaation toimijoista ja heidän panoksestaan organisaation koherentille toiminnalle. Organisatoristen tekojen lisäksi ollaan kiinnostuneita myös mikrotason toiminnasta. Eräs keskeinen toimijaryhmä, jonka toimintaa ei vielä riittävästi ymmärretä, on keskijohto eli ne henkilöt, jotka organisaatiossa toimivat sekä johtajina että johdettavina. Aikaisempi strategiatutkimus on keskittynyt enimmäkseen ylimmän johdon tutkimiseen, jolloin keskijohto on jäänyt riittämättömälle huomiolle. Empiirisiä tutkimuksia, joissa käsiteltäisiin keskijohdolle merkityksellisiä käytäntöjä, ei juuri ole. Olemassa oleva kirjallisuus ei kerro mitä ovat ne rutiinit, välineet ja työtavat, joita keskijohtajat käyttävät toteuttaessaan organisaation strategiaa.

Tutkimuksen tavoitteena on tarkastella keskijohdon strategian toimeenpanon kokemuksia sekä kuvailla käytäntöjä ja strategiaprosessia käytännössä. Konstruktivistisessa tutkimuksessa strategiaprosessia pidetään sosiaalisena systeeminä, jossa toiminnastaan 'tietävät' (knowledgeable) tekijät (agentit) tuottavat rakenteen, joka sekä rajoittaa että mahdollistaa heidän toimintaansa. Keskijohdon toimintaa tutkitaan toiminnan logiikan kautta eli tarkastelemalla yksilöiden toimintaansa liittämiä keinoja ja päämääriä. Laadullisen tutkimusasetelman aineisto on koottu kahdeksasta palveluorganisaatiosta. Pääasiallinen aineisto koostuu 54 keskijohdon edustajan haastattelusta. Haastattelujen lisäksi hyödynnetään organisaatioiden virallisia strategiaprosesseja koskevia dokumentteja.

Strategiaprosessilla on rakenteellisia ominaisuuksia, jotka näyttäytyvät eri tavoin käytännöissä esimerkiksi velvoittamalla toimijoita toimimaan tietyllä tavalla. Käytäntöjen kuvaamiseksi tutkimus luo mallin, joka erottelee neljänlaisia käytäntöjä: vakiintuneet ja löyhäsidoksiset; tunnetut ja toistuvat; yksilölliset ja satunnaiset, sekä yksilölliset ja systeemiset. Huolimatta käytäntöjen rakenteellisista ominaisuuksista käytännöt saavat merkityksensä ennen kaikkea siitä, mihin toimijat niitä käyttävät. Aineistolähtöinen analyysi tunnistaa keskijohdon edustajien kokemuksista neljänlaisia toiminnan logiikoita (täytäntöönpano, helpottaminen, valtuuttaminen ja reflektointi) jotka kuvaillaan. Tutkimus havaitsee, että strategian toimeenpanon lisäksi keskijohdon toiminnalla on strategiaa uudistavia päämääriä. Eri toiminnan logiikoiden ja erilaisten käytäntöjen yhteyksiä kuvaillaan sekä yleisesti että organisaatiotasoisesti. Koettujen ja aiottujen strategiaprosessien perusteella kuvataan neljä strategiaprosessityyppiä: kestävä, itseohjautuva, epätasapainoinen ja heikko.

Osoittamalla kuinka keskijohto käyttää käytäntöjä tutkimus lisää ymmärrystä keskijohdon toiminnasta strategian toimeenpanossa ja strategian uudistamisessa. Tutkimus ehdottaa, että strategian uudistumisen kannalta on merkityksellistä, kuinka koherentteja käytännöt ovat ja missä määrin keskijohtajat kokevat käytäntöjen mahdollistavan heidän strategista toimintaansa. Tutkimus tuottaa strategiatutkimukselle uutta ymmärrystä siitä mitä on strategiaprosessi käytännössä. Homogeenisen kokonaisuuden sijasta strategiaprosessi nähdään käytäntöjen valikoimana. Lähestymällä käytäntöjä keskijohdon kokemusten kautta tutkimus paljastaa tärkeiksi myös ne monet epäviralliset käytännöt, jotka eivät kuulu viralliseen strategiaprosessiin.

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1 Introduction

1.1 Motivation

What is strategy process in practice like? How do intended strategies of organizations become realized? What is the role of middle managers in this process? What about the practices harnessed to the strategy process of an organization?

These are the questions that have stimulated me in writing this dissertation. The motivation for the study arose from an attempt to understand organizational development, participation, development methods, and later, strategy and strategy implementation, while working as a researcher at Helsinki University of Technology. In practice, in the practical part of my job as a researcher, I have noticed that organizations tackle their strategies using diverse processes and get diverse outcomes. Quite often I have come across people who feel either desperate or frustrated with the strategy processes of their organizations. Those who are frustrated are most often the participants of some repetitive information meeting, where the managing director presents a power-point-show with colorful slides of the organization's strategy. The desperate person is often the one who is in charge of organizing the event. He knows that the participants are frustrated, but still the event has to be organized as it always has been.

These observations from praxis raised some questions. What meaning do these routines, events and practices of strategy process have for members of the organizations? People working in the strategy-planning department (or equivalent), which typically is in charge of the official strategy process of an organization, can definitely define a meaning for that process. If asked, they would probably say that the process aims at creating and accomplishing the strategy of their organization. How about other members of the organization? How would they throw light on the meaning of the process and its practices? Take, for example, a middle manager in a customer services department. How does he view the strategy process? How does the process associate with his day-to-day activities? And also, does it matter how the members of the organization? Like better strategy implementation? Or better strategy? These questions led me to the research questions of this study: What is the strategy process in practice like? And How do the processes differ?

Similar questions have recently been raised in strategy literature from a practice perspective (Johnson, Melin & Whittington 2003, Whittington 1996, 2002, 2004, Whittington, Johnson & Melin 2004). In this perspective, the interest is the real action and interaction of practitioners of strategy (Whittington 1996). Claiming space for a new perspective, Whittington (2002) is worried that "reading Strategic Management Journal would not help anybody organize a successful strategy-making event". Relaxing "strategy's intellectual lock-in on modernist detachment and economic theory" (Whittington 2004), the practice perspective shifts from "the core competence of the corporation to the practical competence of the manager as strategist" (Whittington 1996).

To study strategy at this level, the focus is on day-to-day practices, activities, and processes of organizations that relate to strategic outcomes (Johnson, Melin & Whittington 2003). The practice perspective seeks knowledge about "the unheroic work of ordinary strategic practitioners in their day-to-day routines" (Whittington 1996). It is concerned "with the work of strategizing – all the meeting, the talking, the form-filling and the number-crunching by which strategy actually gets formulated and implemented" (Whittington 1996).

In addition to the questions raised by the strategy-as-practice perspective, other previous strategy research has noticed relevant points that motivate this study. In the diverse field of strategy, the study is initially motivated by strategy implementation literature. The line of research notes that finding or choosing the perfect strategy is not enough if it is not implemented (Alexander 1991, Noble 1999). Several authors have acknowledged the difficulty and the challenges of the task of strategy implementation (see, for example, Noble 1999). The recent views on strategy implementation emphasize the members of an organization and the meaning of their interpretation, adoption and action in strategy implementation (Alexander 1991, Noble 1999) without, however, abandoning the importance of either the structure or systems of an organization (Beer & Eisenstat 1996). The shift from top-management-dominated research to broader views and cognizance of the relevance of other actors as well motivates this study to focus on the activities of middle managers whose important role in strategy is still unexplored (cf. Floyd & Wooldridge 2000).

Through this study, I intend to gain understanding of the strategy process in order to help organizations in its practice. The study will be of interest to organizations as they design, describe and develop their strategy processes. They can reflect on the results of the study when they make decisions as to whether or not to support certain organizational practices by, for example, allocating resources for new or existing practices. Secondly, organizations may find the study useful as they try to understand why strategy implementation faces problems, or when they seek ways to gather new insights or weak signals for new strategic directions. Thirdly, the study can be valuable for organizations when they plan development activities for their middle management. For individuals, most particularly for middle managers, the study hopes to propose tools for reflection. Middle managers may use the findings of the study when thinking about their activities concerning strategy and their role in the strategy process. Interpretations of experiences of fifty-four individuals in eight organizations may give insights useful to a busy practitioner.

1.2 Objective

The purpose of this study is to explore the experiences of middle managers in strategy implementation and to describe practices and strategy process in practice. The objectives are to gain an increased understanding of strategy process in practice and to give a description of it.

The research questions of this study are:

- 1. What is strategy process in practice like?
- 2. How do strategy processes in practice differ in terms of official strategy processes and middle managers' logics of action for practices-in-use?

The first question aims at describing the strategy process in practice in general while the second question seeks differences across different organizations. The research questions and the research design will be further elaborated in Chapter 3.

1.3 Structure of the thesis

The structure of this thesis is as follows: **Chapter 2** constructs a theoretical view of literature concerning strategy process. It positions the study in the strategy field, discusses the relevant literature for the choices of this study and defines key concepts. It also presents the meta-theory of this study, the structuration theory and, inspired by it,

develops concepts and framework for empirical study. **Chapter 3** describes the research design and the research questions. In addition, the research approach, methods, data and analysis are discussed. **Chapter 4** presents the findings of the study. **Chapter 5** discusses the contribution of the study and includes the evaluation of the study as well as ideas for further research.

2 Literature review

This chapter positions the study in the field of strategy, taking a strategy-as-practice perspective, and focusing on practices and activities of middle managers. The meta-theory of the study, the structuration theory, is presented. The concept of logic of action for studying purposeful activities of agents is presented and a conceptual framework for studying practices is suggested.

2.1 Strategy process

As I took the concept of strategy to be an element of my study, I became involved in the long and lively discussion about this recognized concept. The concept of strategy originates from its earliest appearance in military use, and was later applied in the context of organizations. Despite decades of being used in organizational contexts, the concept has maintained its original meaning: to compete (with the enemy) to win (the war).

In strategy literature, definitions and focus have evolved over time, with the rising and falling of different schools, providing the consumers of strategy discourse (Whittington, Jarzabkowski, Mayer, Mounoud, Nahapiet & Rouleaou 2003) with various recipes for success or survival. Such topics as whether structure follows strategy or vice versa, or whether competitive advantage is achieved by rational decision-making of top managers or by acquiring the right competences are discussed under *Strategy*.

Among other dichotomies (Clegg, Carter & Kornberger 2004, Knights & Mueller 2004), literature makes distinctions between process and content of strategy, as well as formulation and implementation. As examples of different views, content research focuses on linking decisions and structures to performance, whereas process research centers on the actions leading to and supporting strategy. From another viewpoint, strategy formulation concentrates mainly on generating decisions, whereas strategy implementation is interested in how the decisions are put into action. Due to the number of studies and the amount of literature accumulated, the existing literature also provides the researcher with detailed reviews of different perspectives (see, for example, Fahey & Christensen 1986, Huff & Reger 1987, Schendel 1992). The quantity of books, studies and perspectives in strategy literature characterizes the relevancy and

piquancy, and also the complexity, of the subject. The complexity makes it impossible to find a single right answer for strategy. As Whittington (2001) noted, the various conceptions of strategy have "radically different implications for how to go about 'doing strategy'".

The concept of strategy "implies that all the multitudinous individuals who make up an organization can be united around the effective pursuit of a coherent goal" (Whittington 2001). In practice, organizations tend to perceive their activities as processes, and activities around strategy are not an exception. Hence, the uniting activities chasing a coherent goal can be captured as processes. What kind of answers, then, do different approaches give for strategy process in practice? How do they characterize it?

Whittington (2001) divides the conceptions of strategy into four different approaches, differing in their assumptions about the outcomes and the processes of strategy. The Classical approach, drawing on early authors like Chandler (1962) and Ansoff (1965), is interested in analysis and planning a right strategy and positioning the organization in the market. Based on careful planning and analysis, strategy is formulated and followed by implementation of those decisions. A relevant question is how to make organizational structures that follow the rational strategic decisions made by top managers. (Whittington 2001). However, this approach does not take into account any other members of the organization in strategizing or the possible irrationality of top managers in their decision-making. Although strategy implementation is perceived as important, it is considered a task that is taken care of by structures of an organization, not people like middle managers or personnel. Yet, even the decisions of managers are considered meaningless if viewed according to the evolutionary approach (ibid.). The Evolutionary approach relies on biological principles of the market, which naturally select the fittest for survival. Managers' (or other individuals') strategic decisions are not that important; their role is to keep the transaction costs low and options open. The environment will take care of structure following strategy. The *Processual approach*, for one, acknowledges the cognitive limitations of the rational actions of top managers and the micro-politics of organizations (ibid.). It criticizes the all-powerfulness of planning and considers it rather a comforting ritual of managers, citing the notion of 'any old map will do' (see Weick 2001, for a story of how lost soldiers survived in the Alps with a map of the Pyrenees). In addition to bounded rationality of people, the emergent aspect in strategy is emphasized. The argument is that organizations cannot plan their actions but coherence in action can be perceived retrospectively. The last approach of the four views, the *Systemic approach*, views strategy as bound to its sociological context, embedded in social and economic systems. The local forms of rationality arise from the cultural conditions, which may differ across states or organizations. (Whittington 2001). The different views on strategy process are summarized in Table 1.

Table 1 Strategy process from different perspectives of strategy (see Whittington 2001)

Perspective of strategy	What is strategy process like?
Classical ap- proach	A process of calculation, analysis and rational decision-making of top managers, followed by implementation (by changing structures)
Evolutionary approach	Environment defines survival, the question of strategy process of an organization is irrelevant
Processual approach	Instead of formal planning process, strategy process is a pragmatic process of learning and compromise, which can also shape strategy
Systemic approach	The process depends on the particular social system in which strategy-making takes place

A conclusion would be that seeking one best way to see strategy hardly succeeds, but in matching strategy to market, organizational and social environments, each approach may have its place, depending on the level of discussion (Whittington 2001). For the discussion in this dissertation, the perspectives of the processual and systemic approaches, and also the classical, provide points of reference.

From the practitioners' viewpoint, strategy process is typically reflected through the strategy planning process (Aaltonen et al. 2001, Näsi & Aunola 2001). As part of this study, I will analyze official strategy processes of organizations, mostly referring to annual strategy planning processes, which argues for examining existing literature about strategic planning more thoroughly.

Studies concerning strategic planning, many of which adopt the classical approach to strategy, have tried to find an answer to the question: What kind of planning process, if any, should organizations employ? Typically, the strategic planning process is considered as including the scanning of environmental and market trends, consumer

needs, and competitors' activities. Also, the strengths and weaknesses, goals and objectives of the organization in question are analyzed and defined in order to choose and write down the strategies (cf. Armstrong 1982, Grant 2003, Reid 1989). Studies about planning processes have analyzed the relationship between environmental characteristics and planning systems (Kukalis 1991, Lindsay & Rue 1980), for example, and the effectiveness of planning (Nutt 1977), the contribution of formal strategic planning to decisions (Armstrong 1982, Sinha 1990), the influence of the strategic planning process on strategic change (Dutton & Duncan 1987), the behavioral problems of managers in strategic planning systems (Lyles & Lenz 1982), the characteristics of strategic planning systems (Grant 2003), the relations of planning practices and performance (Boyd 1991, Brews & Hunt 1999) and the reality of strategic planning (Reid 1989).

Despite the number of studies conducted in the field of strategic planning, however, it has been noted that the measurement of the construct "strategic planning" has weaknesses due to the inconsistency of the measurement schemes, a priori assumptions of dimensions, the simple level of analysis, lack of tests of reliability and validity, as well as parsimony of the instrument (Boyd & Reuning-Elliott 1998).

Armstrong (1982), in a review of twelve studies of the evaluation of formal planning, observed that most of the studies did not include any description of the planning process. Despite this limitation, he found some evidence for his hypothesis that "it is valuable to have a formal process to gain commitment". Despite an aspiration for a shared process (Armstrong 1982, Reid 1989), the formal planning process has traditionally seemed to be a task of a small group in the organization (Reid 1989). It has been suggested that, at its best, planning can be considered institutional learning within management teams (de Geus 1988). Planning has been suggested most useful where changes were large, but, in general, explicit objective setting and monitoring results have been considered the most valuable aspects of strategic planning (Armstrong 1982).

As an exceptional example, compared to the number of studies of strategic planning processes using questionnaire studies, Grant (2003) conducted in-depth case studies of the planning systems of eight oil companies to identify key features of strategic planning systems and to explore the changing characteristics of the strategic planning

processes of oil companies. Semi-structured interviews and document material were used for writing case studies, describing "the main features of strategic planning, the changes in these systems over time, and the role within broader management processes" (Grant 2003). According to his results, the strategic planning process may act as a context for strategic decision-making as well as for coordination of its decentralization, and provide a mechanism for control (Grant 2003).

Brews and Hunt (1999) suggest that lessons from both design and learning schools are needed for successful strategic planning. By combining the deliberate, rational and linear process of the design school and the adaptive, incremental and complex learning process of the learning school (for ten schools of strategy, see Mintzberg, Ahlstrand & Lampel 1999), a more fertile result can be achieved. Thus, "specific plans may represent the 'intended' strategy while the inevitable incremental changes that follow as intentions become reality represent the emergent, or 'realized', part of the firm's 'deliberate' strategy" (Brews & Hunt 1999, 903). Respectively, Sathe (1978) defined emergent structure as "the actual behaviour of organizational members on the various dimensions of organizational behaviour". Also Grant (2003) refers to the long debates between the "strategy-as-rational-design and strategy-as-emergent-process' schools", and points to "a process of planned emergence in which strategic planning systems provide a mechanism for coordinating decentralized strategy formulation within a structure of demanding performance targets and clear corporate guidelines" (Grant 2003). Table 2 summarizes the contribution of previous studies of strategic planning to this study and identifies the main critique of the focus and methodology of these studies.

Table 2 Contribution of literature on strategic planning

	Contribution to this study	Gaps from the viewpoint of this study
Literature on strategic planning processes e.g. Armstrong (1982), Brews & Hunt (1999), Grant (2003), Reid	Mechanism for coordination and control, context for strategic decisionmaking Usefulness for explicit objective setting and monitoring results as well as gaining commitment	Focus on strategy formulation Focus on top management Use of mainly questionnaire data
(1989)	Representation of the intended strategy	

In practice, a great concern in strategy relates to *strategy implementation*. This holds for this study as well. The study originated in a context in which successes and failures of strategy implementation were studied, with an aim of helping organizations in their challenges of practice (see Chapter 3 for a detailed description of the data production). According to Alexander (1991), strategy implementation takes the formulated strategy as a given and addresses the issue of how to put it into effect. "It is simply the process of carrying out a firm's strategy that is usually formulated by others" (Alexander 1991). According to Nutt (1986), implementation "is a procedure directed by a manager to install planned change in an organization". Although many authors have written about challenges in strategy implementation (see, for example, Alexander 1991, Bourgeois & Brodwin 1984, Flood et al. 2000, Hrebiniak & Joyce 1984, Noble 1999), it has not been the most studied object of interest in the field of strategy (for a comprehensive review of studies on strategy implementation, see Noble 1999). A possible reason why strategy implementation has received less attention than strategy formulation may relate to its eclectic character. As Alexander (1991) puts it, "we are not exactly sure what it includes, and where it starts and stops". Another explanation may be that "implementation is treated by some managers and many scholars as a strategic afterthought" and the only important issue is wise strategy formulation (Noble 1999). According to Nutt (1986), implementation research has focused on firstly, developing prescriptions based on logic, developed administrative tools, secondly, on studying factors that influence adoption and thirdly, exploring how changes are put into effect.

The interest of this study relates mainly to the third mentioned focus, the exploration of how changes are put into effect. *Strategy implementation* is defined in this study as *the process of putting the intended strategy into action*. The concern of strategy implementation represents primarily a classical approach to strategy (cf. Whittington 2001), but the issue of implementing decisions that have been made by others has been an interest of research also related to a more micro perspective (Balogun & Johnson 2003).

Previous research has identified several problems in strategy implementation, connecting with various issues of which the challenges of adoption, understanding and communication represent not the least important (Alexander 1991, Noble 1999). The

results of two studies of Alexander (1991), carried out in ninety-three private sector Fortune 500 firms as well as fifty-two federal agencies and seventy-six state agencies, illustrate the nature of the problem perceived by the top management of these organizations. The heads of the organizations perceived several things as problematic: for example, strategy implementation was taking more time than allocated, and major unforeseen problems were occurring during implementation. Also, some problems of strategy implementation related to its ineffective coordination and to competing activities and crises that distracted attention from implementation. Further, insufficient capabilities of employees and inadequate training and instruction were perceived barriers for strategy implementation. Moreover, employees were perceived having problems in understanding overall goals. In addition, a major challenge for strategy implementation was the leadership and direction provided by departmental managers. (Ibid.)

Managers may use different tactics in strategy implementation. By analyzing ninety-one case studies, Nutt (1986) (see also Nutt 1987) identified four tactics that managers used in making planned changes: intervention, participation, persuasion and edict. An intervention tactic in implementation relates to a process where key executives carefully acquire sanctions to activate and regulate the process, to keep the control. In a participation tactic, the manager specifies needs or opportunities and then assigns decisions for developmental activities. In a persuasion tactic, managers "made little effort to manage change processes and monitor their progress due to disinterest, lack of knowledge, or a powerful or persuasive protagonist". An edict tactic involves the use of control and personal power without any form of participation.

Smirchich and Stubbart (1985) suggest that the problems of strategy implementation, among other problems of strategic management, stem from the "field's inattention to the fundamentally social nature of the strategy formation and organization processes". From an interpretive perspective, the task of strategic management is "organization making – to create and maintain systems of shared meanings that facilitate organized action" (Smirchich & Stubbart 1985).

The main contribution of the studies concerning strategy implementation is the identification of the importance and difficulty of strategy implementation, addressing interpretations of actors. However, from the viewpoint of this study, the critique focuses

on the lack of studies concerning middle managers' activities relating to the practices of organizations (Table 3).

Table 3 Contribution of literature on strategy implementation

	Contribution to this study	Gaps from the viewpoint of this study
Literature on strategy implementation, e.g. Alexander (1991), Bourgeois & Brodwin (1984), Flood et al. (2000), Noble (1999), Nutt (1986)	An essential but difficult part of strategy is how to put it into action	Lack of studies about the actual use of practices in implementation Although middle managers are recognized, still a top-management focus

Despite the vast interest in strategy and the various points from which it is viewed, these approaches do not seem to provide sufficient knowledge for an understanding of the strategy process in practice. This might be at least partly due to the dominance of the modernist view, taking an approach where mind controls matter, when strategy determines structure and in which the plan determines reality (Clegg, Carter & Cornberger 2004). The assumption constitutes several gaps, one of which is the distinction between the planning head and planned body, the head being top management and the body, the organization. Additionally, the same assumption leads to a gap between planning and implementing and between planned change and emerging evolution (ibid.).

Motivated by "growing frustration in the contemporary academic strategy literature" (Johnson, Melin & Whittington 2003), a micro perspective has been developing among strategy researchers. The micro perspective stands as a counterargument to "high abstraction, broad categories and lifeless concepts" (ibid.) of the macro tradition and seeks "direct confrontation with the complexities of managerial and organizational action". Johnson, Melin and Whittington (2003) argue that this perspective can be justified by two economic reasons. Firstly, due to increasingly open markets, mobile labor and information abundance, competitive advantage is gained by "micro assets that are hard to discern and awkward to trade" (ibid.). Secondly, hypercompetition, driven by speed, surprise and innovation, changes the level and frequency of strategic activities (ibid.). Therefore, strategizing cannot be sufficiently understood by only focusing on the activities of top managers or those responsible for strategic plan-

ning. Due to a dominant top-management perspective in the field of strategic management, the increasing interest in other actors as well can be considered a major shift. As to the frequency, the required speed of responses in the market makes strategizing something that cannot be solely fixed with the episodes and planned cycles of organizations. Instead, strategizing becomes "a chronic feature of organizational life" (Johnson, Melin & Whittington 2003).

How, then, is strategy defined in this study? As a position in the market (Porter 1980) perspective (cf. Mintzberg & Quinn 1991, Mintzberg, Ahlstrand & Lampel 1999) or something else? This study agrees with Whittington (2001) about the effective pursuit of a coherent goal among individuals of an organization. In addition, the concepts of intended strategy, realized strategy, unrealized strategy, deliberate strategy and emergent strategy provide assistance (Mintzberg 1978). Strategy implementation is concerned with how an intended strategy becomes realized, often seeking a deliberate strategy (ibid.). However, an intended strategy may turn into an unrealized strategy, just as an emergent strategy may contribute to the realized strategy. Therefore, it is reasonable to define *strategy* as a *pattern in the stream of actions* (Mintzberg 1978, Mintzberg & Waters 1985, Mintzberg 1994c) (Figure 1.).

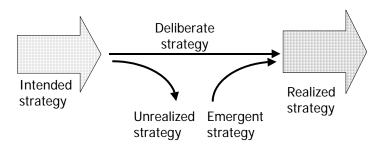


Figure 1 Different kinds of strategies form a pattern in the stream of actions (Mintzberg 1978)

Although Whittington (2004) argues for a post-Mintzbergian research agenda, which would "take formal strategy more seriously than Mintzberg", I still find the definition of Mintzberg relevant for the purposes of this study. The notion of an intended strategy captures the formal, official strategy of an organization. While a deliberate strategy (an intended strategy becoming realized precisely as it was intended) is only one possible path, the possibilities of emergent and unrealized strategies for the realized strategy take into consideration the complexity of practice that strategy implementation efforts may encounter.

In defining strategy process, the classic division between content and process in strategy literature confuses the discussion. As "the body of strategy process research is diverse and cannot be contained within a single paradigm" (Van de Ven 1992), researchers have been encouraged to be explicit about their definitions. To make it easier to understand strategy process research, researchers should define the meaning of process, clarify the theory of process and design research to observe process (ibid.). I use *strategy process* to refer to *those activities that strive to create and implement strategies in organizations*. Activities are carried out by people, but it is not only the activities of top managers that count; the activities of other members of the organization also contribute to the strategy process of an organization. Further, the strategy process includes activities related to the planning process, but is not limited to them. Rather, a notion of mind and body operating together binds the two, formation and implementation, the formal planning process and the disordered day-to-day activities, as one inseparable whole – the strategy process.

Van de Ven (1992) refers to "statements that explain how and why a process unfolds over time" as prerequisites of the theory of process. In my study, the meta-theory of structuration provides the theoretical view of strategy process. Accordingly, strategy process can be viewed as structure, regarded "simultaneously as a flow of ongoing actions and as a set of institutionalized traditions or forms that reflect and constrain that action" (Barley 1986). The third point of Van de Ven (1992), that process should be studied consistently with one's definition and theory of process, unfolds by the end of this chapter as I operationalize the conduct of the empirical study (Chapter 2.4, Structuration view of strategy).

To summarize: different perspectives have dominated the field of strategy to such an extent that some authors have suggested that "the most significant contribution to research progress in the field [of strategic management] will in fact be made by those who cross the boundaries that have been carefully built up over the last several decades" (Huff and Reger 1987, 227). Setting the battles of older schools aside (cf. Mintzberg 1990, 1991, 1994a, 1994b, Ansoff 1991, 1994), essential understanding may be reached with the assistance of newer approaches. Special attention in this study is given to the school of strategy-as-practice and to a focus on the middle of an organization. The perspective of strategy-as-practice notes the relevance of day-to-day

practices and the activities of practitioners in strategy. Viewing strategy process from this perspective may free the study from the "strategy's intellectual lock-in on modernist detachment and economic theory" (Whittington 2004), which does not seem to provide enough knowledge for describing the strategy process in practice. The studies by authors stating the importance of middle managers (like Floyd & Wooldridge 2000) shift the focus from the dominant top management view to the activities of middle managers in the strategy process.

2.2 Practitioners and practices in strategy

To fill the gaps between mind and body in strategic management research (cf. Clegg et al. 2004), an interest in strategy-as-practice has emerged (Johnson, Melin & Whittington 2003, Whittington 1996, 2002, 2003, 2004, Whittington, Jarzabkowski, Mayer, Mounoud, Nahapiet & Rouleau 2003, Whittington, Johnson & Melin 2004). The focus of this approach is on the actual activities of those involved in strategy. Strategy is something that is present in the everyday activities of the members of organizations.

The perspective acknowledges more plural units of analysis and an extended notion of the dependent variable in the field of strategy research. "In other words, a significant intellectual achievement of the emerging field has been to shift strategy research from a preoccupation with the firm and its performance to include a concern for people, tools and their performance." (Whittington, Johnson & Melin 2004)

The division of content and process, as illustrated in "An Exploded Map of Strategic Management", Figure 2, characterizes strategic management discipline. A typical concern is the middle level (Figure 2), linking organizational actions to organizational performance (Whittington, Johnson & Melin 2004). The difference, strategy-aspractice suggests, is to "go both above and beneath this central core of the strategic management discipline" (ibid.).

Research into the strategy-as-practice perspective places a strong emphasis on microactivities of process. However, the perspective emphasizes that in addition to focusing solely on the lower right corner of Figure 2, links to other parts of the figure should be made. A close and important link is V2, where the concern may be with "how process activities such as away-days fit within broader patterns of organizational strategic change" (ibid.).

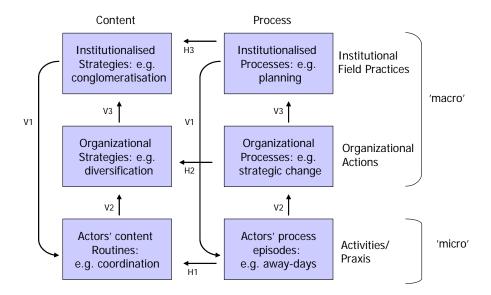


Figure 2 An exploded map of strategic management (Whittington, Johnson & Melin 2004)

In the micro-level perspective of strategy, one of the main interests focuses on the people doing the strategizing or organizing. Johnson et al. (2003) argue that changing resource markets and "hypercompetition" makes of strategy something in which more people are involved. In arguing for the relevance of this approach, Whittington (2003) refers to managerial work tradition and adopts the related idea of helping managers in practical ways. Quoting early work on managerial work and the aim of finding out what a manager's job really is (Mintzberg 1973), Whittington (2003) is analogically concerned with what strategists' and organizers' jobs really are. He states that from the viewpoint of micro strategy and strategizing, more research should be done on "how and where strategizing and organizing work is actually done; who does the formal work of strategizing and organizing and how they get to do it; and how the products of strategizing and organizing are communicated and consumed". Interests are thus the concrete activities of the possible participants in making strategies. (Whittington 2003)

This study argues that it is still insufficiently understood how middle managers, representing one significant group of practitioners in strategy, influence strategy, and with what tools. Therefore, two specific interests of the micro approach, the practitioners and the practices, are focused on in this dissertation (Figure 3, see Whittington 2003).

organizing and how do

they get to do it?

Who does the formal work of strategizing and What are the common tools and techniques of

strategizing and

organizing and how are these used in practice?

How and where is strategizing and organizing work actually done?

Figure 3 Interests of this study from the strategy-as-practice perspective

From a practice perspective, *practice* refers to the actual strategizing and organizing work, which is constructed through *practices* (Jarzabkowski 2004). Practice approaches view practices as arrays of human activity that acknowledge the dependence of activity on shared understanding and a connection with materialist entities (Schatzki 2001). Practices may be established or routinized artifacts, such as organization charts or SWOT analyses, habits and socially defined modes of acting (Whittington 2001, 2003, Jarzabkowski 2003) or "the routines and formulae of the formal strategy process, laid down in corporate culture and systems" (Whittington 2002). Following this perspective, *practices* in this study are defined as *routines*, *tools and ways of working*. Further, strategic practices are defined as those routines, tools and ways of working through which strategies are created and implemented.

Diverse organizational studies argue for relevance of practices. Authors of previous studies have noticed the relevance of practices or routines (for a literature review on organizational routines, see Becker 2004) for potential learning outcomes (Morrison & Terziovski 2001), processing of strategic issues (Dutton & Duncan 1987), promoting organizational values (Martinsuo 1999), reliability and speed of organizational performance (Cohen & Bacdayan 1994), understanding (Feldman & Rafaeli 2002), learning and innovation (Brown & Duguid 1991, 2001) and continuous change (Feldman 2000, Feldman & Pentland 2003).

Although routines have gained attention relating to, for example, organizational structure, technology, innovation, socialization and decision-making, the potential of rou-

tines is still underappreciated (Feldman 2000). This is mostly due to the prevalent understanding of routines as "habits or programs that are executed without thought" (Feldman & Pentland 2003, see also Becker 2004). This lack of agency considers routines as mindless activity without taking into account people who perform these routines. Feldman and Pentland (2003) suggest that the lack of agency in traditional theories may be due to the irony that "there are no people in these traditional metaphors".

"The differences in information, perception, preferences, and interpretation among people who perform these routines fade into background and become peripheral to the understanding of organizational routines" (Feldman 2000).

This is a significant notion and a contribution of previous studies to this study. As the idea of agent in reproducing practices is the focal idea of my study, the contribution of those previous studies that concern practices, but do not take into account this point, become less important. However, there are some studies that do characterize the agent's activity.

In her four-year-long field study of student housing routines, Feldman (2000) noted that routines have a potential for change. For example, one of the routines she observed was the routine of closing the residence halls at the end of the year, including the inspection of rooms and the assessment of fines. One concern of building directors was, surprisingly, that students, who had caused damage in their rooms, did not take responsibility for the behavior that caused it. The routine was changed through an initiative of one of the building directors who developed a system for checking people out of their rooms. By the end of the four year study, the room inventory system had been adopted by all the directors. Similarly, changes in other routines were detected as well (Feldman 2000).

Strategic practices may sustain or change patterns in strategic activity over time (Jarzabkowski 2003). Longitudinal in-depth case studies in three universities and an activity-theory-based analysis of their practices illustrate how strategic practices distribute shared interpretations, inclining continuity, but also mediate between contradictions of strategic activity, resulting in change (ibid.).

Strategizing routines are confirmed and developed as strategy practitioners follow, synthesize and interpret them (Whittington 2002, 2003). While the developers of the practices have defined the purpose or intent of the practices, this may be different

from the purpose or intent of the user of the practice (Jarzabkowski 2004, Whittington 2003). The intentional activities of the users result in *practices-in-use* (Jarzabkowski 2004), which is a less acknowledged area than that of the intents and purposes of the developers. "Thus the properties of a practice are open to interpretation according to the use to which they are put." (Jarzabkowski 2004)

Practices are historically and culturally bounded (e.g., Jarzabkowski 2003) and their use relates to the motivation of the user (Langley 1989). In her in-depth study conducted in three organizations representing different structural types, Langley (1989) illustrates how the practice of formal analysis is used for different purposes. Analyzing documents, interviews and conversations resulted in the suggestion that there are four purposes behind formal analysis: information, communication, direction and control (ibid.).

The use of practices involved in social structuring provides a point of interaction between actors, levels of context and activity and is therefore apposite to the concept of practice as interplay; it may therefore be used to better conceptualize how management practices are used and adapted in the construction of strategy (Jarzabkowski 2004). "There are many institutional influences on such practices that predispose recursiveness but also localized contextual factors and idiosyncrasies of use that may be involved in adaptation. Practices-in-use may thus provide a unit of analysis that spans multiple levels of analysis and permits us to examine the characteristics of use involved in recursive and adaptive practice." (Ibid.)

Consequently, there is still a need to uncover the actual use of the practices by practitioners and thereby contribute to the field. Despite the enormous amount of literature about strategy, little is known about actual strategizing (Whittington 2003). Johnson, Melin and Whittington (2003) argue that the process tradition has not gone deep enough in its research, but "a good deal of process research relies on second-hand retrospective reports, given typically by senior executives."

The long tradition of research into managerial work has emphasized how strategy and organizations emerge informally from managerial activity, but has left the formal part of activity with too little attention (Whittington 2003). Although emergence is important, one should start with the formal work of strategic and organizational design

(ibid.). This should be done for two reasons: firstly, even if the ultimate outcomes are only loosely coupled with formal design, they may still be important. From a practical point of view, a lot of time and money are spent on formal design when managers participate in formal, analytical and systematic routines in the annual strategic planning cycles. If the outcomes are emergent, these routines no doubt have meaning. Secondly, to do empirical research, it is much easier to start with formal work relating to strategic and organizational design. The moments of emergence are harder to capture (Whittington 2003).

To summarize the lessons from the reviewed literature: the approach of strategy-aspractice has raised important questions, many of which still need to be answered. A gap remains in the area of empirical studies about practitioners' activities related to practices-in-use, which are needed to further the discussion about strategy-as-practice.

The contribution and critique of the most relevant pieces of literature concerning practices, from the viewpoint of this study, are presented in Table 4.

Table 4 Contribution of selected pieces of literature concerning practices

Piece of litera- ture	Contribution to this study	Gaps from the viewpoint of this study
Whittington 2002, 2003, 2004	Notion of relevance of practices and practitioners	Present no empirical study
Jarzabkowski 2003	Practices distribute shared interpretations	Practices are not explicitly characterized
	Practices in continuity and	Not focused on middle managers
	change	University context may differ from the service organizations of this study
Langley 1989	Identified purposes for the use of formal analysis	Focuses only on one sort of practice, formal analysis
	Methodological contribution	Not focused on middle managers
Feldman 2000	Human agents performing rou-	Not focused on middle managers
	tines	Not focused on strategy
	Potential of routines for change	University context may differ from the service organizations of this study

2.3 Middle managers in the strategy process

The importance of middle managers in strategy, considered as one group of practitioners, has been noticed by a number of authors (e.g., Balogun 2003, Balogun & Johnson 2003, Bower 1970, Fenton-O'Creevy 2001, Floyd & Lane 2000, Floyd & Wooldridge 1992, 1994, 1997, 2000, Guth & Macmillan 1986, Huy 2001, 2002, Izraeli 1975, Nonaka 1988, Nonaka & Takeuchi 1995, Spreitzer & Quinn 1996, Westley 1990 and Wooldridge & Floyd 1990). Their activities are crucial in both strategy implementation and strategic renewal.

Initially, the importance relates to middle management's central organizational position in detecting weak signals from the market and customers, and to contribute to strategic issues (Dutton, Ashford & O'Neill 1997, Floyd & Wooldridge 1994, 1997, Van Cauwenbergh & Cool 1982, Wooldridge & Floyd 1990). Compared to top managers, middle managers' direct access to, and intensive working with, the customer interface gives them superior opportunities for this kind of activity. Their central position in the organization opens up opportunities for them to influence the action in the organization by acting as mediators between top managers and personnel (March & Simon 1958, Nonaka 1988). As an example of middle managers' activities, a longitudinal, real-time, qualitative study of Balogun and Johnson (2003) shows how the sensemaking of middle managers becomes essential in change, while senior managers may become "ghosts' in the sensemaking process – present in stories, rumors and gossip".

In addition, they have an effect on the implementation of a deliberate strategy, as their sensemaking influences their actions (Balogun 2003) and their interpretations of the context effect the actions they take (Dutton et al. 1997, Floyd & Wooldridge 1994, 1997, Van Cauwenbergh & Cool 1982, Wooldridge & Floyd 1990). They can initiate autonomous behavior in formulating new strategies (Burgelman 1983a, 1983b, 1983c) and their activities influence strategy and may affect organizational performance (Floyd & Wooldridge 1994, 1997, Wooldridge & Floyd 1990).

The role and influence of middle managers in strategy have been stated by many studies. For example, Wooldridge and Floyd (1990) had a hypothesis that middle managers have two alternative ways to participate in the strategy process and influence the

performance of the organization. Firstly, their activities could improve the quality of strategic decisions and later performance. Secondly, their activities could enhance commitment to deliberate strategy, which could lead to better implementation of the strategy, and consequently performance. The study, the main data having been collected with a questionnaire, was conducted in eleven banks and nine manufacturers. The results argued for the importance of middle managers in strategy process and lead to further studies about the roles of middle managers in strategy. They identified four different roles that middle managers may have in strategy and argued that in each role "middle managers have the potential to affect the organization's alignment with its external environment by injecting divergent thinking and change-oriented behavior into the strategy-making process" (Floyd & Wooldridge 1997). Floyd and Wooldridge (1992) based their identification of the roles of middle managers on Burgelman's (1988) notion of strategic behavior as the interaction of cognition and action and on the idea that the strategy process requires both order and diversity.

Another example of a study focusing on middle managers' roles is one by Balogun (2003), who conducted a real-time, longitudinal, interpretive study focusing on the role of middle managers in the process of change implementation in a recently privatized utility undertaking planned strategic change. During the study, twenty-six middle managers acted as diarists for ten months and, in addition to this primary data, review meetings, interviews, focus groups and documentation provided additional data. Based on an inductive analysis, the study identified four change-implementation roles of middle managers: undertaking personal change, helping others through change, keeping the business going and implementing changes to departments. A major contribution of the study is the identification of the importance of the first two mentioned roles, undertaking personal change and helping others through change. Compared to the other two roles, which are "consistent with the traditional management and coordination role", the first two "appear to be overlooked, even though they involve an important aspect of the middle-manager task – interpretation of the change intent into tangible actions for both themselves and their teams" (Balogun 2003). The study mentions the importance of informal processes of communication for sensemaking activities, but does not go into any detail about the communication practices.

The context of strategy influences the intentions and behavior of middle managers (Dutton et at. 1997, Waldersee & Sheather 1996). For example, a study of thirty-five mid- to upper-level managers, using a multiple case study simulation method, examined the effect of strategy on leader behavior and choice of implementation actions (Waldersee & Sheather 1996). The results of the study illustrate how the type of strategy influenced the espoused implementation intentions. An entrepreneurial strategy resulted in a participative and persuasive leadership style, focusing on the specialist staff crucial in innovation, in order to focus on the technology and to restructure the organization. On the other hand, for a conservative strategy, the same managers took a top-down approach, applying announcements, commands and financial controls. (Ibid.)

In addition, the performance of middle managers may depend on their power position in the organization and on their ability "to share in the control of such valued resources as financial rewards and the authority to hire, fire and promote participants" (Izraeli 1975). The implementation of decisions made by top managers may generate cognitive disorder among middle managers because of the processing of new information and consideration of new options (Balogun & Johnson 2003, McKinley & Scherer 2000).

A study of Guth and McMillan (1986) illustrates the relevance of middle managers in strategy implementation. In their study, they applied expectancy theory to predict middle managers' intervention in organizational decision-making processes leading to strategy implementation when their self-interest is at stake. They conducted an empirical study with a sample of ninety middle managers representing a diversity of industries of various sizes. The participants, who at the time of the study were taking a part-time master's degree in business, were asked to provide short written descriptions of recent cases where they had taken a position on a decision issue and in which they resisted a decision. Based on the analysis of 330 written reports, Guth and MacMillan (1986) argue that individual middle managers may decide to put very little effort into the implementation of particular strategy if either they believe that they have a low probability of performing successfully in implementing that strategy, or if they believe that, even if they do perform successfully individually, performance has a low probability of achieving the organizationally desired outcome, or if the organization-

ally desired outcome does not satisfy their individual goals (and hence needs) (Guth and McMillan 1986). Their study supports the idea that any strategy implementation decision that can compromise middle managers' interests can meet with active intervention by these managers. They argue that those middle managers who feel that their goals are compromised can not only redirect the strategy, delay its implementation or reduce the quality of implementation, but totally sabotage it.

The formal and informal mechanisms of organizations affect whether middle managers feel included or excluded in strategy (Westley 1990). This was noted by Westley (1990) who studied middle managers in strategic processes of bureaucratic organizations. She focused on middle managers' communication habits and experiences with the strategic decision-making systems of their organizations. The study notes the role of formal or informal mechanisms of organizations, and argues that perceived exclusion is likely to increase if no formal or informal mechanism exists in the organization that allows middle managers to converse cross-functionally around strategic issues. Also, middle managers will feel included and energized about strategic issues to the extent that formal or informal mechanisms exist to sustain horizontal status groups at middle management level, allowing middle managers to converse cross functionally around strategic issues.

Recently, it has been suggested that middle managers play a crucial role in strategy. Floyd and Wooldridge (2000) base their whole model of strategy process on the activities of middle managers and suggest that strategy formation should be considered a "middle-level social learning process" (Floyd and Wooldridge 2000). In their model, Floyd and Wooldridge (2000) emphasize autonomous strategic initiatives are, by-and-large, created in the middle of the organization and that their survival is dependent on the actions of middle managers. They suggest that "strategy research would profit from observing the behavior of people in the middle" (Ibid, xvi).

To summarize: the contribution of these studies is to point out that middle managers may act in a central position in an organization and that they have a major influence on strategizing activities of an organization. Current literature does not provide enough understanding about the state of middle management (Thomas & Linstead 2002). Although some studies exist, "there is still little research examining what middle-managers can contribute and what can help them fulfil these roles" (Balogun

2003). Therefore, a study focusing on this group of actors contributes to the field by producing new knowledge about their activities. I argue that there is not enough empirical research into what the strategy process in practice is from the viewpoint of middle managers, and how middle managers use practices in strategy implementation (Table 5.)

Table 5 Contribution and critique of studies concerning middle managers

	Contribution to this study	Gaps from the viewpoint of this study
Studies about middle managers, e.g. Balogun (2003), Floyd & Wooldridge (2000), Guth & McMillan (1986), Waldersee & Sheather (1996), Westley (1990)	Middle managers' cen- trality in strategy process and in strategy imple- mentation	Middle managers <i>and</i> the use of practices have not been studied

In my study, I define *middle managers* as *those actors who act as both subordinates* and superiors. The definition is rather broad and includes the traditional levels of middle management and operating management (cf. Floyd and Lane 2000; for a similar definition, see Huy 2002).

2.4 Structuration view of strategy

So far, I have stated that gaps in strategic management relate to the separation of mind and body, appearing as gaps between planning and implementation, and planned change and emerging evolution (Clegg et al. 2004). Also, a gap appears between general conceptual models and the fine-grained complexity of the day-to-day practice of strategy. Furthermore, by concentrating on the 'head' of the organization, strategy literature has not yet sufficiently understood the activities of one relevant group of actors, middle managers.

How does structuration theory assist me in filling the noticed gaps? In making sense of strategy, theorists have made dichotomies for interpreting the world, one of the great dichotomies being evident in the agency – structure dilemma (see, for example, Reed 2003, Pozzebon 2004). Rising up to the level of ontological questions, the issue relates to the nature of reality. If I am interested in the strategy process of an organization, do I consider it an objective structure that can be perceived as real? Represented in formal planning processes, process charts, tools and techniques? From a classical approach to strategy, this would probably serve. On the other hand, one could state that the subjectivist constructions of people reflect reality. Represented in experiences of individuals, the nature of reality would appear different.

Because this study is interested in strategy process as it involves *both* agents *and* structures, I state that a non-dichotomist logic is the most valuable attempt "to purposively explore new understanding of human agency and strategic choice" (Pozzebon 2004). And, as strategic management is a social activity, social theories may assist the understanding of strategy-as-practice. Giddens' theory of structuration provides support for interpreting strategy process as a duality of structure. To study strategy process as a social system differs from the traditional view (dualism of either content/structure or process/individuals) and thus brings new insights to the discussion of strategy and strategic process.

A predominant characteristic of Giddens' theory of structuration has to do with the interaction between actions of human agents and the structure of social systems. Duality is central in this theory, because structure is seen both as the medium and as the outcome of interaction. As a medium, structure provides the rules and resources for

the interaction of individuals. As outcome, structure can only exist through the interaction in which the agents apply them. This dualistic view links deterministic, objective notions to the voluntaristic, subjective and dynamic view by focusing on the intersection between these two realms.

Hence, the main elements are agent and structure. Firstly, *structure* can be perceived as *recursively organized sets of rules and resources*. As such, structure is out of time and space, "save in its instantiations and co-ordination as memory traces", and is marked by an "absence of the subject". However, the social systems in which structure is recursively implicated embrace the situated activities of human agents, reproduced across time and space. Thus, the analysis of the structuration of social systems can be performed through the modes in which they are produced and reproduced in interaction (Giddens 1984, 25).

Secondly, human beings are purposive agents who both have reasons for their activities and are able to elaborate upon those reasons. It is the actors themselves who maintain a continuing "theoretical understanding" of the grounds of their activity. That is, they are able to explain what they do, if asked. A concept of accountability illustrates that to "be accountable for one's activities is both to explicate the reasons for them and to supply the normative grounds whereby they may be justified" (ibid.).

"The only moving objects in human social relations are individual agents who employ resources to make things happen, intentionally or otherwise" (ibid., 181).

Structure is always both constraining and enabling. "There is no such entity as a distinctive type of 'structural explanation' in the social sciences; all explanations will involve at least an implicit reference both to the purposive, reasoning behavior of agents and to its intersection with constraining and enabling features of the social and material contexts of that behaviour" (ibid., 179). Whether structure is constraining or enabling depends on the context and nature of the sequence of action and on the motives and reasons the agents have for what they do.

Figure 4 illustrates the idea of the duality of structure, where agents reproduce the structure, but are, at the same time, constrained by it.

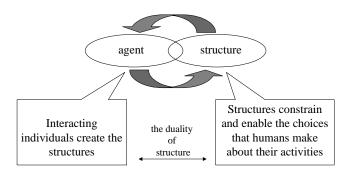


Figure 4 The duality of structure in structuration theory

In the design of this study, taking the structuration view gave a reason to choose a group of actors, and to study the structuration of a social system through their reasoning. As a social system, strategy process appears as rules and resources and is produced and reproduced through the activities of middle managers. The way an organization formulates and implements its strategy both enables and constrains the activities of middle managers. As a hypothetical example, a departmental manager may experience that the process enables his strategic action by scheduling and allocating the activities of his department, whereas he may also experience the same process as constraining, as the process requires him and, furthermore, his group, to produce the required planning documents in a manner shared by the organization as a whole.

According to structuration theory, structure and agency are connected by modalities (Figure 5). The "modalities of structuration serve to clarify the main dimensions of the duality of structure in interaction, relating the knowledgeable capacities of agents to structural features. Actors draw upon the modalities of structuration in the reproduction of systems of interaction, thus, by the same token, reconstituting their structural properties" (Giddens 1984, 28). Signification, domination and legitimation are structural dimensions of social systems that appear as rules and resources. Interpretative schemes refer to meanings that are included in the stocks of knowledge by which actors offer reasons for their actions. Facility refers to resources that are "fundamental to the conceptualization of power". Legitimation is expressed through normative sanctions of interaction.

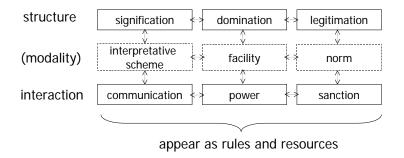


Figure 5 Modalities in the duality of structure (modified from Giddens 1984, 29)

In action and interaction, meaning, normative elements and power are intertwined with each other. Although not separable, the identification and awareness of these elements "is an essential part of 'knowing a form of life'" (Giddens 1984, 29). Another characteristic of human life is time and history, "the constitution of experience in time-space". Practices that are organized in the daily life of organizations, express the continuity of institutions by representing the conditions and the outcomes of social systems (ibid.).

The structuration view provides organizational studies with a way to view agent and structure (see, for example, Organization Studies, 1/1997, a special issue on action, structure, and organizations). The structuration view has inspired both empirical and theoretical management and organizational studies (Barley 1986, Barley & Tolbert 1997, Heracleous & Barrett 2001, Montealegre 1997, Orlikowski 1992, Parsons 1989, Riley 1983, Sarason 1995, Willmott 1987, see also Pozzebon 2004, Whittington 1992) and its suitability for meta-theory has been discussed (De Cock, Rickards, Weaver & Gioia 1995, Gioia & Pitre 1990, Weaver & Gioia 1994).

Despite the relevance of the structuration view, it can be still considered unexploited in studying strategy (see Whittington 1992). Pozzebon (2004), in a review of strategic management research using structuration theory from 1995 to 2000, noticed that "instead of being applied as the sole theoretical foundation, Giddens' propositions have been incorporated into other perspectives". Related studies have dealt with, for example, the dynamics of inclusion in strategic decision-making (Westley 1990), organizational downsizing (as an intentional proactive management strategy) (McKinley, Zhao & Rust 2000), organizational transformation (Sarason 1995), individuals' social positions in strategy (Mantere 2003) and interfirm networks in general and strategic networks in particular (Sydow & Windeler 1998).

The possibilities of structuration theory have been noticed in studying technology. In much of the research taking a structuration view the concern has been technology, where it has been noticed that even technologies are reproduced by agents. Montealegre (1997, 110) argued that studies in the field of management theory and IT implementation have showed the relevancy of Giddens' theory to analyzing the interaction of agent and structure at an organizational level. With an argument that studies have not been significant in the context of wider society, he studied "the interaction between information technology (IT) and the social/organizational setting in which it is being embedded". Orlikowski (1992) applied Giddens' theory to technology and suggested "an alternative theoretical conceptualization of technology which underscores its socio-historical context and its dual nature as objective reality and as socially constructed product". Another example of Giddens in the context of technology is the framework of DeSanctis and Poole (1994), who suggested a framework of adaptive structuration theory (AST) for studying advanced technologies. The context for Barley (1986) was also technology, specifically CT scanners and radiology departments. Parsons (1989), for one, took a structuration view for the policy definition of cable television. Further, different contexts for the structuration view are the studies of Roberts and Scapens (1985), whose study concerned the understanding of accounting practices, and of Riley (1983), who studied organizational political symbols. Still another example of the structuration view is the work of Heracleous and Barrett (2001) that conceptualizes discourse from a structuration viewpoint. Table 6 summarizes structuration-related studies that I found relevant to my study.

From strategy-as-practice perspective, the question of linking grand social theories and micro-level studies (Should they be linked? Why? Why not?) has been one of the central topics of discussion. The discussions in recent workshops (for example, Strategy-as-practice workshop, Lausanne, May 7th 2004) and conferences (for example, EGOS 2004) have covered the issue, which has so far been left unresolved. The argument in this study is quite pragmatic; why not use those theories if they provide the researchers with theoretical insight. As Alvesson and Sköldberg (2000) put it, "narrow philosophy-of-science sophistication is not sufficient in relation to empirical research; rather, the value of meta-theories depends on a proven ability to stimulate more reflective empirical research". In my case, Giddens inspired taking a structuration view, which I found very appropriate for this kind of research.

Table 6 Summary of relevant literature taking a structuration view

Piece of litera- ture	What was studied?	Relevancy for this study?
Empirical		
Barley (1986)	Studies how technology (CT scanners) influences patterns of action.	A detailed description of an empirical study that illustrates how identical CT scanners occasioned similar structuring processes but led to divergent forms of organization.
Orlikowski (2000)	Studies how people enact structures while using technology. Empirical examples of the use of Lotus Notes.	Results in three types of enactment, with different conditions, actions and consequences.
Orlikowski & Yates (1994)	Studied communicative practices (such as reports or meetings) of a project.	Suggest that genre and genre repertoire as sets of organizing structure can be used in analyzing organizing processes
Riley (1983)	Took a structuration view in studying organization culture. Compared organizational political symbols from two professional firms.	Findings about how domination, legitimation and signification were present in the political symbols of the firms. Suggests that organization culture should be viewed as a system of integrated subcultures.
Westley (1990)	Communication habits and experiences of middle managers with the strategic decision-making systems of their organizations.	Focus of the study (middle managers) and methodology especially interesting for my study. Arguments about inclusion and exclusion of middle managers in strategic conversations.
Montealegre (1997)	A case study of how rules and resources within the environmental, organizational, and IT contexts influence and are influenced by the process of IT implementation.	Illustrates active engagement of particular actors who can draw on and respond to a multiplicity of rules and resources.
Theoretical		
DeSanctis and Poole (1994)	Suggest methodology for studying adaptive structuration theory (AST).	Note that structuration can be analyzed in, for example, people's talk.
Orlikowski (1992)	Suggests a theoretical model, the structurational model of technology.	Socio-historical context and duality of structure should be taken into account when studying technology.
Willmott 1987	Criticizes empirical studies of managerial work for creating a gap between behavioral and institutional aspects of managerial work.	Suggests that structuration theory could give new insights in research about managerial work.

Piece of litera- ture	What was studied?	Relevancy for this study?
Ranson, Hinings & Greenwood (1980)	Conceptualize organizational structure and suggest a theoretical framework and propositions concerning the structuring of organization.	Suggest an integrative framework for analyzing organizational construction, with the perspectives of phenomenological intersubjective construction of meanings, historical organizational analyses of structural regularities and broader sociohistorical perspectives of economy and culture.
Sarason (1995)	A conceptual model of organizational transformation	Argues the relevance of Giddens to strategic research
Roberts and Scapens (1985)	In attempting to understand accounting practices, a theoretical framework for analyzing the operation of systems of accountability is presented	By integrating interpersonal and technical aspects of accounting systems the paper is another application of the structuration viewpoint to a new area of accounting.
Sydow & Windeler (1998)	A structurationist perspective of network processes and effectiveness	An analysis of structuring properties of network practices
McKinley, Zhao & Rust (2000)	A sociocognitive interpretation of downsizing	Provides a different view of an intentional proactive management strategy that has been typically viewed from the economic perspective

In this study, the main interest focuses on the interaction between the agent and structure. Agent and structure in this study are middle managers and organizational practices, respectively. The duality of structure rests on the idea of agents as knowledgeable actors capable of reflexive monitoring, reasoning and rationalizing their actions. Structure for one manifests oneself in day-to-day routines and encounters as well as in institutionalized practices. (Figure 6.) These basic assumptions inspired the design of this study.

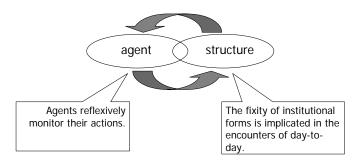


Figure 6 Characteristics of agent and structure

In searching for ways to capture agents' knowledgeability and their reflexive monitoring of their actions, one can come up with several possible paths to follow. The question is: What kind of approach should I take in studying the activities of middle managers? Possible paths include the psychology-oriented approach, as followed by the studies of managerial cognition, role, skills, traits or goal-directed behavior, or microsociological approaches like social positions.

The study of Westley (1990) is a relevant micro-sociological study that notes the importance of middle managers and the formal and informal mechanisms of organizations. Applying the theory of strategic conversation, she studied the feelings of inclusion or exclusion of middle managers. Westley (1990) has an interesting approach as to the theory of microdynamics and strategic conversation. Her data are from interviews with middle managers, representing retrospective accounts of the superior-subordinate interactions around strategic issues, from the point of view of the subordinate. With this viewpoint she looks at a specific micro-level interaction between superior and subordinate. However, although she notes the meaning of formal and informal mechanisms and routines in strategy, her study does not provide descriptions of those mechanisms, nor of their use.

Also, the micro-sociological approach has been used by Mantere (2003) in his study of social positions in strategy. With data of 301 interviews of individual organizational members he identifies twenty different social positions under the categories of champion, citizen and cynic. The study provides rich illustrations of the positions in three performance categories. However, the approach of the particular study does not take into account the organizational positions of the individuals nor the practices in strategizing.

Alternatively, reflections and understanding of actions of agents are provided by studies of managerial jobs and behavior. These studies have been interested in what managers actually do in their jobs (see, for example, Mintzberg 1973) and what their role is (see, for example, Floyd & Lane 2000) or influence (Fondas & Stewart 1994, Kotter 1982, Lamude & Scudder 1995, Pavett & Lau 1983, Yukl, Falbe & Youn 1993). However, it has been argued that the majority of behavioral studies of managerial practice abstract the activities of individual managers from the institutional-level practices and procedures, and are only interested in individual and group behavior separate

from the institutional elements that are a condition, as well as a consequence, of a manager's action (Willmott 1987).

Many management studies have focused on leader and manager traits and skills, functions, behaviors and roles, power and influence (for a review, see, for example, Yukl 1989). A characteristic of studies of managerial job and behavior is that they seek to find out what managers actually do in their jobs, often suggesting a categorization of their behavior (see, for example, Hales 1986, Stewart 1989). Therefore, the approach would suit the aim of describing the strategizing practice of middle managers. However, although rich and numerous, many of these studies are quite general in nature and lack a context (see, for example, Hales 1986).

On the other hand, the role perspective could open up possibilities for contextual features. However, precautions should be taken if adopting the ambiguous role concepts for managerial behavior research (Fondas and Stewart 1994), due to a discussion of the manager's influence on his role set. Although there are those perspectives that state that managers can influence their role set, the traditional perspective sees role quite deterministically (ibid.). Therefore, the structuration view of agents reproducing the structure does not fit the deterministic view.

Within the cognitive approach (for a comprehensive review of managerial and organizational cognition literature, see Walsh 1995), schemas and metaphors seem suitable for the purposes of this study. Schemas and metaphors are one explanation for human thought and behavior (Gioia and Poole 1984, for specific types see, for example, Gioia & Manz 1985, Lord & Kernan 1987). Schemas relate to the general cognitive framework that individuals use in communicating meanings or facilitating understanding and that guide the interpretation of information, actions and expectations (see, for example, Gioia & Poole 1984).

Even organizations can be seen as constructing interpretations and acting according to those interpretations (Weick 1979, Daft & Weick 1984). By studying (managerial or organizational) cognition it is possible to seek knowledge about organizational actions (Dutton, Fahey & Narayanan 1983), strategic or organizational change (Dutton & Duncan 1987, Isabella 1990), organizational learning (Daft & Weick 1984), organizational adaptation (Kiesler & Sproull 1982), or firm performance (Ginsberg &

Venkatraman 1992). For example, an inductive study of Isabella (1990) identified how managers construe events over time and how these viewpoints are linked to the process of change. In her study, collective interpretations of 40 managers, representing four distinct organizational levels of a medium-sized, urban, financial-services institution, were gathered by semi-structured interviews, during which each manager was asked to describe key events that had occurred in the organization over the previous five years. An assumption of the study was that the experiences of the individuals would represent a dominant reality of the organization. According to the results of the study, the construed reality of change consisted of four stages, anticipation, confirmation, culmination and aftermath, shifting as events unfold.

In the interpretation system, the task of managers is to interpret, to make sense of things and translate cues into meanings for organizational members (Daft & Weick 1984). Managers may influence the meaning system by different influence schemas (Poole, Gioia & Gray 1989), but both the strategy and the information-processing structure relate to the interpretation (Thomas & McDaniel 1990). For example, a questionnaire study of 151 chief executives in hospitals studied how they, representing different organizations, interpreted the same situation (Thomas & McDaniel 1990). The results indicate the importance of the context affecting meaning, the authors arguing that "any attempt to explain, predict, or control an interpretation of a strategic issue is incomplete unless it addresses the strategic and structural context in which interpretation takes place" (ibid.). An ethnographic study of the top management of a bank (Poole, Gioia &Gray 1989) illustrated the modes top management used in effecting organizational change. To uncover the organization's meaning structure, an ethnographer captured participants' interpretations of events in field notes, using interviews, discussions, audiotapes and organization documents. In the analysis, the data were reduced through a qualitative content analysis. The data were clustered into emergent themes or categories, which represented different types of managerial activity associated with the organization's transformation. The analysis generated a classification of different modes of managerial influence, distinguished by two dimensions, form (the manner in which influence was used) and forum (the context in which influence was used). The identified modes of influencing schema revision were Enforcement Mode, Instruction Mode, Manipulation Mode and Proclamation Mode. Unexpectedly, the modes of Enforcement and Manipulation "proved most successful in bringing about the bank's transformation" (Poole, Gioia & Gray 1989).

The structuration view acknowledges that managers are capable of making a difference and motivates the study of their interpretations and experiences. To make sense of middle managers' sensemaking, a concept related to mental models and schemas, namely logic of action (Bacharach, Bamberger & Sonnenstuhl 1996), seems promising in illustrating the purposefulness of the activities of agents. Logic of action refers to a cognitive framework in a social exchange relationship that binds the actor's own specific ends to his own specific means for achieving them (Bacharach et al. 1996). The logic of action is similar to schema as it is abstract, general and forms a cognitive map, but differs as it focuses on the means-ends relationship that underlies specific actions of individuals (ibid.). It can be considered as both an individual and grouplevel phenomenon, and the alignment of logics of action at the different levels of the organization can give insights into the organizational transformation process (ibid.). An example of applying the logic of action at the organization-level is a study by Stensaker, Falkenberg & Gronhaug (2003) who viewed the organization's strategy as its logic of action. In a longitudinal study they traced strategizing activities that occurred at the business unit level after a corporate decision to change had been made.

By studying logics of action, I seek to confine agents' reflexive monitoring of their actions (Figure 7). The use of the concept of logic of action grasps the goal-directed activities of individuals, without, however, taking any interest in the personality, career or values of the individuals, but, within the cognitive approach, allows shared group and organization level interpretations as well. Thus it touches relevant discussion in strategy related to strategic intent, such as a shared obsession with winning (Hamel & Prahalad 1989). At least some part of strategizing is intended activity (Mintzberg 1978), which in this study is viewed through the logics of actions of middle managers.

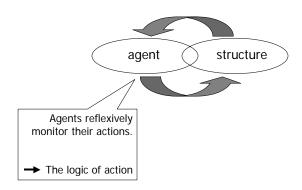


Figure 7 Agents can be studied through their logics of action

The meanings of practices are defined by the context of their use (cf. Barley 1986). But, from the structuration view, practices can be considered manifestations of the institutionalized structure. In day-to-day encounters, the agents reproduce the structures that enable and constrain their actions (Figure 8).

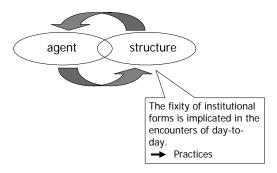


Figure 8 Structures are present in day-to-day practices

To get a deeper understanding of the features of the practices, I sought to conceptualize them further instead of just sticking to a list of practices. So, I discussed structuration theory to find a way to do that.

According to the structuration view, strategy process is not a structure, but it has structuring properties. Structural properties express forms of *domination* and *power* (Giddens 1984, 18.) and can be regarded as *rules* and *resources*. The basics of rules are normative elements and codes of signification. "Rules relate on the one hand to the constitution of *meaning* and, on the other, to the *sanctioning* of modes of social conduct." (ibid. 18). However, "rules cannot be conceptualized apart from resources, which refer to the modes whereby transformative relations are actually incorporated into the production and reproduction of social practices. Resources are focused via signification and legitimation" (ibid., 15). In these respects, resources are authoritative

(derive from the co-ordinative activity of human agents) and allocative (stem from control of material products or of aspects of the material world) (ibid.).

The main characteristics of rules that are relevant to the general questions of social analysis are:

Intensive – Shallow

Tacit -Discursive

Informal - Formalized

Weakly sanctioned – Strongly sanctioned.

Intensive rules are constantly invoked in everyday activities as they "enter into the structuring of much of the texture of everyday life" (ibid., 22). They might be, for example, trivial procedures that have a deeper influence upon the generality of social conduct than more abstract rules (like codified laws) that are yet more often considered to be more influential. Tacit rules refer to the kind of rules that the agents can only implicitly grasp. If rules are discursively formulated, they are already interpreted.

Giddens suggests studying "the routinized intersections of practices which are the 'transformation points' in structural relations and, second, the modes in which institutionalized practices connect social with system integration" (ibid., xxxii). He points to the significance of locales as the settings of interaction, where various forms of domination are exercised.

Inspired by these ideas, I started to think about whether these practices, as settings of interaction or locales in Giddens's terms, have some differences concerning their rules (and resources). Does the interaction in practices differ because of their rules? Are the practices of strategy process differently sanctioned? Is the interaction in some practices more informal than in others? Do the practices engage power differently?

The answer to these questions being positive, I arrived at a suggestion that, as routinized intersections, practices could be analyzed by their characteristics of rules, either as explicit or implicit (Figure 9).

Explicit rules refer to rules that are discursive, formalized, shallow, and strongly sanctioned in nature. The procedures of these kinds of practices are codified; typically

planning and goal-setting practices, for example, follow a certain formula. If these practices are not exercised, they are likely to be sanctioned.

Implicit rules derive from the coordinative activity of human agents and, for the strategy process, the rules appear hidden. The rules are typically tacit, as in the interaction characteristic of, for example, informal discussion, the process of which is also susceptible to sudden turns of events. Such practices are weakly sanctioned; for example, networking is typically a practice that is not fostered by any possible sanction but depends on the activity of the individual. Further, they are by nature informal and intensive in the sense that they are influential in the structuring of social activity. The influence of telling stories, as an example of this kind of practice, may be much greater than of a training day.

Explicit rules



Figure 9 A dimension for characterizing rules in strategy process

Another characteristic that is relevant here is the emphasis on *contextuality*, or the issue of *time-space*. Giddens argues that the issue of time and space is 'at the heart of social theory' and it "should hence also be regarded as of very considerable importance for the conduct of empirical research in the social sciences" (Ibid., 110). He also points out the significance of spatial attributes of social conduct. Contextuality captures the "situated character of interaction in time-space, involving the setting of interaction, actors co-present and communication between them" (Giddens 1984).

"Focused interaction occurs where two or more individuals co-ordinate their activities through a continued intersection of facial expression and voice" (ibid., 72). A unit of focused interaction is an encounter, which often occurs as routine. "Encounters are sequenced phenomena, interpolated within, yet giving form to, the seriality of day-to-day life. The systematic properties of encounters can be traced to two principal characteristics: opening and closing, and turn-taking" (ibid., 73). The routinization of en-

counters is significant in binding encounters to social reproduction and to the seeming fixity of institutions (ibid., 72)¹.

Structure, as such, is out of time and space and absent of subject as well. However, "the social systems in which structure is recursively implicated, on the contrary, comprise the situated activities of human agents, reproduced across time and space" (ibid., 25). Although structure is an internal part of an agent's activity, structural properties of social systems can over time stretch way beyond the control of any individual actors. Giddens presents the concepts of presence and absence that have to be explicated in terms of its spatiality and temporality.

Giddens (1984) uses the concept of *locale* as involved in the relations between social and system integration. "Locales refer to the use of space to provide the settings of interaction, the settings of interaction in turn being essential to specifying its contextuality" (Giddens 1984, 118). Locales are not just features of the material world.

Regionalization refers to "the zoning of time-space in relation to routinized social practices" (Giddens 1984, 119). Modes of regionalization are form (form of boundaries, like physical or symbolic markers), duration (the time spent in the episode), span (what the extension of time and space is, where regions of considerable span necessarily tend to depend upon a high degree of institutionalization), character (the mode in which the time-space organization of locales is ordered within more embracing social systems) (Giddens 1984, 122).

In building a framework for analyzing the practices, I took the idea of contextuality in a scheme of *time-space-extension*. Time-space-extension can be analyzed as varying between two dimensions, *fixed* and *loose* (Figure 10). Giddens characterizes the differences in context:

"Gatherings may have a very loose and transitory form, such as that of a fleeting exchange of 'friendly glances' or greetings in a hallway. More formalized contexts in which gatherings occur can be called social occasions. Social occasions are gatherings which involve a plurality of individuals. They are typically rather clearly bounded in time and space and often employ special forms of fixed equipment – formalized arrangements of tables and chairs and so on". (Giddens 1984, 71.)

¹ Similar notion of the episodic nature of strategizing have been suggested by Hendry and Seidl (2003), applying Niklas Luhmann's theory.

A practice with fixed time-space-extension has systemic properties as it is closely linked to other systems and processes of the organization, thus reaching beyond the enacted time. It is an established, routinized practice in the context of strategy and takes a serial form. For example, reporting practices are connected with the reward system of an organization, which in turn is linked to the performance of the organization. Although the reporting practices are not necessarily present in everyday interaction of the members of the organization, they are by nature serial. The practice of reporting itself has to with a characteristic addressed by the structuration view, namely storage of information or knowledge that generates power in the social system.

A practice with loose time-space-extension may have shorter duration and its connections to the systems of the organization may not be that tight. Although the openings and closings might be visible, like in most briefings, for example, they do not reach the same extent of fixity as those practices that are categorized in the previous category. These practices deal with more separate issues, and can vary in the process of time.

loose time-space -extension ← fixed time-space -extension

Figure 10 A dimension for characterizing contextuality in strategy process

Based on these two aspects, I argue towards a different nature of practices of strategy process, resulting in the framework illustrated in Figure 11, with four kinds of practices:

Practices in the upper left section hold explicit rules and resources and thus can be characterized *institutionalized*², but on the aspect of time and space they are *loosely coupled*. Loosely coupled refers to the system's characteristic of low agreement about preferences and cause-effect linkages (Weick 2001, referring to Thompson and Tuden 1959; see also Orton & Weick 1990). In such a situation, the elements affect each other "suddenly (rather than continuously), occasionally (rather than constantly), negligibly (rather than significantly), indirectly (rather than directly), and eventually (rather than immediately)" (Weick 1982). Practices of this nature have their own iden-

² Institutionalized and individualized practices have been discussed also in, for example, the socialization literature, see, for example, Van Maanen & Schein 1979

tity and separateness (cf. Weick 1976) but through occasional connections they have an indirect effect on other elements of the strategy process. In the upper right section of the figure, one comes across practices that have an *established* position in the strategy process and that are *recurrent* in nature.

Practices mentioned in the lower left section are *individualized* and *stochastic*. From the viewpoint of the strategy process, their rules are implicit and not much sanctioned. They appear in the strategy process occasionally and they are driven by the actors rather than any system or schedule of the strategy process. Finally, the fourth set of practices at the lower right section can be characterized as *individualized* and *systemic*. Compared to the loose and transitory nature of the previous section, these practices are more bound to time and space. To call them individualized relates to their informal, intensive and weakly sanctioned character.

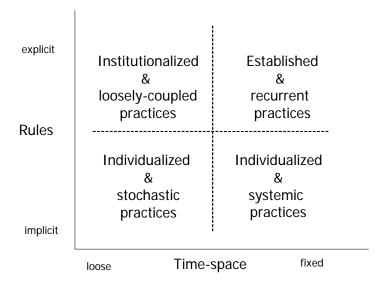


Figure 11 A framework for analyzing the practices of strategy process

2.5 Summary

A look at literature on *strategy process* illustrated an assortment of approaches and studies concerning strategy, yet not providing a sufficient understanding of strategizing. Positivist-spirited studies seemed to dominate the field, where the social nature of strategy process has got less attention. A need for micro-level studies of practice of strategizing was identified, yet with a call for taking the formal strategy process into account as well. As a solution for the identified gap, the strategy-as-practice perspective was chosen to reflect day-to-day practice, with special interest being shown to *practices* and practitioners.

As to practitioners, a review of literature concerning *middle managers* showed their importance in strategy process and in *strategy implementation*, although there was still a lack of empirical studies describing their activities in terms of their use of practices. Further, the interest in agents and structure raised an ontological question, an answer to which was provided by structuration theory.

A meta-theory of structuration theory was recognized useful in studying the interaction of agent and structure, that is, middle managers and practices. Encouraged by how the structuration view treats agents and structure, the discussion advanced to the level of researchable issues. To study the purposeful activities of agents, the concept of *logic of action* was discovered. To reach beyond a list of practices, a framework for analyzing the nature of practices was created.

3 Research design

3.1 Objective and research questions

The purpose of this study is to explore the experiences of middle managers in strategy implementation and to describe practices and strategy process in practice. The objective is to gain an increased understanding of strategy process in practice and to give a description of it.

In the literature review, I have described how middle managers may have a significant role in strategy process and how their activities nevertheless remain unexplored. In particular, their activities relating to practices of strategy process lack empirical study. The relevance of practices was highlighted by a recent strategy-as-practice perspective, suggesting focusing on micro-level activities as well. It was noted that former studies do not take into account the day-to-day activities of actors in strategy process.

The structuration view has guided the questions of this study, as illustrated in Figure 12. The essence of the structuration of strategy process is the interaction between agent and structure. On one hand, the agents, who by their own activities create the structures, are capable of reflexively monitoring their actions. Therefore, their purposeful activities can be explored by studying their logics of action. On the other hand, the structure (rules and resources) that appears in day-to-day practices, enables and constrains the activities of agents. From these two elements one can build an illustration of strategy process in practice.

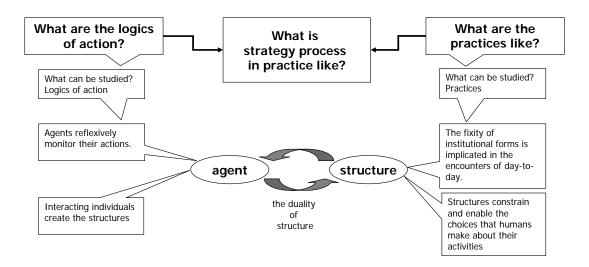


Figure 12 Research design of this study

Thus, the first research question focuses on exploring strategy process in practice through the practices and the middle managers' logics of action for them:

1. What is strategy process in practice like?

- 1.1 What are the practices like in terms of structuring properties (rules and resources) and aspects of time and space?
- 1.2 What are the logics of action of middle managers for practices in strategy implementation?
- 1.3 How are the logics of action and the practices-in-use related?

By answering these questions, I am able to explore the nature of the practices and the activities related to them. Figure 13 expresses the interests of these questions.

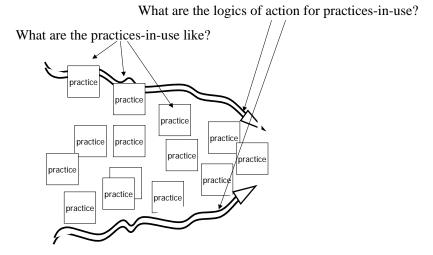


Figure 13 The interest of this study

While the first question seeks to describe the strategy process in practice at a general level, the second research question aims at identifying differences in strategy processes in practice. To shift the focus to the level of organizations brings this study closer to a more traditional view of strategy research. In seeking differences in the use of practices, it also adds a new element to the illustration, namely the official strategy processes of the organizations.

The literature review noticed the role of formal process in an organizations' strategy. Although the studies on strategic planning have been numerous, they have focused on the prescriptive element in strategy process. So far, the descriptive part of the experiences of actors of the process has been of less interest. Taking an integrative perspective, the second question of this study deals with differences across organizations, taking into account both the intended (official) and experienced strategy processes.

2. How do strategy processes in practice differ in terms of official strategy processes and middle managers' logics of action for practices-in-use?

3.2 Research approach

A meta-theory for this study is provided by Anthony Giddens with his structuration theory. His sociological theory of the constitution of society frames the study with the idea of how social systems can be defined and understood. His view of the duality of structure outlines the ontological and epistemological choices of this study.

As the agents and structure form the duality of the social system, the existence of both elements is apparent. This does not mean that structure would be external to the individual, nor that the individual is independent of the structure. While structure is internal to their activities, it may nevertheless stretch away in time and space from the control of an individual actor (Giddens 1984).

Giddens suggests we learn from the mistakes of structuralism and functionalism, which suppress the reasons given by individuals, but also guides us away from "tumbling into the opposing error of hermeneutic approaches and of various versions of phenomenology, which tend to regard society as the plastic creation of human subjects" (Giddens 1984, 26).

An objectivist would probably approach strategy process as an objective reality that exists within an organization, whereas a subjectivist would be interested in individual accounts of the process, taking no interest in the organizational context. As such, none of these two choices would serve the interest of this study, the interaction between the agent and structure.

The dilemma of agency and structure has also exercised researchers in organization theory and analysis (Reed 2003) and strategic management research (Pozzebon 2004). In this discussion, Giddens has been classified as conflationist in his interpretation of the relationship between agency and structure (Reed 2003). Conflationism differs from reductionist, determinism and relationism in its interpretation of agency and structure as ontologically inseparable and mutually constituting. Reed (2003), aligning himself with relationism, criticizes the conflationist view as collapsing within a middle-range concept of social practice.

A practice lens as such is a solution for the "objectivist reification – subjectivist reduction" (Orlikowski 2000), which is, through the position of strategy-as-practice,

taken in this study. Therefore, as the focus of this study is to study strategy process as social practice, I find conflationism a reasonable solution for the agency-structure dilemma. As Reed (2003) argues, structuration theory does not solve the agency-structure dilemma at all levels and possibly other solutions are needed for that task, as well.

Pozzebon (2004) views the possibilities of structuration theory in a much more optimistic way. Based on an analysis of strategic management research using structuration theory (from 1995 to 2000), she argues that, by challenging the traditional dichotomies, structuration theory, among other integrative approaches, "can offer empowered frameworks to better analyze and understand strategy" (Pozzebon 2004).

Within the strategy literature, the realist paradigm has dominated, but it has been acknowledged that constructivism has potential in increasing understanding of strategy (Mir & Watson 2000). With the notion of Giddens in mind, the study takes a constructivist, interpretivist approach, with the aim of understanding human action (Schwandt 2000). To understand this "the inquirer must grasp the meanings that constitute that action" (Schwandt 2000, 191). To understand the meaning of an action, one has to interpret what the actors are doing. The perspective of meaningful actions of individuals is shared also by objectivist hermeneutics that acknowledge the existence of objective reality, and by constructivist grounded theory, which "acknowledges realities of enduring worlds and tries to show how they are socially created through action, intention, and routine" (Charmaz 2000, 530).

The assumptions of my study follow the constructivist view that takes into account the meanings given by knowledgeable agents as a representation of reality, and also enables us to view institutionalized strategy process as one equally possible representation (Schwandt 2000.) Therefore, the institutional reality is as true as the meanings given by the individuals. Thus, the 'measuring' of organizational reality and its comparison to the view of individuals does not follow the line of thinking of this thesis.

The epistemological assumptions of this study also position it on ground where neither objective nor subjectivist views offer a fertile solution. Therefore, neither a view that only admits the existence of objective form of knowledge that can be measured in terms of social facts, nor the (opposite) view confining oneself to recognizing the "importance of understanding the processes through which human beings concretize their relationship to their world" (Morgan & Smircich 1986), is suitable for this study. Instead, I must recognize both sides. Some regularities and institutionalized "facts" appear in the structures of strategy process. At the level of organizations, there exist some intended, official views of the strategy process that can be considered valuable knowledge about the phenomenon of interest. On the other hand, individuals give meaning to that same process, and their views, expressed through language, can be treated as one form of knowledge.

To make my position clear, I quote the idea of Morgan and Smircich (1986), who discussed the ontological and epistemological assumptions by presenting the different approaches on a continuum. At one end of the continuum are the subjectivist approaches and at the other, the objectivist approaches. The approaches at both ends challenge the ideas presented at the opposite end. It could be argued that this study is somewhere in the middle of that continuum, standing in a position from where it is possible to view in the direction where reality is seen as a projection of human imagination as well as in the direction where reality is considered a concrete structure. The conflationist view does not have to choose between the two ends (cf. Reed 2003), but can take both elements into account. Therefore, the metaphor 'continuum' illustrates well that there exists possibilities other than the two extreme ends. Instead of loosing one end by choosing the other, by choosing to stay in-between, one may establish "a kind of balance between structure and agency, micro and macro, environmental constraints and strategic choice, an equilibrium perhaps lost by important schools, such as institutionalism, throughout their historical development" (Pozzebon 2004, emphasis in original).

Researcher's role

The assumption that the researcher is the primary research instrument in qualitative research (Creswell 1994, Alvesson & Sköldberg 2000, Strauss & Corbin 1990, Kvale 1996) is connected to the idea that "the researcher's repertoire of interpretations limits the possibilities of making certain interpretations" (Alvesson & Sköldberg 2000). Therefore, I must reflect on my background and experiences to provide the reader with an opportunity to evaluate my cognitive bias or emotions that may have affected

my interpretations. (The evaluation of the study in more detail will be made in Chapter 5.)

I would argue that my educational background and professional experience have had the most notable effects on my choices in this study. My educational background in adult education has focused my attention on issues that enable strategizing. While studying adult education, I was interested in learning how to enable and facilitate the learning process of individuals. I realized that in that process the individual himself plays the key role. The assumption of the responsibility of each individual for his own learning may have focused my attention on the individuals. However, I also learned that the process could be facilitated where the issues like the role of a facilitator in the process of learning, as well as the learning environment, are central. Thus, whatever learning process I examine, I tend to ask questions like: How is the process facilitated? Who are the persons facilitating the learning process of others? What do they do to enhance others' learning? In conclusion, through the lens of an adult educator, my study could be interpreted as an attempt to study how middle managers act in the process of learning and to identify the kind of learning environment the strategy process and the practices of an organization provide.

Consequently, the work experience in several projects at the Laboratory of Work Psychology and Leadership at Helsinki University of Technology has affected my interests and certainly interpretations as well. The practical goals of the (pragmatismoriented) projects, which I have carried out since 1996, have been to help the organizations in their every-day problems, relating to concrete issues such as how to organize meaningful workshops for strategy implementation. My role in the projects has dealt with analyzing problems and creating solutions and making suggestions about how to develop activities in organizations and how to be more efficient. Although the final end has been to improve the efficiency of the organizations, a strong belief behind the solution of *how* to do it, lies in the participation of individuals working for that organization.

My role in the latest project concerning strategy, STRADA, dates back to 1999, when we (two colleagues and I) had a need for a new project. We found the problems of strategy implementation interesting enough to start a research project to study the issue further and to develop organizations in their desires for better strategy implemen-

tation. The early months or years of the four-year project especially had a major influence on this study, through the planning and conducting of the interviews. In a small team like ours, each member has influenced the research project, resulting in a set of interview questions and questionnaires and in interviews conducted alternately by four researchers. Hence, I unquestionably have had a role in it, as well. However, as the project (and the data produced during it) was a joint effort of a small team, it is fairly complicated to distinguish my personal role in it. As a simple example, even though I dreamed up the name for the project, the idea was a consequence of a creative group process. In a similar way, each step of designing the project and producing the data was a joint effort. During this project, I became interested in strategy process, middle managers and practices to the extent that I decided to focus my dissertation on these particular issues. The individual process of my working on this dissertation (focus, questions, analysis, results) are in every respect my responsibility and thus separate from the group processes characterized earlier.

3.3 Research methods and data

The research design pursues characteristics of qualitative design (e.g., Bogdan & Biklen 1992, Eisner 1991, Merriam 1988). Although the term qualitative research is surrounded by a "complex, interconnected family of terms, concepts, and assumptions" (Denzin & Lincoln 1994), it can be defined as "multimethod in focus, involving an interpretive, naturalistic approach to its subject matter" (ibid.). Following an interpretive approach, a sense of phenomena is engendered by studying meanings that people give to them, by interpreting people's experiences (ibid.).

In this study, the assumption of the constructive nature of reality is followed by an epistemological assumption that the researcher interacts with those being researched (for the constructivist perspective and other interpretive paradigms, see Denzin & Lincoln 1994). Thus, the researcher is the primary instrument for data collection and analysis and thus, instead of data collection, one should discuss data production (cf. Alvesson 2003). Interviews and documents are not treated as texts, but as reflections of realities of those being studied (Schwandt 1994). It is through the inductive process of building abstractions, concepts and theories that the research is carried out. In qualitative research, understanding is gained through words or pictures, rather than numbers or diagrams (Creswell 1994, Miles & Huberman 1984).

According to Langley (1999), theory building consists of the processes of induction, deduction and inspiration. To this process, induction brings in data-driven generalization whereas deduction provides a theory-driven testing of hypothesis. Creativity and insight, deriving from data, experience, existing theories or common sense, adds the process of inspiration to the sensemaking process. Hence, this process is like disciplined imagination (Weick 1989).

Rather than purely representing either an inductive or deductive approach, the strategy of this study could best be characterized as abductive reasoning. The data-driven creation of logics of action and practices represents an inductive approach, whereas the guidance of theories in focusing on certain issues (e.g., enabling practices for purposeful action) embodies a more theory-driven construct. As such, the strategy of this study can be considered a grounding strategy, as it proposes concepts and framework that can be used with either organizing ("descriptively representing data in a system-

atic organized form") or replicating ("decomposing the data for the replication of theoretical propositions") strategies (Langley 1999).

Data production³

The study reported here is a part of larger research project that was carried out in 2000-2003 (www.strada.hut.fi). The general objective of the project was to create new knowledge about successes and failures in strategy implementation. The project was started with an explorative study, focusing on problems or central issues that arise when a certain strategy that has been decided to be implemented, is communicated, adopted, interpreted and enacted throughout an organization. The study was carried out in organizations that were interested in developing their strategy implementation processes, and thus were motivated to participate in the study.

In the planning phase of the research project we (the project group of four researchers) had become conscious of the challenges of studying strategy. We learned that previous literature had noticed that strategic issues in organizations can be interpreted in many ways (Daft & Weick 1984, Thomas & McDaniel 1990) and that they are not necessarily structured or documented carefully (Lyles 1981, Dutton et al. 1983). Despite the exploratory nature of the study, we had realized that to study strategy implementation could not be done by going and asking people questions like "What do you think of strategy implementation in your company?"

To focus the interview study, we decided to concentrate on a selected *strategic issue* in each organization. Strategic issues concern whole organizations and their goals (Ginsberg & Venkantraman 1992), and have an effect on the position and performance of the organization (Ansoff 1965). The selection of the strategic issue in each organization was made during the planning meetings by a group of members of the organizations. The members of the group represented principally strategic planning, management, HR and communications functions of organizations.

There were certain criteria for the selection of the strategic issue, which would be discussed during the interviews. It was considered sensible that the strategy, on which we

would focus during the interviews, would (or should) possibly concern the daily activities of the interviewees. Also, in these discussions we wanted to ensure that the strategy was considered important for the organization and that it had been recently communicated in the organization. In other words, there had been efforts to implement the important strategy in the organization.

Further, the retrospective view makes the data relevant in consideration of the concept *strategic*, the concern of which is emphasized by the school of strategy-as-practice (Johnson, Melin & Whittington 2003). The question is how to study practice that has relevance for strategic outcomes. Weick (1995) provides one possible answer with his arguments for the retrospective nature of sensemaking. Focusing on retrospective accounts of individuals is a way of studying what is considered strategic (see, for example, Westley 1990).

For the purposes of this dissertation, I focused on eight of the organizations where the study was carried out (the total number of the organizations involved was twelve). The organizations I concentrated on all represented the service sector offering different types of services (maintenance-interactive, task-interactive and personalinteractive) (Mills & Margulies 1980). This was chosen as my focus because the eight organizations seemed to provide enough data for one dissertation, and to stick to organizations that operated in one particular sector appeared motivating. An intriguing (and typical) feature of (professional) service organizations is their control of clients through knowledge important for the production of the professional service, which induces such organizations to regulate and secure access to such knowledge (Mills & Morris 1986, Greenwood & Lachman 1996). Thus, personnel who interface directly with customers become essential in, for example, making suggestions for strategic renewal. In addition to different types of services, the sample consisted of organizations of different sizes, varying from private companies with some hundreds of employees to large public sector organizations where the total number of personnel reached tens of thousands of employees. The size of target organizations (or units) for this study varied from 130 to 800 employees.

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³ I use the term production, because a constructive study acknowledges that the researcher is an active participant in the process in which the data is being generated. Avoiding the traditional term data collection aims at avoiding the image of research as mushroom-picking (Alvesson & Sköldberg 2000).

The data for this study consists of interviews and documents, the production of which is discussed in the following sections.

Interviews

The primary data production method was semi-structured interviews. Interviews, varying from open-ended to more structured, are a characteristic method in qualitative research, with the aim of eliciting the thoughts and experiences of the respondents (e.g., Bryman 1989, Creswell 1994, Rubin & Rubin 1995, Kvale 1996, Seidman 1998). A semi-structured interview can be defined as "an interview whose purpose is to obtain descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena" (Kvale 1996).

The interviewees were asked questions on strategy in general, as well as on the selected strategic issue. An example of a more general question is "What do you understand by the term strategy?" Concerning the selected strategic issue, we asked questions such as: "In what way is the strategic issue present in the current objectives of your group?" The detailed interview protocol is in appendix (Appendix 1).

To structure the interviews (protocols, checklists and outlines in interviews, see, for example, Rubin & Rubin 1995), we also used lists of typical problems and possible practices for strategy implementation (Appendix 2). We produced the lists ourselves, but noting points from previous studies (Alexander 1991, Lares-Mankki 1994). Of these lists, the one concerning the practices was the most meaningful for the purposes of this study. During the interview, the interviewees were asked to comment on the list, tell their experiences and relate the possible use of those practices.

The total number of interviewees per organization was twenty-five, consisting of interviews at different levels of the organizations (top managers, middle managers, personnel). Of these, the number of interviewed middle managers per organization ranged from four to twelve persons (the different numbers result from differences in organizational characteristics). As I focused this study on middle managers, the number of interviews for this purpose was fifty-four. The persons were randomly selected, under conditions such that the sample would represent diverse functional areas of the organization in question. The sample consisted of persons working in various supervision and management tasks, with titles like Departmental Manager, Sales Manager or

Head of Marketing Communications. Data were produced during the period May 2000 to March 2001. Our research group consisted of four researchers who conducted the interviews. Of the middle managers, I interviewed fourteen.

The interviews were conducted at the premises of the case organizations in Southern Finland, often in meeting rooms or, in some cases, at the offices of the interviewees. The interviewees were told that they did not have to prepare to "know any right answers" but to relate the experiences of their own work. The only interruption for them was the time they spent in the interview, and later in the feedback meeting. In addition to the interviews, the only interventions made by the researchers were made in the feedback meetings that were organized for the planning group and/or management and for the interviewees. In these meetings, we presented the overall findings of the interviews and made some suggestions for the organizations to improve their strategy implementation. Later (about one year after the interviews), we continued development projects with four of the organizations, and during that period our intervention in the organizations was more noticeable.

The semi-structured interviews took one to two hours. All the interviews were taperecorded with the permission of the respondents and transcribed verbatim. The transcription of the fifty-four interviews of middle managers resulted in 900 pages of text (with 1,5 line spacing). The lengths of individual interviews varied from five to forty pages.

Table 7 presents a description of the organizations of this study, the selected strategic issue studied in them, as well as the number of interviewees in each organization.

Table 7 Description of the organizations

Org.	Type of business	Strategic issue studied	Number of inter- viewed middle manag- ers
Α	Municipality	Focusing on a particular customer segment	4
В	Insurance	Improving the performance efficiency	6
С	Trade	A service concept	12
D	Finance	Servicing a particular customer segment	9

Org.	Type of business	Strategic issue studied	Number of inter- viewed middle manag- ers
E	Government minis- try	Changing towards teamwork	6
F	Telecommunica- tions	Customer focus	6
G	Telecommunica- tions	Customer service chain improvement	6
Н	Insurance	Cooperation between customer contact and customer service departments	5
			(tot. 54)

Documents

The document material that was produced in the planning phase acted as secondary research material. The planning phase consisted of four to eight meetings with a group of three to six persons. This group defined the strategy process at their organization, and provided us with a description of the chosen process that was also at hand in the interviews.

The document data consisted of both internal, confidential data and public data. These documents were graphs or texts concerning the strategies and strategy processes of the organizations, agendas and memos of meetings at the planning phase with the planning group, annual reports of the organizations or, results of internal surveys. Especially the documents concerning the strategy processes of the organization became important for this study.

Collecting and examining documentation is often a basic element in qualitative studies (e.g., Bryman 1989). One function of analyzing documentation is that it provides "a different level of analysis from other methods (such as the gap between official policy and practice)" (Bryman 1989). Documents are in nature written texts; they endure and give historical insight (Hodder 2000).

Based on the methodology that was employed, this study could be classified as an interview-based study (see Bryman 1989 for other types of studies). This type of study utilizes mainly unstructured or semi-structured interviews and documents as sources

of data, while less attention is given to, for example, participant observation. Indeed, in this study, the primary data for answering both my research questions are the interviews. Additionally, the documents concerning the strategy processes provide a representation of the official strategy processes and connect with the second research question (Table 8).

Table 8 Connections between research questions and data

Research questions	Data	
	Interviews	Documents
RQ1. What is strategy process in practice like?	Х	
1.1 What are the practices like in terms of structuring properties (rules and resources) and aspects of time and space?	X	
1.2 What are the logics of action of middle managers for practices in strategy implementation?	Х	
1.3 How are the logics of action and the practices-in-use related?	Х	
RQ2. How do strategy processes in practice differ, in terms of official strategy processes and middle managers' logics of action for practices-in-use?	Х	Х

3.4 Data analysis

The procedure of analyzing the data is a process of de-contextualization and recontextualization (Tesch 1990). The process typically starts with a large amount of information, which is reduced to patterns, categories or themes. Through a particular schema the data is interpreted and analyzed. In the phase of de-contextualization, the researcher becomes absorbed in the fine-grained aspects of the data, the findings of which are, by re-contextualization, brought to a higher level, where a larger picture emerges (Tesch 1990, Rubin & Rubin 1995).

In this study, the analysis process followed the described footsteps. The process consisted of various phases that were guided by the aim of describing the whole through taking apart smaller pieces and analyzing these small pieces separately. The process started with an overview of the data, through the general organization-level analyses that increased my preliminary understanding of the data. Through a sample, I dived into the detailed information provided by the data, with the aim of testing the data and finding ways of reducing the data. Identifying logics of action and practices was followed by separate paths of interpretation for both of them. Later, the findings concerning these two elements were brought together and differences at the level of organizations were analyzed.

The unit of analysis in the analysis process is at first the individual account; as the analysis proceeds to the level of organization, the unit of analysis also changes to that level.

Qualitative data analysis is "a continuous, iterative enterprise" where the challenge lies in the documentation of the process (Miles & Huberman 1984). The demand for careful documentation of the process stems from the fact that "unlike the analysis of quantitative data, there are few generally agreed rules of thumb for the analysis of qualitative material" (Bryman 1989, 166). To overcome this constraint, I try to illuminate the various stages of the analysis process by a careful description of each stage I went through in conducting this study.

Table 9 presents the phases of the analysis process, and connects the phases to the research questions of the study. In the table, the first column describes the phase of the

process. The second column anchors the phase to the objective of the part of the analysis. Here I use the analytical components of *data reduction*, *data display* and *conclusion drawing* that, according to Miles & Huberman (1984) form "analysis". The methods and tactics of these three components appear in the third column of the table. It thus summarizes the individual methods of data reduction ("the process of selecting, focusing, simplifying, abstracting, and transforming the data), data display ("an organized, compressed assembly of information that permits conclusion drawing and action") and tactics for finding meaning in the data (Miles & Huberman 1994). The fourth column summarizes the output of each phase.

In the vertical direction, the table divides the analysis process into five parts in terms of the procedures that were carried out for each research question. The following sections (3.4.1 - 3.4.5) examine in more detail the methods and procedures of each part.

Table 9 The analysis process

Phase of the analysis process	Objective	Methods of data display and analysis, tactics for finding meaning	Output of the activity		
General procedures for RQ1. (What is strategy process in practice like?)					
Initial procedures	Initial under- standing	Within-site analysis (firm analyses): content analysis			
	Testing the data	Selecting a sample Open coding	Confidence in proceeding with the analysis		
Sorting out the data	Data reduction	Entering the data by locating and picking out chunks of material with relevant content.	A mass of quotations that reflect purposeful activities and practices (separated out for a deeper analysis)		
Systematic coding	Data reduction Testing / veri- fying the cod- ing scheme.	Coding the entire data	All the data coded		
Procedures for answering the RQ 1.1 (What are the practices like in terms of structuring properties and aspects of time and space?)					
Identifying practices	Data display	Discovering practices-in-use, (data-driven content analysis)	A list of practices		
Categorizing practices	Data display	Categorizing the practices-in- use with a theory-driven framework	Practices in four sections, categorized by their nature		
	Conclusion drawing	Counting Making metaphors	Practices as arenas for strategic activities		
Procedures for answer practices in strategy in		What are the logics of action of	of middle managers for		
Identifying logics of action	Data reduction Data display	Content analysis (noting themes)	Themes in logics of action		
Categorizing logics of action		Categorizing, clustering the themes	Categories of logics of action		
		Subsuming particulars into the general	A coding scheme for the logics of action		
Connecting the findings with theory	Data display Conclusion drawing	Counting, noting patterns, subsuming particulars into the general Discussing the findings with previous literature	Modes of strategy proc- ess		
Procedures for answer lated?)	ing the RQ 1.3 (How are the logics of action &	practices-in-use re-		
Reconnecting logics of action and practices	Data display	Matrix displays / Building a matrix of logics of action and practices Counting	Description of how the different logics of action are related to different kinds of practices		
Procedures for answering the RQ2. (How do strategy processes in practice differ in terms of official strategy processes and middle managers' logics of action for practices-in-use?)					
Analyzing official strategy processes	Data reduction Data display	Content analysis based on notions of previous literature	Features of official strat- egy processes		

Phase of the analysis process	Objective	Methods of data display and analysis, tactics for finding meaning	Output of the activity
Analyzing modes and practices of strategy process in practice in organizations	Data reduction Data display Conclusion drawing	Cross-site analysis Building matrices Counting Noting patterns, seeing plausibility Clustering strategy processes Making metaphors	Differences in strategy processes in practice. Types of strategy processes.

3.4.1 General procedures for analyzing the characteristics of strategy process in practice

The analysis process originally started with a phase of case studies that we carried out for the companies. The interviews with managers, middle managers and personnel as well as organization-specific reports provided an initial understanding of the data. Conducting within-site analyses (e.g., Miles & Huberman 1984) and writing practical organization-specific reports unquestionably increased my level of understanding of the situations in those organizations. After getting acquainted with the situations of these organizations and the problems of implementing their strategies, and after reporting the cases for the organizations, I started the actual research concerning this dissertation. Focusing on the interviews of the middle managers, I started to explore their experiences.

To get a holistic picture, I first got acquainted with the transcriptions. Tesch (1990) suggests to proceed by selecting a unit of the data, the most interesting document, for example, or the one that is shortest or on the top of the pile, and, going through it, asking yourself questions to find out what the data is about.

To find out what the data is about involves interpretation, which is a central element in qualitative analysis process. It is the intuitional ability of the researcher to judge what the data is about. Thus, there are not patently obvious rules and procedures of interpretation (cf. Alvesson & Sköldberg 2000). Furthermore, interpretation takes place at various levels during the research process (Alvesson & Sköldberg 2000). In my study, this phase refers to "the data-constructing level", where researchers make observations, talk to people, create pictures of empirical phenomena, make preliminary interpretations, and so on, and where the degree of interpretation is relatively low or somewhat unclear to the researchers themselves (Alvesson & Sköldberg 2000,

249). Literature speaks about data reduction as a "process of selecting, focusing, simplifying, abstracting, and transforming the 'raw' data" (Miles & Huberman 1984, 21). The use of the word "raw" reflects the tendency of qualitative research to quote the terminology of quantitative research. However, a reflective study would also take into account that the data themselves are not "raw" but "a construction of the empirical conditions, imbued with consistent interpretive work" (Alvesson & Sköldberg 2000, 257).

As Patton (1990) notes, a researcher with qualitative design might be overwhelmed with the amount of data when starting the analysis. To avoid this, I decided to start to operate with a sample to make sure that the data would suit the purpose of this study, and to find a relevant procedure for coding the entire data.

I read thoroughly the whole interview and made notes about those parts that seemed relevant for my study. In taking notes, I used ATLAS/ti software for qualitative data analysis (http://www.atlasti.de/) and searched for relevant issues. Strauss and Corbin (1990), when describing open coding procedures of the specific and rigorous methodology of grounded theory (Glaser & Strauss 1967), illustrate well the process of examining data. They argue that "during open coding the data are broken down into discrete parts, closely examined, compared for similarities and differences, and questions are asked about the phenomena as reflected in the data" (Strauss & Corbin 1990, 62). Although my study does not follow the exact guidelines of the grounded theory methodology, I would argue that the research process has some similarities. While reading the interviews, I made comparisons and asked questions (Strauss & Corbin 1990). How does the interviewee describe his activities in strategy? How does he reflect the practices in his activities? The open coding function in ATLAS/ti assisted me in making the first interpretation of the adequacy of the data. As the data had been collected one to two years earlier, and as the research question in qualitative research will likely become narrower and more focused during the research process (e.g., Strauss & Corbin 1990), this procedure helped me to evaluate whether the data would answer the research question. It is also a recommended procedure for a qualitative researcher to get a sense of the whole and to be systematic with the analysis (cf. Creswell 1994, 155).

After the open coding, my interests in the interviews, as well as in the interpretation process, were evidently guided by structuration theory and its notion of enabling

structures and purposive agents (Giddens 1984). As I read the complete corpus of interviews, I made notes when the interviewee characterized practices (as enabling strategizing) related to his own (purposeful) activities.

Although I focused this study on enabling experiences of individuals, one must keep in mind that, according to the duality of structure in structuration theory, the same structure both enables and constrains the activities of individuals. It is to be noticed that the interviews included reflections on structures as both enabling and constraining activities of individuals. For an individual manager, some practices would appear enabling, and some constraining their actions. Further, a particular practice could, for one manager appear enabling, while the same practice from the viewpoint of another person would appear constraining. For example, one person could characterize performance appraisal as enabling, whereas another person could see it as constraining his activities. The following quotations from two different interviews (from *one* organization) illustrate the differences in the experiences of middle managers, which here concern a practice of performance appraisals.

Direct quotation

[The performance appraisals] are an empty practice; you discuss for the sake of discussion, but the use for any concrete action does not exist (product manager)

[The performance appraisals] are of use, as they support repetition of basic issues. (marketing manager)

My interpretation of either enabling or constraining experience of a practice

Constraining

Enabling

As I focused this study on the *enabling* experiences of practices, from the previous examples, I was only interested in the latter kind of statements. When I added this focus to the ones that had been made earlier (agents and structure according to structuration theory, see the research design in Chapter 3.1), I had a triangle of issues through which I approached the data. Figure 14 points out the three concerns of *enabling* (positive) *practices* for *purposeful actions* of an individual agent. These points were explored in the data by asking the questions: Does the interviewee reflect experiences of practices? What are the experiences like? Does she illustrate enabling experiences? Does she describe her purposeful activity?

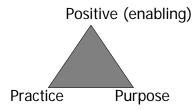


Figure 14 The foci in the analysis

Of the various questions in the interview protocol, some of the questions generated richer illustrations of experiences of practices than others. Firstly, the question "What tools have you used in implementing the strategy?" was an important one. In answering this particular question, the interviewee could reflect on a list of general practices for strategy implementation, which we had at hand during the interview (Appendix 2). Other questions that encouraged the interviewee to tell about the experiences of practices were: How do you participate in the strategy process of your organization? How do you communicate strategies? Are there problems associated with strategy implementation? In which situations and with whom have you discussed the strategy in your organization? How do you know that the personnel have adopted the strategy? How is the strategy present in the goals of your group?

From the total set of interviews, I located and marked (coded) those parts where the interviewee gave reasons for the practices, or told about his experiences of them. In the coding phase, I systematically coded each interview with the codes of 1) logics of action and 2) practices. That is, if a person speaks about meetings in strategy implementation, and, for example, illustrates them as a good opportunity to thoroughly discuss the grounds of the strategy, I coded the quotation both under the code 'practice – meeting' and 'logic of action – facilitating'. I carried out the coding procedure by using the ATLAS/ti software. Of the various ways of coding, mine was coding by sentence or paragraph (see, for example, Strauss & Corbin 1990).

3.4.2 Procedures for analyzing Practices

In the phase where I had located the logics of action I had also marked the practices to which the logics of action were related. Thus, the process of locating, and the process of coding resulted in a list of practices-in-use. In other words, this phase was a data-driven content analysis, in which the practices-in-use were discovered.

The analysis of the nature of practices was a theory-driven procedure. I categorized the practices-in-use using the framework presented earlier in Chapter 2.4 (Structuration view on strategy). Structuration theory in this study acts as meta-theory, which may have more than a reflection-encouraging meaning in the research process (Alvesson & Sköldberg 2000). Meta-theory may encourage creativity, while interpreting empirical material, firstly, by "asking questions about what lies behind the initial, self-evident interpretations that the researcher sometimes automatically produces", and, secondly, by providing "alternative points of departure for thinking about what the empirical work produces" (Alvesson & Sköldberg 2000, 253). Meta-theories do not, as such, suggest how empirical material should be interpreted but they guide and frame the work of interpretation via theories (Alvesson & Sköldberg 2000).

After categorizing the practices-in-use, I made metaphors to describe the nature of the practices. Miles and Huberman (1984) suggest that researchers should create metaphors to make the studies more riveting and illustrative. Metaphors can be used in data reducing, pattern making or decentring devices, as well as in connecting findings to theory (Miles & Huberman 1984). In my study, the suggestion of practices as different kinds of arenas for strategic action was directed mainly towards reducing data and making patterns.

3.4.3 Procedures for analyzing logics of action

Identifying and categorizing themes

The next step was to interpret the interviewees' talk, and to create a scheme for coding. I content-analyzed the data and wrote down my interpretations of the purposeful activities of the interviewees. Content analysis refers to a textual analysis involving comparing, contrasting, and categorizing a corpus of data (Schwandt 1997, Krippendorff 1980). Categorizing deals with "sorting things into classes, categories" (Miles & Huberman 1984). Noting patterns and themes is a tactic for generating meaning, where separate pieces of data are pulled together (Miles & Huberman 1984). The content analysis in this study was primarily an interpretive means of analyzing the data, although, in the later steps of the analysis process, simple numerical analysis such as counting (see, for example, Miles & Huberman 1984) was also conducted.

Tesch (1990) argues that this phase includes making lists of the interesting topics, clustering them, and going back to the data. He suggests finding "the most descriptive wording for your topics and (turning) them into categories. Look for reducing your total list of categories by grouping topics that relate to each other. Perhaps draw lines between your categories to show interrelationships". Alvesson and Sköldberg (2000) illustrate the activity of creating categories:

"The researcher simply (but industriously):

- reads the text (field-notes, interviews or documentary material) word by word, line by line, or at least paragraph by paragraph
- > asks continually under which category the data in the text can be placed, particularly everyday or common-sense categories, easily understandable to the actors
- ➤ makes notes of these categories and of what further data fall under them" (Alvesson & Sköldberg 2000).

As the result of the content analysis procedure, I had eighty-three themes of purposeful activities for the practices. For the reliability of the analysis, I repeated the procedure from scratch after some time. I went through the interviews again, and later evaluated my earlier interpretations. The interpretations did, except for some minor changes, remain the same.

Next, I continued categorizing the themes. The procedure was similar to Miles & Huberman's (1984) categorization and theme analysis. Like the earlier step, the categorization was an iterative process. I had printed my interpretations of the purposeful actions, and had them on separate cards. The categorization was thus a manual cardgame-like procedure in which I grouped the purposeful actions. After several categorization rounds, in the course of time (some six weeks), I became confident with the categories.

Figure 15 illustrates the process of identifying themes and categorizing them.

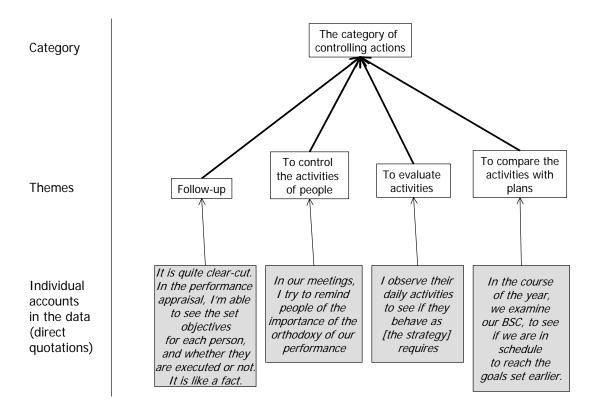


Figure 15 An example of how individual accounts turned into categories in the analysis process

In the process of subsuming particulars into the general (Miles & Huberman 1984), I then moved up the abstraction ladder, and proceeded from categories to logics of action. The iterative process of clustering the emerging logics of action was continued by a procedure that followed the same guidelines that were illustrated earlier (Figure 15). However, now the particulars were the categories clustered earlier. The output of this phase, logics of action, is reported in the next chapter, Chapter 4, "Results of the study".

This step represents another level of interpretation (cf. Alvesson & Sköldberg 2000). At this level, "material is then subject to further interpretation of a more or less systematic kind, guided by ideas that can be related to academic theories (scientific paradigms) or to other frames of reference (cultural ideas or taken-for-granted assumptions, implicit personal theories, and so on)" (Alvesson & Sköldberg 2000, 249). They suggest that ideally interpretation is something where "the researcher allows the empirical material to inspire, develop and reshape theoretical ideas" (ibid.). Van Maanen (1979) uses the concepts of first-order and second-order to elucidate the different levels of interpretations. While first-order concepts deal with the "facts" (like interpreta-

tions of interviewees), second-order concepts refer to "interpretations of interpretations", made by the researcher.

Connecting the findings with theory: from logics of action to modes of strategy process

Strauss and Corbin (1990) advise researchers that, at regular intervals during the analysis process, they should step back and ask what is going on in the process. One source for theoretical sensitivity, "the ability to recognize what is important in data and to give it meaning", is the literature of the subject, which the researcher can use in developing theories (Strauss & Corbin 1990). Lessons from previous literature can be learned after the emergence of categories, when the researcher might go back to the literature to see if the categories that have emerged in his study can be found in previous literature and to read what has been said about them (Strauss & Corbin).

In my study, this phase was guided by a discussion between issues I had found so far in the data and in previous literature. Literature was used to stimulate my theoretical sensitivity (see Strauss & Corbin 1990) and to provide concepts and relationships for the categories that had emerged in the data.

While discussing the findings in the light of previous literature, I started to group logics of action. This grouping was like drawing boxes and arrows or, in other words, drawing models or noting patterns. It was a way to form theories from categories, which is one way of finding how the categories are related to one another (Alvesson & Sköldberg 2000).

Counting is also one tactic relevant to generating meaning in qualitative research (Miles & Huberman 1984). Although the emphasis is often on the qualities of something, "how *much* there is of something" is also of interest, (Miles & Huberman 1984, emphasis in original). Counting in qualitative research is relevant to seeing what you have in a large amount of data, in verifying hypotheses and in protecting against bias (Miles & Huberman 1984). In this study, counting was used in several phases during the process. In this phase, it was of interest to count the number of various logics of action.

3.4.4 Procedures for analyzing the connections between logics of action and practices

In this phase of the analysis process, I connected the smaller pieces with each other, on the road towards a big picture. The underlying logic of this phase is best characterized as cross-tabulation, where the logics of action and practices were connected and analyzed accordingly. According to Miles & Huberman (1984), matrices (as tools for cross-tabulation) are useful in various phases of the qualitative analysis process. A functional matrix gives the researcher reasonable answers to the questions she is asking or suggests "promising new ways of laying out the data to get answers" (Miles & Huberman 1984). The aim of this phase was to detect possible patterns in the links between certain logics of action and certain kinds of practices (Figure 16).

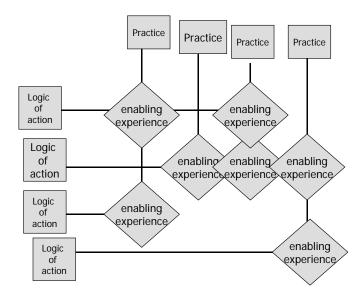


Figure 16 An illustration of how logics of action and practices were connected in enabling experiences

Concretely, the procedure of connecting was done with the assistance of ATLAS/ti. As I had coded the texts with codes relating to both practices and logics of action, it was possible to locate the kind of practices that were related to the kind of logics of action. Using the features of the software (e.g., Query tool, Codes-Primary-Documents-Table), I cross-tabulated the two elements. Of specific tactics for generating meaning (Miles & Huberman 1984), counting was used in identifying how the different logics of action were related to different practices.

3.4.5 Procedures for analyzing differences in strategy processes

Analyzing official strategy processes by documents

Next, I advanced the analysis to the level of organizations. Firstly, I analyzed the official strategy processes by means of a document analysis.

With the notions of previous literature on strategic planning processes, I analyzed the documentation concerning the strategy processes in the eight organizations. A document analysis enables the researcher to get hold of the language and concepts of those who are studied (Creswell 1994) and provides a way to measure organizational variables (Meyer 1991). As a counter balance to the interviews, the documents provided an opportunity to analyze 'official' descriptions of the strategy processes of the organizations. Thus the documents were analyzed as intended strategy process.

The analysis of the documents was theory-driven content analysis, where I explored the documents with notions of previous literature in mind.

Analyzing modes and practices of strategy process in practice in organizations

Earlier analyses of the logics of action and practices were conducted as a whole without taking any notice of differences between the organizations. Therefore, in this phase, I differentiated the earlier findings in organizations, such as those found in a cross-site analysis (see, for example, Miles & Huberman 1984).

The similar procedures of building matrices, which I described earlier, were also conducted during this phase. Miles and Huberman (1984) remind us that "any particular research question may require a series of matrices" varying in their scale and content. "Site-ordered, descriptive matrices take us a further step toward understanding patterns." (ibid.)

The data display I used was similar to scatterplots suggested by Miles & Huberman (1984). "Scatterplots are figures that display data from all sites on two or more dimensions of interest that are related to one another." They are useful if the researcher wants to explore all the cases on a two-dimensional scale. "Plotting the cases spatially is also a good way to make a more precise determination about which sites form clusters." (Miles & Huberman 1984)

Various tactics for generating meaning were used in this phase. The tactic of counting was used throughout the whole analysis process, but perhaps most of all during the organization-level analysis. I counted those practices of which the middle managers had most enabling experiences and the purposes for which they used them. I noted patterns in the existence of the mode of strategic renewal and saw plausibility in the coherence and variety of practices-in-use. Seeing plausibility is a tactic where the researcher finds something that makes good sense and checks further whether the initial impression might be verified by other tactics (Miles & Huberman 1984).

Based on the noted differences, I clustered the strategy processes in four types, and in describing the types, I made metaphors to illustrate their characteristics.

To conclude this description of the analysis process, I would describe it as long and multi-dimensional. The plot of the process is made up of small pieces that, as the process proceeds, construct a bigger picture. Figure 17 illustrates the phases of the construction during the analysis process. In other words, it sketches how the story of the analysis unfolded, how I produced answers for the research questions. It also expresses how the emphasis of theory and data varied during the process.

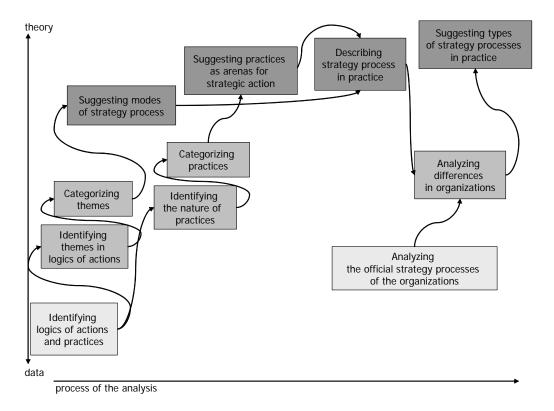


Figure 17 The generation of answers for research questions

4 Results

This chapter presents the results of the study. The first research question is answered in three sections. The first section answers the question: What are the practices like in terms of structuring properties and aspects of time and space? It also addresses how the structural features of strategy process appear in practice through the practices-in-use. This illustrates what the practices-in-use are like. The second section answers the question: What are the logics of action of middle managers for practices in strategy implementation? It aims to identify the nature of activities of middle managers. The presentation of the inductive findings of the logics of action elucidates the purposes for which middle managers use practices. Based on the findings of logics of action and a discussion with previous literature, modes of strategy process are suggested. The third section connects the findings concerning different kinds of practices to the logics of action.

The answer to the second research question, concerning the differences in strategy processes, is given by presenting the results of the organization-level analyses. Firstly, the results of analyzing the intended and experienced strategy processes in organizations are presented and, secondly, four types of strategy process are suggested.

4.1 Practices that were experienced as enabling

This chapter focuses on the nature of the practices which were used by the middle managers. The practices are characterized on two dimensions, rules and the aspect of time and space. Practices-in-use and the setting provided by them are discussed. Based on the nature of the practices, four arenas for strategic action are suggested.

This chapter focuses on the question: Of what kind of practices did the middle managers have enabling experiences? With the focus on 'what kind' I aim at describing, not the repertoire of practices as a list, but the nature of different practices.

The repertoire of practices reflected by the middle managers during the interviews exceeded twenty different practices, varying from *meetings* to *trainings*, from *planning practices* to *stories* (Figure 18). Among the practices-in-use, there were distinct tools like *Balanced Scorecard*, *intranet* or *e-mail*, but also more obscure ways of working, like *observing* or *discussing informally*. Generally, informal discussions and meetings were the ones to which most of the enabling experiences were attached.

I have used / I have had (enabling) experiences of...

```
...performance appraisal
...balanced Scorecard (BSC)
...training ...meetings
...e-mail
...informative meeting
...observing the activities
of other people
...rhetoric practices ...intranet
...certain documents ...informal discussions
...planning and goal-setting
...rewarding practices
...stories
...project
```

Figure 18 An array of practices that were experienced as enabling

In seeking understanding of the nature of the practices, I created a framework for analyzing it. The framework was encouraged by the structuration view (Giddens 1984) and has been presented earlier in Chapter 2.4.

There are four types of practices-in-use:

A. Institutionalized and loosely coupled practices. Practices whose rules are explicit are, for example, *training* and *projects* (Section A, Figure 19). As practices, they

have their own identity with norms and sanctions. However institutionalized as practices as such, their position in strategy process is quite loose. My interpretation of the experiences of middle managers was that these practices were referred to as occasional practices instead of periodic ones. Thus, their link to strategy process seemed less systemic. Therefore, they were interpreted here as practices with explicit rules and loose time-space.

- **B. Established and recurrent practices.** A representative established practice in the annual process of the organizations was the practice of planning and goal setting (Section B, Figure 19). It typically refers to an organization-wide practice, exercised more or less similarly in units and groups of the organization. It is target-oriented as meetings, but the planning focus gives it a special characteristic. It may consist of several separate situations when a group of people, like the personnel of a unit (managers and employees) gather for a period of time (such as two to eight hours) to make action plans for that specific unit, for a particular period of time (typically a year or a quarter of a year). The practice is often linked to the reward system of the organization that makes it a practice that has sanctions related to it. Sanctions related to planning and goal setting refer to defining the objectives in the appropriate time and further, reaching the set objectives. Typically, practices of this sort are related to the use of balanced scorecard (BSC), a system for balancing the assessment to reach the set objectives (for BSC, see, for example, Kaplan & Norton 1996). Reporting practices is also similar to planning practices; certain sanctions may be expected if the reports required are not produced.
- **C. Individualized and stochastic practices.** Practices with *loose* time and space do not to such a degree relate to other systems of the organization. They can occur in any sequence of time, in any appropriate context. Typical practices with loose time and space and with *implicit* rules are *informal discussions*, *networking*, or *e-mailing* (Section C, Figure 19). Not many sanctions are related to these practices, and their rules are practically always tacit. For the strategy process, they appear in individualized and stochastic character.
- **D.** Individualized and systemic practices. A *meeting* is an example of a practice that is *fixed* in the aspect of time and space and has *implicit* rules (Section D, Figure 19). A meeting typically refers to a target-oriented situation of a small group of people. A

meeting is systemic as it typically has a clear beginning and ending considered in the aspect of time, and it is usually located in a certain context (typically a meeting room), where the rather situated context results in an interpretation of a fixed time-space. The variety of meetings that the middle managers reflected in the interviews was large and it seemed that many of the meetings were bound by time (held, for example, weekly or monthly) or space (the regular meetings, especially, tended to have a fixed context). On the aspect of rules, meetings were interpreted implicit. Although a set of rules certainly exist both in terms of the content (what the aim of the often target-oriented situation is) and the process (the participants may attend in different roles, for example, chairperson or convener), my interpretation of the data was that meetings were rarely linked to any systems of an organization, neither were they sanctioned. Instead, meetings seemed to appear in an informal and intensive nature. Thus, for strategy process, their rules appeared implicit.

Another example of this kind of practice is a *performance appraisal* that is connected to the annual strategy or planning cycle or process of the organization, giving the practice a systemic characteristic. The performance appraisal refers to (often an annual) practice where the subordinate and the superior sit together, in a meeting room, for example, for perhaps one to two hours, and discuss the activities concerning the previous and coming year. The topics of discussion may include the following: what the objectives set for the individual's job were, how he performed the set activities, what should be done during the following year to reach the new objectives, the kind of training necessary for the individual's development, etc. In the data, the practice appeared repetitive and systemic in nature and led to an interpretation fixed in the aspect of time and space. However, it seemed different from the established practices of strategy process. Despite a general aspiration for an established practice, the data encouraged me to interpret it as having implicit rules. The practice seemed to be an individualized practice, being greatly dependent on the user.

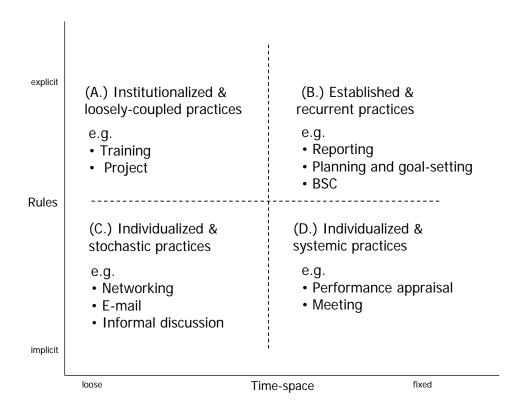


Figure 19 Examples of different kinds of practices

It appeared that, predominantly, the enabling experiences of middle managers were related to individualized and stochastic practices (Figure 20). The variety and number of practices was greatest in this section and the difference between this and the other three sections was substantial. One of the most-mentioned practices here was informal discussion. In addition, the middle managers told of enabling experiences derived from a diversity of practices, varying from rhetoric to networking.

Further, the second most-used practices among middle managers were individualized and systemic practices. Although the amount of enabling experiences concerning practices of this section was moderate, the variety differed considerably from the previously mentioned section. Actually, there were only two practices that were identified as individualized and systemic, namely meetings and performance appraisals. Of these two practices, the majority of the enabling experiences related to meetings, whereas performance appraisals were much more rarely considered enabling.

Instead, fewer enabling experiences were attached to institutionalized and loosely coupled or established and recurrent practices. However, within these sections there were single practices that were experienced as enabling among many of the middle managers. A frequently used established and recurrent practice was the practice of planning and goal setting. As to institutionalized and loosely coupled practices, the middle managers gained quite a few enabling experiences from training.

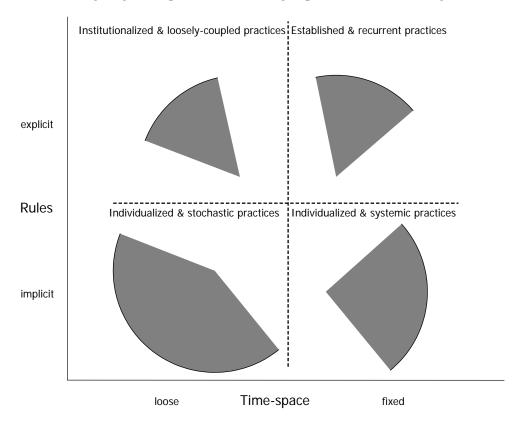


Figure 20 The enabling experiences of middle managers of different kinds of practices

To summarize, it appeared that the strategizing of middle managers was mainly experienced as enabling by individualized practices, whereas institutionalized or established practices had a smaller role in strategizing of middle managers.

Practices as arenas for strategic action

To discuss the differences of practices further, I will proceed on a metaphorical level and interpret practices as four different kinds of arenas for strategizing (cf. Goffman 1974). The diverse nature of practices as structure makes them appear differently in the social system of strategy process and, further, it enables and constrains the activities of the agents differently. From a structuration view, one can argue that each of these arenas provides activity with a particular setting through the structuring properties of signification, domination and legitimation.

So the two dimensions presented earlier in categorizing practices also separate the arenas:

Firstly, the aspect of time and space characterizes the temporary and contextual presence. This dimension differentiates arenas that are guided by a particular schedule or are located at a particular space (fixed time-space) from those where the activity can occur at any appropriate time or suitable context (loose time-space). Hence, by this dimension, the activities in arenas can be characterized as either guided by a *script* or based on *improvisation* (Table 10).

Secondly, the aspect of rules makes a difference between institutionalized and individualized setting. This dimension makes a distinction between those arenas that are guided by explicit rules and those whose rules are implicit, more tacit and less sanctioned. One might think that an arena with explicit rules is like activity taking place on stage, whereas activity in an arena with implicit rules is more similar to activities backstage (Table 10).

Table 10 Practices as different kinds of arenas

		What is the activity like?		
		Is based on improvisation	Follows a script	
Where does the activity	On stage	Activity with explicit rules and loose time-space –extension. (1)	Activity with explicit rules and fixed time-space –extension (2)	
take place?	Backstage	Activity with implicit rules and loose time-space extension (3)	Activity with implicit rules and fixed time-space –extension (4)	

Consequently, the arenas provide the activity with different kinds of setting. In terms of dimensions of signification, domination and legitimation, the arenas may vary concerning how the aspects of communication, power and sanction appear in practices.

(1) Improvised activity on stage. This arena has a certain context within time and space, yet with implicit rules. The interaction at this arena is by and large characterized by communication, providing good opportunities for interpretation and understanding. However, the activity takes place on stage and is legitimated and institutionalized through explicit rules. In organizations, training or projects are examples of

these kinds of arenas. They are acknowledged, codified and perhaps even sanctioned ways of action, which however, deal greatly with communication.

- (2) Activity that follows a script and takes place on stage. In these arenas, much of the interaction is about legitimizing activities. Through these practices, like reporting, planning and goal setting, the activities of strategy process are controlled and sanctioned. In addition, power relations appear in interaction at this arena. Many decisions concerning the activities are made on these arenas, or, the decisions made by powerful actors are present in the activities. Instead, the structure of signification, through communication, is less strongly present.
- (3) Improvised activity backstage. Informal discussions and stories are examples of practices that stress communication. But, interaction related to these practices is informal and rarely has explicit rules. For this reason, in this kind of arena, power and sanctions are more in the background. Power relations are mostly implicit, norms and sanctions rarely exist. Openings and closings in this arena are far from theatrical or even observable.
- (4) Activity backstage that follows a script. Power is at hand in these arenas, in the form of decision-making and empowerment. In organizations, typical arenas for decision-making are meetings, where resources are allocated, roles and responsibilities are defined. Meetings provide the strategy process with possibilities to mobilize both allocative and authoritative resources. According to Giddens (1984), the structure of domination mobilized allocative resources, which refer to capabilities that generate command over objects, goods or material phenomena and authorative resources that are capacities that generate command over persons or actors. In addition to power, interaction in this arena comprises essentially communication.

The data of this study shows clear dominance of backstage arenas in the activities of middle managers. Those arenas whose setting supports unofficial intensive communication at whatever moment of time without a defined setting seem to conquer those that are more tied to schedules, norms and sanctions. The finding gives an impression that, from the view of middle managers, strategy process is mostly concerned with practices that are dominated by structures of signification and domination, and less by legitimation.

However, from the structuration viewpoint, purposes for which different arenas are used depend on the actor himself, in this case the middle manager. By the use of the practices, the middle managers restructure the strategy process. Therefore, I will now move on to describing the logics of action of middle managers for practices. In the next section, I will illustrate *how, or for what purposes the middle managers used the practices*.

4.2 Logics of action of middle managers

The four logics of action, *Executing*, *Facilitating*, *Empowering* and *Reflecting* are characterized. Typical intentions for each logic of action are presented.

The data suggest that the middle managers had four types of logic of action for practices in implementing the strategies of their organizations. The logics of action are: *Executing, Facilitating, Empowering,* and *Reflecting.* The four logics of action differ in their reasoning. In other words, different logics of action refer to different purposes of the activities of middle managers.



Firstly, the data suggest that a dominant logic of action appears in the form of a straightforward intention of *executing the intended strategy*. The first and foremost intention of it focuses on *actions*. The spirit in this logic of action can be compared with a poster of a famous multinational company that advertises their jogging shoes and other sports equipment with the slogan "Just do it". Concerning this intention, the middle managers use the practices for making people, if not run faster, then make more contacts with the customer, to perform more effectively, or whatever actions the intended strategy is intended to bring about. Executing the intended strategy is the key target.

Executing thus refers to an intention of getting people to carry out the intended strategy. Here, the agent's logic of action refers to disseminating information, repeating the content of the intended strategy, and producing and controlling actions (Figure 21). Through his practices the middle manager is able to influence other people's actions.

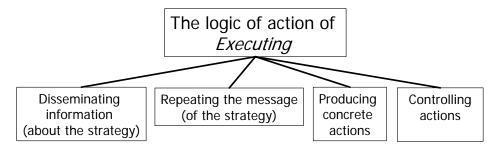
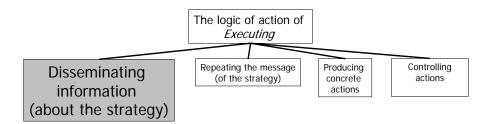


Figure 21 The elements of the logic of action of Executing

The character of the logic of action of executing has also been dominantly present in literature concerning strategy, strategy implementation and managerial work. Strategy implementation literature characterizes the activity as putting a formulated strategy into effect (Alexander 1991). The formulated strategy is taken as a given and the task is to carry it out. Common views in implementation literature are to treat it as synonymous with control, execution of the strategic plan or a "finer level of planning involving the allocation of resources and the resolution of operational issues" (for a review of perspectives of strategy implementation, see Noble 1999). Similarly, studies about managerial work have noted that disseminating information, allocating resources, monitoring (Mintzberg 1973), setting and implementing agendas (Kotter 1982) make a part of managerial work.



In more detail, according to the results of this study, *executing* is first of all about sharing knowledge, or rather **disseminating information about** the strategy. The information that is to be disseminated may be, for example, a new notice that relates to an intended strategy. According to the data, a common situation concerning strategy implementation in the organizations was that, during implementation, every now and then, the middle managers received new information about the strategy (often from above) and they had to decide how to act in relation to that information. In an organization whose strategy emphasized customer focus, a simple example of a notice could concern the layout of the products (how the products are put out in a store). Disseminating the information of the preferred layout was a practical activity of the middle

managers concerning the execution of the intended strategy for which the practices were used.

The dissemination of information did not, however, appear as uncomplicated as the previous example illustrates. For example, a departmental manager from the mentioned organization talked about the challenge of disseminating information and the difficulty of deciding what of all his own knowledge he should communicate to his subordinates. Furthermore, a related challenge was the problem of individual versus collective communication of the strategy. The departmental manager reflected the issue of disseminating information concerning strategy and argued that, even though a particular practice of disseminating notices did not allow personal contact with subordinates, it should nevertheless go ahead as the documents were necessary and provided all the persons with exactly the same information.

Well, sometimes I have used newsletters with the intention of boosting strategy implementation. But the effect is not very powerful, considering the way of influencing. But of course, they have a positive side as well. They are very exact concerning the information and, every single person gets the exact same information. (...) The same problem from another point of view arises in informal discussions. If you go and talk to one person, you have to have the same discussion with all the persons, because the strategy concerns every single person here and I have to spread the same information to everyone. (P 10)

The logic of action of executing often included an idea of selling a new idea or a way of action to the group or individual. To make other people to commit to the strategy, it was emphasized that to execute the strategy required that the middle manager himself was committed to the strategy and showed it in his activities.

"In all my activities, for example [the practice] of day-to-day communication with my group, I have to show them that we take it (the execution of the strategy) seriously. (P34).

Another example was an administrative director of a municipality who characterized the same general emphasis of the strategy, relating to a practice of regular meetings. He related that in implementing the strategy that focused on one customer segment, his intention had been to emphasize the meaning of the strategy at staff meetings. As the strategy would require a shift of focus of activities from other segments to the chosen one, a general emphasis of the needed change was needed. His experience was that, while a major means in implementing the strategy was resource allocation, the staff meetings enabled him to stress the significance of the strategic choice.

Well, in the staff meetings I have highlighted the significance of [the strategy]. We have emphasized the allocation of resources to be in line with [the strategy]. And, the realignment of resources is reflected in almost everybody's job. (P1)

Another director in the same organization gave reasons for the budgeting and planning practices of the organization. He characterized them as useful ways of introducing the changes in the focus of the organization's strategy.

The budgeting and planning practices are important here. While handling the issues of budgeting and planning, it is appropriate to bring out the change of focus [strategy]. (P2)

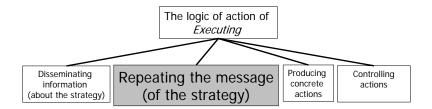
By and large, it may be the case that the choices of the intended strategy may have been converted into directions or rules of the organization. A way of executing the strategy is to keep communicating these directions or rules. As one manager at a financing organization put it:

"In my [practice of] personal communication, I have stressed the significance of the work instructions and the observance of them. By following those instructions we reach the best results." (P25)

A manager at an insurance company argued for a practice of using their database for a similar purpose. The strategy in that company stressed efficient performance and she felt that, as the database contained all the process descriptions and instructions, the use of it was a practice that enabled a better execution of the strategy.

In another organization, a marketing manager had an experience in which, although the rules and directions were written down in certain documents, the documents were not read as part of the everyday practice of that organization. However, his experience was that a new training practice that had been organized for the personnel compensated "the-problem-of-documents-that-nobody-reads". So, this marketing manager said that the practice of training enabled the execution of the strategy through the rules and directions communicated at training.

"We have had training for the personnel of the departments. It has worked well in communicating the rules and directions, which in fact are written down in documents that nobody reads." (P20)



Typically, the communication of the strategy was expressed as being repetitive of nature. That is, the aspect of going through the choices and **repeating the message of the strategy** again and again is one defining feature of *Executing*. As a manager in an insurance company described his communication practice:

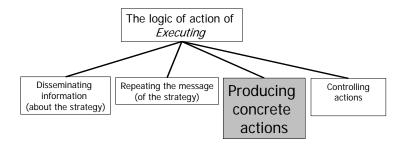
"It (executing the strategy) is an ongoing activity. It is about talking about the strategy and reminding people about the importance of the way of executing the strategy in the day-to-day activities of the personnel." (P9)

Another example of this took the form of a manager at a financing company who characterized the repetitive nature of communication by talking about their several products and services. While there were numerous separate (internal) training situations for each product, the strategy (related to a service of a certain customer segment) was being discussed at all these arenas. This manager experienced that the practice of organizing all these training situations provided the means for going through the basics of the strategy.

For example, we have an internal training for our personnel about [a product of the company]. In the process of training the special features of the product, the customer segment [that was the focus of the strategy] is brought up: How do we serve the specific customer segment concerning this product? (P23)

A marketing manager in a telecommunications company commented on the use of the performance appraisal for a similar purposeful activity. She saw the performance appraisal as a good way of going through the basics of strategy regularly.

(...) and then there are the performance appraisals. I have found out that they work very well. Their strength is that you have the opportunity to bone up on basic issues concerning strategy. (P42)



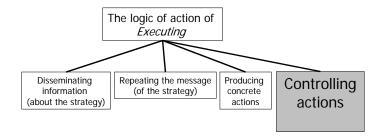
In addition to repeating the message concerning the strategy, *executing* is about **producing concrete actions** to carry out the strategy. It includes the defining of goals, and further, concretizing the strategy into actions.

Formulating actions fosters the execution of the intended strategy by giving direction to the activities of the group or organization. It is about focusing on those actions that are relevant for the specific strategy. For example, a service manager at an insurance company saw the practice of using planning documents as supporting her in her intention of producing the needed actions.

"In this job you always have to step on someone's toes. If you have to transfer people to jobs that they would not like to do but which are considered strategically more important or urgent, the planning documents make it easier to do." (P7)

To produce actions that are relevant to the execution of the strategy was the purpose here. Action plans, strategy seminars or regular meetings, as well as tools like the Balanced Scorecard were examples of practices to which this logic of action was linked.

It [producing actions] is done through the Balanced Scorecard. We've been doing it together, first by studying the organization-level scorecard, and then following how the department-level actions can be derived from it. Then we take it to even smaller pieces at group-level. This year, we got a good list of action points for each group. (P42)



A fourth characteristic of *executing* is follow-up and the intention of **controlling actions**. It is about controlling the actions taken to be in line with the plans. The motivation here is to evaluate whether the plans were executed. The middle managers characterized this logic of action in various ways in their experiences:

A departmental manager in an insurance company described the evaluative aspect as being present in the course of the yearly strategy process, with assistance of the Balanced Scorecard practice:

"During the year we check up the balanced scorecard to see whether we are on schedule and whether there are goals that need to be reassessed". (P8)

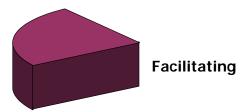
Correspondingly, a manager at a trading company mentioned a similar evaluative purpose in his own activities that he carried out by a practice of observing the activities at the organization:

"By being present among people, I am able to watch their day-to-day activities, and see if the things are done in the intended way". (P11)

Respectively, a manager at the ministry discussed the practice of weekly meetings of their organization, and described that the evaluative discussions

"are realized in the meetings where the teams present their ongoing work and relevant issues related to it at the moment, and, for example, the state of resources for accomplishing it" (P32).

As to the frequency of the logic of action of *Executing*, it was dominant in the experiences of the middle managers. That is, a great majority of enabling experiences that the middle managers gained from practices were related to executing.



Secondly, a logic of action that is called *Facilitating*, emerged in the data. The difference between the logics of action of executing and facilitating can be illustrated by a story of carrying bricks or building a church. The story tells about builders who work at a site where a church is being built, and where the job of builders is to carry bricks. A supervisor at the site arranges a morning coffee meeting for the workers to carry out the plan of constructing the building according to an existing blueprint. By the logic of action of *Executing*, the supervisor may want to influence the workers to know what their task is (carrying the bricks) in carrying out the plan and to make them implement the intended task. On the other hand, by the logic of action of *Facilitating*, the supervisor may want to make the workers understand why the bricks are being carried. During the meeting, he emphasizes that they are building a church and clarifies the reasons behind the decision to put the building into action. He may elucidate the increasing number of inhabitants in this village, which may arise from a growing labor-intensive industry nearby, etc. In other words, the first activity concentrates on the actions and the second one on understanding the big picture behind the actions.

Compared to *Executing*, in the logic of action of *Facilitating* the practices are not used in such a straightforward and action-oriented way. Instead, *Facilitating* refers to the *intention of making people understand the intended strategy*. Webster's dictionary (http://www.merriam-webster.com/) defines *facilitate* as "to make easier", which characterizes the intent quite well. The underlying purpose is the implementation of the particular strategy, but the implementation is conceived as requiring a deeper level of understanding before any actions can be taken. Although this purpose may, to some extent, be implicit in the previous logic of action as well, the difference is that here, the purpose is made explicit. The middle managers in this study expressed the view that they can increase understanding by reasoning about the choices of the strategy, motivating people and enhancing the adoption of the strategy (Figure 22).

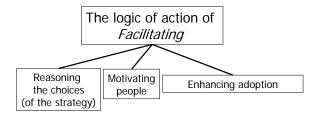


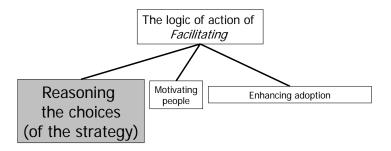
Figure 22 The elements of the logic of action of Facilitating

Compared to *Executing*, strategy literature does not include a wide variety of work relating to the facilitating activities of strategists. However, the importance of shared understanding and interpersonal processes for strategy has been noted by some authors (e.g., Floyd & Wooldridge 1992, Noble 1999). Floyd and Wooldridge (1992) use the term *facilitating adaptability* in characterizing the types of strategic activities of middle managers. They refer to "fostering flexible organizational arrangements", with the aim of encouraging organizational members to sense changing conditions and the renewal of strategy. In this study, the primary focus in the logic of action of *Facilitating* relates to the meaning of facilitating learning and understanding of other people and thus, despite the similar title, it does not share the same content as *facilitating adaptability* in the model of Floyd and Wooldridge (1992).

Instead, similarities with *Facilitating* can be found in a recent study of Balogun (2003), which drew attention to sensemaking activities of middle managers. One of the identified roles was 'helping others through change', in which role the middle manager helped their teams go through change by "helping others to make sense of things" (ibid.).

From another viewpoint, facilitating has a strong presence in the field of education, where the facilitative activities in the process of learning (often by the teacher) have been a major concern (Zachary 2002, Knowles 1980). In management literature, the notion of learning has been introduced by approaches such as learning organization, organizational learning, and communities of practice (Argyris & Schön 1978, 1996, Huber 1991, Lave & Wenger 1991). As to strategy, the concept of learning has been used in defining strategy formulation (Ansoff 2001), in viewing strategy making as a social learning process (Burgelman 1988) and in discussing schools of strategy (see, for example, Mintzberg 1991). Furthermore, some authors have tried to clarify the distinction between organizational learning and organizational adaptation (Fiol & Lyles 1985) or integrating strategic renewal and organizational learning (Crossan &

Bedrow 2003). Management literature covers some studies about managers as facilitators of learning. Although coaching in management literature has been categorized as a subset of management, some results argue that managers may perceive the roles of manager and of facilitator of learning to be distinct form each other (Ellinger & Boström 1999).

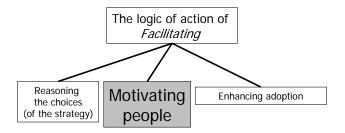


According to the results of this study, the facilitation of others' understanding is by and large done through **reasoning the choices** of the strategy. In other words, the middle managers used practices for explicating the choices "in other words". Furthermore, the intention relates to arguing for the choices, or, for example, taking critical comments and giving additional information on the issue and thus arguing for the strategy. An experience of a manager at a financing company illustrates the idea by emphasizing the practice of informal discussions:

"If you really want things to change, communicating through e-mail is not the best choice. Instead, it's better to have face-to-face discussions so you can deal with problems possibly arising during it. It might happen that people have counter-arguments and you have to justify the choices of the strategy more thoroughly". (P23)

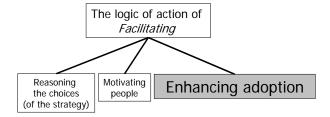
In addition to going into details of the strategy, another way of increasing understanding is to broaden the perspective. That is, to describe what the 'big picture' is behind the choices in strategy. Practices for broadening the perspective can be provided by established systems of an organization, as the following example shows:

In my opinion, the quality system of our organization as such does not create any actions to implement the strategy. The biggest importance of it (the quality system) is that it makes the whole visible. That is, all the activities are somehow documented, which increases systematic features in our activities. (P8)



In addition, the intention in *facilitating* touches the affective side of behavior more when compared to the more rationally oriented intent of *executing*. *Facilitating* includes the purpose of **motivating people** to implement the strategy. It is about triggering actions by giving feedback of the successful cases and thus motivating people to continue with the implementation. Enhancing acceptance of the strategy and commitment to it are central elements here. For example, a head of a municipal department reflected her activities and emphasized the discursive element of their meeting practices:

"It is through discussion that people learn. You can share information and copy papers for them and, tell them to read them, but it doesn't help at all. Instead, it is the discussion about what does this (strategy) really mean for us, what in our work does it change, and pretty often also, how can we accept this issue. All this is done at our meetings." (P2)



One dominating characteristic of the logic of action of *facilitating* has to do with the **enhancing adoption** of the strategy. It is about explaining, visualizing or otherwise concretizing the strategy. To make people understand and apply the strategy, as well as develop the knowledge or competences to do so, was a major concern. It was noticed that to improve the implementation of the intended strategy, the middle managers may need to support the acquiring of new capabilities. For example, a middle manager of an insurance company told of how he used the induction training practice for this purpose:

"In the induction training we have strengthened the team's capabilities and willingness to (implement the strategy). As it requires interacting with customers, it is clear that we cannot do it unless properly trained." (P50)

Another example comes from a trade company where a middle manager saw a specific part of training enabling the facilitation of understanding of the strategy (related to a service concept). He told of his experiences about how a new training practice enhanced adoption of the strategy.

Earlier we had a different way of carrying out the training. At that time, we sent a group of experts (besserwissers) to implement the changes (required by the strategy) at the departments. After the training, when the experts had closed the door behind them and left the department, everybody started to act as before. Really, it was of no use. Now we are trying it the other way. We are training our own people, real actors of the departments to do and develop things themselves. And they are the ones who are informed about the strategies and systems. I think this is a slower but lasting way to implement it. (P11)

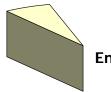
Facilitating as logic of action appeared less frequently in the data than did Executing. All in all, about a fourth of all the enabling experiences that the middle managers had of the practices related to the intention of Facilitating.

In addition to the two logics of action, which have been presented thus far, still other logics of action emerged. While the first two logics of action had a dominant share of all the purposeful activities that the middle managers had for the practices, the following two logics of action appeared on a much smaller scale. However rarely they appeared, it does not mean that the next two logics of action have minor importance. Actually, sometimes the unusual result may be more appealing. The logics of action of *Executing* and *Facilitating* can be considered more or less expected results, while the other two are signs of intentions that are not that typical in the context of strategy implementation.

While the intention in both of the previous logics of action was to turn the formulated strategy into actions, that is not the desire in the next two logics of action. Although the formulated strategies did exist, the middle managers also used the practices for purposeful activities other than the linear implementation of the strategy.

In strategy literature, such activities have been discussed under autonomous strategic behavior related to organizational adaptation and evolution (Burgelman 1983a, Burgelman 1991, Burgelman 1996), strategic dissonance (Burgelman & Grove 1996) and strategic renewal (Floyd & Wooldridge 2000). Burgelman describes autonomous strategic initiatives as weak or early-warning signals of changes in the environment that emerge outside top management. Floyd and Wooldridge (2000) broaden the definition of strategic renewal and refer to "a managerial process associated with promoting and accommodating new knowledge and innovative behavior that results in change in an organization's product-market strategy and/or its core capabilities".

For the findings of this study, the concept of strategic renewal provides a useful point of reference. The next two logics of action that emerged in this study are better discussed under strategic renewal than strategy implementation, which has been the orientation so far.



Empowering

The third logic of action that emerged was named *Empowering*. The logic of action of empowering does not emphasize the implementation of the current, intended strategy, but instead refers to actions that strive to evaluate and even challenge the existing strategy (Figure 23). Therefore, it is not enough to speak about strategy implementation, but rather, strategic renewal.

Let's continue the illustration of differences between logics of action with the example of a site where the church is being built. In both earlier logics of action, the blue-print of the building-to-be-built existed, and the intention was directed towards implementing them, either by fostering action or understanding concerning the strategy. On the contrary, here the existing blueprint is confronted and challenged.

So, at the construction site, the blueprint exists and the church is being built. The supervisor may, unofficially or officially, hold a work inspection session where he encourages workers to challenge the plan or otherwise act "outside" the blueprint. The activity may result in suggestions of providing other services for the inhabitants as well, which may alter the blueprint by, for example, adding an extension for a day-care center to be established. Or, if encouraged, some of the builders who live in a neighboring village could describe how they, when walking across a nearby forest, came across an ancient stone base of a church, the finding of which could even alter the existing plan by, for example, resulting in the site being moved.

Empowering has been a rather popular topic in management literature and can, through the concept of participation (cf. Cotton, Vollrath, Froggatt, Lengnick-Hall & Jennings 1988, Heller, Pusic, Strauss & Wilpert 1988), be traced back to early Elton Mayo and Hawthorne studies (Locke & Schweiger 1979). The term has been used and understood in various ways not only by practitioners (see, for example, Quinn & Spreitzer 1997) but also by scientists (see, for example, Forrester 2000). Forrester (2000) distinguishes empowerment from mere participation by emphasizing the "freedom and the ability to make decisions and commitments". Conger and Kanungo

(1988) approach empowerment as a motivational construct meaning "to enable rather than simply to delegate".

Following the earlier definitions, *empowering here refers to intention of making people proactive, to take initiative and take action in interacting with environment.* The logic of action of empowering is to encourage people to make sense of the environment, with an ulterior motive of getting new insights and initiatives for strategic renewal. By encouraging subordinates to contrast environment and strategy, the aim is to seek signals for change.

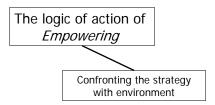


Figure 23 The elements of the logic of action of Empowering.

A typical purpose for this logic of action is **to confront the strategy with environment**. That is, by illustrating this kind of logic of action, the respondent has the motivation to make the members of his group reflect on the strategy and the environment. For example, a departmental manager at a financing company portrayed the ongoing projects in the organization, and viewed them as an enabling practice for reflection of the strategy and environment.

"In these projects, one always chews over the organization's environment, customers and customer segments". (P28)

Confronting and evaluating the market, the competitors and the customers have the intention of reshaping the strategy. A characteristic of *empowering* is to actively follow what is happening on any of the mentioned areas, and to be alert if any changes in activities, or in strategy are needed. The motivation for this kind of activity was mentioned to be in redirecting own activities, and also redirecting or fine-tuning the strategy.

A middle manager at a financing company illuminated her experiences of their group's habit of being in contact with competitors.

"We feign customers and contact our competitors to get an idea of how things are going elsewhere. It is useful to step into other people's shoes. If we make relevant observations we can realign our strategy." (P25.)

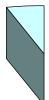
Another manager with the same organization expressed the similar logic of action for their meeting practice.

"(At meetings), it is crucial to listen to people and get feedback of what is actually going on in the customer interface. We (managers) become easily estranged from the reality, and don't know how the customer behaves and responds to (our strategy). The worst-case scenario here is that the bad feedback does not reach us, but instead can be read in newspapers." (P29)

A manager with a telecommunications company gave an example of a practice related to a way of organizing work, which I interpreted as illustrating the *empowering* logic of action.

"The new way of organizing is a good start in this direction. Several persons from my group have participated in bringing in knowledge from the customer interface to the forepart (formation of strategy). I hope this will lead to better products and services". (P43)

As already mentioned at the beginning of this chapter, the latter two logics of action only appeared as a minority. In other words, as the middle managers told their enabling experiences of practices, only a few of them were related to empowering activities.



Reflecting

The fourth logic of action, *Reflecting*, shares the same intention of strategic renewal as *Empowering*. They both question and comment on the intended choices; the 'quick-and-dirty' or otherwise direct implementation of the intended strategy is not the intention.

Referring to the earlier example of a construction site, the intention of *Reflecting* may be characterized by a *break* in carrying the bricks. It may simply be the activity where people, when, for example, digging, every now and then stop for a while and rest their arms on the shovel. Although the movement of the body stops, the person may reflect on the progress of the work.

Reflection has been considered an essential element in learning (Dewey 1933, Schön 1983, Mezirow 1996). Although the concept of learning does to some extent exist in strategy literature, the meaning of reflection has not been discussed. Participants' reflections have been noted relevant in studies about organizational routines as a source of continuous change (Feldman 2000).

Here, *Reflecting* refers to *the intention of enhancing thinking that seeks alternative* ways of understanding. Similarly, Webster's dictionary defines reflecting as thinking quietly and calmly or, to expressing a thought or opinion resulting from reflection. The logic of action of *Reflecting* appeared in the data as learning and evaluating of understanding (Figure 24).

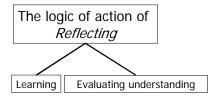
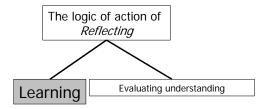


Figure 24 The elements of the logic of action of Reflecting

Just as the reflection in *Empowering* was directed towards the environment, here the reflection is associated with people's understanding. In *Reflecting*, the people in question are either the middle managers themselves or other members of the organization.

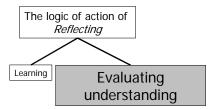


The motivation for a middle manager is to **learn him/herself**, and through that learning, either better facilitate the personnel's adoption of the strategy, or to redirect activities that are needed for implementation of the strategy, or get new ideas for the content of the strategy. For example, the practice of informal discussions helped a middle manager to reflect. He argued,

"(The informal discussions) clarify issues, and help you to decide your view about (the strategy). If you just think about these issues alone in your room, you can stay there forever. In discussions with other people, you get feedback for your thoughts." (P14)

Another example of *Reflecting* was the comment of a middle manager with an insurance company, also referring to the practice of informal discussions:

Discussions are the drift here. What I do is that I go over and over the same issue. I have many times learnt that it is the thing you have to bear in mind. This way I myself learn the strategy to the core, and that for one makes other people learn it as well. (P53)



Another aspect of this logic of action dealt with **evaluating the current state of understanding** of the strategy among personnel. The actions of the middle manager are affected by whether or not personnel have adopted the strategy, and to what extent.

A middle manager expressed the opinion that "our meetings are arenas for reflecting our understanding. There one gets an idea of whether we think of (the strategy) differently or similarly" (P26, financing company).

Another example of the reflective logic of action was the experience of a middle manager at organization K, relating to the practice of performance appraisals:

"In my opinion, the performance appraisals are the most important meetings between manager and subordinate. As it is the subordinate who is in the major role, the situation enables you to evaluate his current understanding of the strategy." (P15)

Like Empowering, the logic of action of Reflecting only appeared in some of the experiences that the middle managers had for the practices.

To summarize: the four logics of action differ in terms of their intentions. That is, the four logics of action illustrate how the practices are used for four different types of purposeful activities. The main characteristics of the logics of action are summarized in Table 11.

Table 11 A summary of the characteristics of the logics of action

Logic of action	Executing	Facilitating	Empowering	Reflecting
Intention	Implementation of the intended strategy Influencing peo- ple's actions	Implementation of the intended strategy Influencing people's understanding	Strategic re- newal Influencing peo- ple's actions	Strategic re- newal Influencing peo- ple's under- standing
Typically, a middle manager with this logic of actions expressed that he used practices	To spread information about the strategy, to repeat the choices of the strategy, to produce 'action points', to control, in order to get done what is needed for the intended strategy to be implemented	To make people understand why strategy should be implemented	To encourage people to do things that might lead to better strategy (strategic renewal)	To screen the position of learning and understanding (self and others), to comprehend where are we now and where we should be

Modes of strategy process

A further analysis of the logics of action leads to a suggestion of modes of strategy process.

A further analysis of the logics of action resulted in a suggestion of grouping the logics of action in two, based on the underlying intentions of the logics of action.

Firstly, the logics of action differed in terms of their intention of either stimulating action or fostering understanding (Figure 25). From this point of view, the focus is on *influencing people*, either by generating actions or increasing understanding concerning strategy. The underlying intention in the logic of action of executing as well as empowering is to stimulate strategic action by getting people to *do* things, while the primary purposes in the logics of action of facilitating and reflecting are to achieve better *understanding* concerning strategy. This grouping shares the same features that have been noticed in literature concerning roles and activities of management (cf. Ellinger & Bostrom 1999).

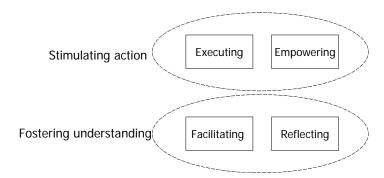


Figure 25 Intent on people. Logics of action with the focus on either stimulating action or fostering understanding

Secondly, the logics of action can be differentiated by their intention to *either inte*grate or diverge the activities concerning strategy (Figure 26). From this viewpoint, the primary concern is the strategy of an organization. This distribution supports perceptions and findings of previous literature concerning strategy and organizations, which often crystallize in the challenge of integrative and divergent actions in strategy (cf. Floyd & Wooldridge 1992).

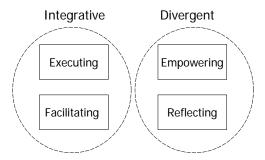


Figure 26 Intent on strategy. Logics of action from the aspects of integrative and divergent actions concerning strategy

The groupings, the intent on people and the intent on strategy are intertwined with each other. Like two sides of a coin they are inseparable. This study acknowledges the intent on people and considers it crucial for any activities in organizations. However, the interest of this study views the findings primarily from the side of the intent on strategy.

Accordingly, rooted in the four logics of action, strategy process shapes through the integrative and divergent intentions concerning strategy. Based on the purposeful activities related to practices, this study argues that the strategy process in practice has two modes: *strategy implementation* and *strategic renewal* (Figure 27).

The mode of strategy implementation encourages integrative activities that concern the intended strategy of an organization. This mode consists of the logic of actions of executing and facilitating that both focus on the intended strategy.

The mode of strategic renewal persuades divergent activities through the logics of action of empowering and reflecting. This mode seeks to discover the needs and possibilities of strategic renewal.

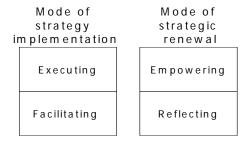


Figure 27 Modes of the strategy process consisting of logics of action

The two modes characterize the intentions of middle managers in the strategy process. The modes of strategy process suggest how middle managers may, by their intentional activities, shape the realizing of the strategy of an organization. From their viewpoint, the strategy process may consist of both the mode of implementing the intended strategy and that of seeking strategic renewal. As Mintzberg and Waters (1985, see also Mintzberg 1978) argued, an emergent strategy may take over the intentions of top managers and thus form the pattern, the strategy of an organization.

Referring to a similar graphic output with Mintzberg and Waters (1985), I would like to outline the modes of strategy process as illustrated in Figure 28. The realized strategy probably looks different from that intended, due to the activities in the mode of strategic renewal or problems in the mode of strategy implementation.

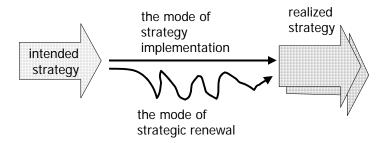


Figure 28 The intentions of implementation and renewal in strategy

The next questions to be answered are: "What is the relationship between the logics of action and practices in the data?" "Are some of the logics of action related to certain kinds of practices?"

4.3 Repertoire of meaningful practices

In this chapter, the logics of action and practices are reconnected. Typical practices for the four logics of action are presented. Linkages of logics of action and practices are illustrated.

The findings of this study suggest that the strategy process in practice is represented in the logics of action of agents. The logics of action can be identified in the experiences of the practices-in-use. The relations of the four logics of action with various practices are discussed next.

Executing has practices in every arena

The logic of action of executing, which was the most common logic of action that the middle managers had for the practices, was attached to practices of all four types (Figure 29). That is, the middle managers saw that all kinds of practices such as meetings and informal discussions as well as training and planning practices enabled their activities with the intention of executing.

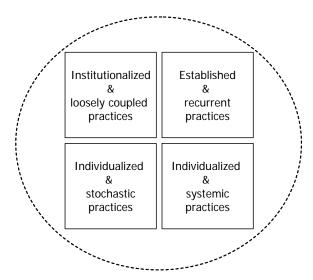


Figure 29 The repertoire of practices for Executing

Practically all the practices that appeared in interviews were to some extent linked to the intention of executing. Most typically, enabling experiences were related to practices like meetings, planning practices, the use of documents related to strategy, informal discussions, and training. One of the most frequently mentioned practices, both for all the logics of action in general but also for executing, was meeting. A typical example of this sort of enabling experience was a manager in organization A. He articulated how he "put emphasis on the common significance of the strategy at the regular meetings among the personnel" and communicated the investments that had been made to ensure the implementation of the strategy (P1). The various meetings that the middle managers characterized were typically held weekly, every two weeks or monthly.

"We screen the (statistics) results at departmental meetings. We have these meetings every two weeks, and in the course of them the information is mediated." (P9).

In addition to meetings, the intention of executing was to a great extent present in activities that are attributed to the official strategy process. Planning practices, the continual activities of defining, setting and evaluating goals and actions, are an archetypal example here.

The common notion of dominance of individualized and stochastic practices held true in executing as well. Thereby, a great proportion of intentions of executing were related to practices like informal discussions, documents, e-mail, stories or observation. Because of the dominance of informal discussions in enabling experiences, one could come to the conclusion that a large part of the strategic activities take place in the corridors, work and coffee rooms.

Although all types of practices were to some extent used for executing, institutionalized and established practices were not as much used as individualized practices. Especially the use of insitutionalized and loosely coupled practices for executing appeared rare. However, an exemplary institutionalized and loosely coupled practice that was used for the logic of action of executing was training. At least two different ways of using training systematically for the intention of executing were noticed. Firstly, an enabling experience of the use of training was described when a manager related that, by training, he or she could ensure that all personnel participated in particular training sessions that would convey crucial information concerning the strategy of the organization and enhance strategy implementation. Secondly, another enabling experience was when the managers themselves acted as trainers in the internal training programs of the organization; through that role, they could make sure that the choices of the strategy would be communicated during the training. "I would

argue that it [the strategy] is present at each training. Whatever the subject of the training, it [the strategy] will for sure appear." (P25)

Facilitating rarely employs established and recurrent practices

Facilitating, the second most common logic of action, appeared in the context of a small variety of practices more skeletal than executing. The most typical practices that were related as enabling experiences for the logic of action of facilitating were informal discussions, meetings, stories, training, and performance appraisals. It seemed that, compared to the practices that were used for executing, the same favourite triplet of informal discussions, meetings and training, dominated. The practices of performance appraisals and using stories seemed like characteristic practices for facilitating. Compared to the previous logic of action of *Executing*, they were more often experienced as enabling the intention of facilitating.

Individualized and stochastic practices were also dominant for the intention of facilitating. Thereby, stories and informal discussions were frequently used for the purpose of facilitating. For example, a practice of telling stories about customers in relation to the products or services of the organization was used by many managers to get people to understand why the strategy had to be implemented.

In addition, institutionalized and loosely coupled as well as individualized and systemic practices were moderately used for facilitating. Training, representing institutionalized and loosely coupled practices, was quite often mentioned as useful for facilitating. Also, informative meetings, induction training and the practice of using the intranet were experienced as enabling facilitative activities.

As already mentioned, the practice of performance appraisal seemed like a characteristic practice for facilitating, representing individualized and systemic practices. However, although the use of performance appraisals was more frequent for facilitating than for executing, the number in general was not very high. Thus, I would say that I was surprised with the small number of facilitative intentions related to performance appraisals. Whether this reflects the power of domination in these situations is one question; another is why they are not considered arenas for signification.

Established and recurrent practices did not have a strong role in facilitative logic of action (Figure 30). However, some rare examples emerged as some of the informants did see these practices suitable for facilitative logic of action. For example, some informants considered the practice of planning and goal-setting, in some cases linked to the frequent use of the Balanced Scorecard, as a possibility of enhancing the participation of subordinates in the creating, defining, and learning about strategy.

I try to increase the participation of my subordinates in the yearly planning activities, to commit and make them take part in discussions. It has traditionally been neglected, but now we have decided to work together on these issues. My subordinates are responsible for a bunch of big issues, and it's not enough to offer them any ready-thought issues. Better if we discuss the things together, keeping the strategy of the company in mind. (P14)

Another uncommon example of using established practices for the logic of action of facilitating was mentioned by a middle manager (P41) with a telecommunications company, who considered the reward system as an effective tool for facilitating. Instead of financial rewarding, this manager found that highlighting successful examples as a type of recognition supported the process of understanding strategy among personnel.

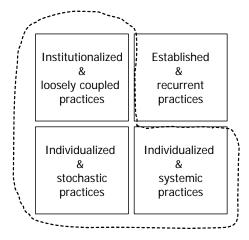


Figure 30 The repertoire of practices for Facilitating

The rare logics of action for strategic renewal (Empowering and Reflecting) only employ individualized practices

The use of practices for the two less common logics of action, empowering and reflecting, was more fragmented. However, again, individualized practices, like meetings and informal discussions, dominated. The experience of a supervisor at organization D illustrates the reflective intention related to the practice of informal discussions: "I have recently discussed individually with each person at my department, for one to two hours, to get an idea of how people think about their task, and thus, to reconstruct my own understanding concerning strategy" (P28, organization D).

For the logic of action of empowering, there were some rare examples of enabling experiences of established practices. Few informants considered practices like planning and goal-setting or reporting valuable in encouraging personnel to continuously reflect the environment and strategy. For example, a manager in an insurance company (P8) viewed the Balanced Scorecard practice in such way. She told how she had a habit of monitoring with her group the goals and timetables set at BSC through the year. She suggested that it should be a shared practice in their organization, because sometimes it is discovered that the goals set earlier are not anymore reasonable, due to changes in the environment. She argued that a continuous practice of monitoring encouraged personnel to observe possible changes in the environment.

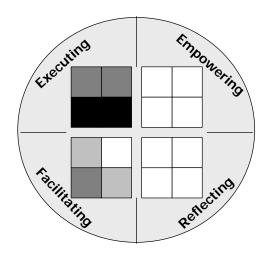
For the rarest logic of action, reflecting, only individualized practices were used. None of the middle managers told of any enabling experiences of institutionalized or established practices for the intention of reflecting. It seems that the more the logic of action gets closer to personal processes of understanding and further from the direct implementation of the strategy, the less meaningful the institutionalized and established practices get.

Table 12 summarizes the findings concerning the use of various practices for the logics of action.

Table 12 Summary of the practices-in-use for various logics of action

	Executing Facilitating		Empowering	Reflecting		
	(The mode of stra	itegy implementa- in)	(The mode of strategic renewal)			
Which kinds of practices were used for the logic of action?	All	All except estab- lished and recur- rent practices	Only individualized practices			
Typical practices-in-use	Informal discussions, meetings, training		Informal discussio	ns, meetings		
Characteristic practices-in-use for this logic of action	Planning practices	Stories, per- formance ap- praisals				
Atypical use of practices		Planning, BSC, reward system	Planning, BSC			

Figure 31 shows how the logics of action were related to different kinds of practices. The emphasis of the data was clearly on the mode of strategy implementation (logics of action of executing and facilitating) whereas emphasis on the mode of strategy renewal (logics of action of empowering and reflecting) was minor. Of the processes of promoting action (executing and empowering) or understanding (facilitating and reflecting), the emphasis was on the process of promoting actions.



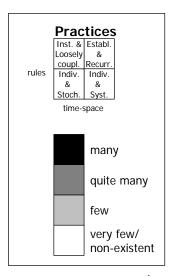


Figure 31 Different kinds of practices for logics of action of strategy process⁴

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⁴ (The categorization (many – quite many – few – very few/non-existent) relates to the number of enabling accounts for different practices. The categories describe the percentage of all the enabling ac-

So far, I have analyzed the data as a whole, without taking any notice of the differences across organizations. The next chapter will move on to the level of organizations.

counts for all the practices: very few/non-existent = 0-4, few=5-9, quite many=10-14, many=>15% of enabling experiences for practices)

4.4 Differences in strategy processes

Findings concerning the logics of action, modes of strategy process and the nature of practices are presented with the purpose of describing them across organizations. These findings are reflected in the intended strategy processes of the organizations. Based on the differences and similarities, four types of strategy processes are presented.

Intended and experienced strategy processes

Earlier literature argues that strategizing is bound to its context (Wilson & Jarzab-kowski 2004), which motivates the question: How do strategy processes in practice differ? It is the question for which I seek understanding in this chapter. To describe the strategy processes in practice of the eight organizations of this study, I explored them from many aspects. Logically, important viewpoints were the findings presented in earlier chapters. Therefore, I reached for an understanding of whether the organizations would differ in terms of the emergence of different logics of action and practices-in-use. And if they would, how would these differences illuminate strategy process in practice?

In addition to describing and comparing these eight organizations in terms of the experiences of the middle managers, I added a new viewpoint for the organization-level analysis. Thus, I explored the intended strategy processes of the organizations. The official intended strategy processes provide a constructivist study with another construction of the strategy process, perhaps rather different from the view of the middle managers. The possible diversity of views is interesting not only from the practice point of view (it is interesting to know, for example, which view guides the development activities in an organization), but relates also to notions in theory. From the structuration viewpoint, the official strategy process of an organization can be perceived as a manifestation of an institutionalized structure, which represents an essential feature in the structuration of a social system. As Barley (1986) argued, "the study of structuring involves investigating how the institutional realm and the realm of action configure each other".

In reporting the results, I will start with the findings concerning official strategy processes, and later, move on to the findings concerning the logics of action and practices, that is, the experiences of the middle managers.

The official strategy processes

The documentation concerning the strategy processes of the organizations was diverse, varying from general strategic plans without any description of the process of how the plan was created, to moderately detailed diagrams and schedules of the process. The documents did not express clearly whether the process was top-down or bottom-up, which has been suggested one differentiating characteristic of strategic planning process (Dutton & Duncan 1987). Rather, the documents were passive in nature, that is, they only rarely mentioned any group of actors that would be engaged in the process. Therefore, it was not reasonable to evaluate the planning diversity (Dutton & Duncan 1987), i.e., the involvement of the variety of individuals in the process.

Instead, *planning formality* was evaluated as a fairly analyzable aspect of the process. Planning formality refers to the extent organizations have written procedures, schedules and documents guiding the process (see Dutton & Duncan 1987). In this aspect, the organizations varied noticeably. The way in which the documents expressed the process was evaluated either as *formalized* or *not formalized*.

Another characteristic that I found interesting to evaluate based on the documentation was the *planning intensity* (Dutton & Duncan 1987). The frequency of contacts during the planning cycle was related to the schedules shown in the documents. The processes that were evaluated as *high intensity* expressed frequent activities in the process. Processes with *low intensity* were those that had no expressed frequency of contact or only rare activities during the process. These aspects of the strategy process, as well as general features (existence of a description, frequency of the process), are presented in Table 13.

Table 13 The strategy processes in the organizations of this study

Organization	А	В	С	D	E	F	G	Н
Any documents concerning the process?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
What was the frequency of the process?	2 years	Year	Not speci- fied	Year	Not speci- fied	Quar- ter	Not speci- fied	Year
Was there a description of the planning process?	No	Yes	No	Yes	Yes	Yes	No	Yes
Planning formality. Formalized vs. Not formalized	Not for- mal- ized	For- mal- ized	Not for- mal- ized	For- mal- ized	Not for- mal- ized	For- mal- ized	Not for- mal- ized	For- mal- ized
Planning intensity: low or high	Low	High	Low	Low	Low	high	Low	High

Of the eight organizations, three had a formalized process with high intensity (organizations B, F and H). These were a telecommunications company and two insurance companies. They all had a process chart or description of the process, expressing phases like defining strategic objectives, producing action plans, and evaluating (Figure 32). It was expressed either in the form of a flow chart or a cycle. In both forms, the aspect of time was clearly expressed, either on a month-to-month basis or in periods of time (for example, quarterly/monthly). These descriptions also included an evaluation phase with monitoring results and defining bonuses for compensation. According to Armstrong (1982), monitoring results is one of the most valuable characteristics of the formal planning process.

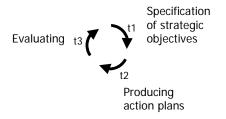


Figure 32 Characteristics of a typical formalized strategy process description

Still another organization had a formalized process. This organization (D), a company operating at financing, had a description of the process, although it was not as detailed and elegant as the previous ones. It was a description of boxes and arrows without committing the activities in time. I interpreted the presence of action plans of departments as a concern of implementation, but no evaluations of the results were included.

Four organizations did not have an expressed formalized strategy process (A, C, E and G). These consisted of two companies operating in the retail trade and telecommunications, and two public sector organizations, one of them being a ministry and the other an organization providing health care services. The documents in these organizations were diverse. These organizations either had no description of the process (two of the organizations), or the description illustrated either general aspirations of the organization or was a plan of specific actions. There was not any documentation about how the process proceeds, how the plans are formulated or how they are implemented.

To summarize the findings concerning the intended, official strategy processes: the analysis provided an illustration of the differences between the processes in the eight organizations. Disparity between the processes was noticed both generally (e.g., whether or not there was a document) and based on the dimensions suggested in the earlier literature. The most observable result of the analysis would be the partitioning of those that had formalized a process from those whose process was not formalized (Table 14).

Table 14 The characteristics of the official strategy processes in the organizations

	Formalized	Not Formalized
Organizations	B, F, H, D	A, C, E, G

Strategy processes from the viewpoint of middle managers

Next I buried myself in the experiences of middle managers to find more about the differences or similarities between the organizations. I proceeded with a question: What practices were experienced as enabling?

In the general analysis of the data I had noticed the dominance of individualized practices in enabling strategic activities. This finding was noticed also in the organization-level analysis. In a similar way, individualized and systemic practices like meetings or individualized and stochastic practices like informal discussions were most often experienced as enabling in almost all the organizations (Figure 33). An exception to this pattern was organization A, a public sector organization providing health care services. The middle managers in this organization had quite a lot of enabling experiences of institutionalized and loosely coupled practices. As an example, the middle managers in this organization had enabling experiences of projects and informative meetings that both represent institutionalized and loosely coupled practices. In this organization, these practices even exceeded the use of individualized and stochastic practices that in the other organizations were the most often used type of practices.

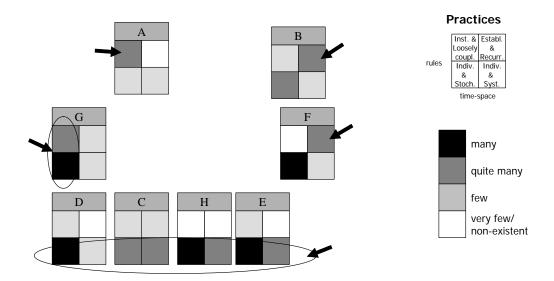


Figure 33 Enabling experiences of practices in organizations A-H

In addition to organization A, a similar moderate occurrence of institutionalized and loosely coupled practices in enabling strategic activities was discovered in organization G. As a whole, in this company operating in telecommunications, the loosely coupled and stochastic practices were the most dominant of all the organizations. In

other words, middle managers' activities in the strategy process were mostly related to loosely coupled or stochastic practices, whereas systemic and recurrent practices were only to a small extent experienced as enabling strategic actions of middle managers. I interpret that this indicated a here-and-now type of strategy process with fewer systemic features and recurrent practices.

In organizations B and F, the strategy process in practice appeared in a more systemic form. The middle managers working for these insurance and telecommunications companies were the ones who had most enabling experiences of established and recurrent practices. Thus, practices like planning and goal-setting or reporting were experienced as enabling strategic activities. As these are the practices that are most commonly related to the formal strategy processes of organizations, this is an attractive finding for discussing the role of a formal strategy process.

Based on the findings concerning organizations B and F, it would be tempting to make a proposition concerning the role of a formal strategy process. It seems that in organizations with a formalized strategy process, it is likely that middle managers have more enabling experiences of established and recurrent practices. However, the proposition would not get support from organizations H and D that were also analyzed as having a formal strategy process. The low intensiveness of the formal process in organization D could drop it out of this discussion, but still there would be organization H. Is there something about this insurance company (organization H) that makes it different from B and F? From this data, I could not find any evidence of difference; additional suggestions are to be left for further research.

Interpretive studies assume that individual perceptions may be shared within organizations (Bougon, Weick & Binkhorst 1977, Daft & Weick 1984, Bartunek 1984). It is individuals who carry out the interpretation process but a "thread of coherence among managers is what characterizes organizational interpretation" (Daft & Weick 1984). Thus, there may be a dominant logic (cf. Prahalad and Bettis 1986, Bettis & Prahalad 1995) that the members of the group create over time in social interchange or negotiation (Burrell & Morgan 1979). Following these thoughts, I conducted a further analysis, to find out what were the dominant practices-in-use in organizations. I analyzed how coherently practices were used/experienced as enabling among the middle managers: if at least half of the informants had an enabling experience of a certain prac-

tice, it was considered coherent. Table 15 illustrates whether there were coherent practices in the organizations and what the range of practices-in-use was in terms of the types of practices. For example, among the middle managers in organization F, there seemed to be shared practices within all types of practices. The middle managers in organization G did not employ similar practices in strategizing. That is, their experiences were split among the repertoire of practices without any dominant practice-in-use.

Table 15 Coherence of the variety of practices-in-use in the organizations

Or	g.	ŀ	Ą	E	3	([)	E		F	=	(3	H	1
1	2	Χ					Χ	Χ	Χ			Χ	Χ				Χ
3	4		Χ	Χ		Χ	Χ	Χ	Χ	Χ	Χ	Χ	Χ			Χ	Х

- 1= Institutionalized and loosely coupled practices
- 2= Established and recurrent practices
- 3= Individualized and stochastic practices
- 4= Individualized and systemic practices

X= coherence in practices-in-use identified

What about the logics of action? For what purposeful activities did the middle managers at the eight organizations use the practices? The notion of the dominating mode of strategy implementation that was earlier made on the whole data appeared alike at the level of organizations. The practices were mainly used for executing and facilitating the intended strategy. The mode of strategic renewal emerged in almost all the organizations, but to a varying extent.

How the modes of strategy process appeared across organizations divided the organizations into two groups (Table 16). In the first group, the strategy process in practice appears in the mode of strategy implementation, while, in the second group, in addition to the mode of strategy implementation, also the mode of strategic renewal emerges. Here, the criterion for the mode of strategic renewal was that at least half of the informants should have logics of action of strategic renewal (empowering or reflecting).

Table 16 Organizations divided by the employment of modes of strategy process

	Mode of strategy implementation	Mode of strategic renewal
Organizations	A, B, E, G	C, D, F, H

While progressing the analysis of differences in organizations, I analyzed the **differences in the number of enabling experiences of the practices**. That is, I asked the question: Do organizations differ in terms of how many enabling experiences middle managers have? The assumption here was that the experiences of the middle managers would illustrate how meaningful in practice they consider the practices of their organizations.

In consequence, it appeared that there were differences concerning the number of enabling experiences of the middle managers. That is, in some organizations middle managers had quantifiably more enabling experiences of practices than in others. Based on this perception, the organizations could be divided in two groups (Table 17). In four of the organizations, (A, G, B, E), the respondents had fewer enabling experiences of practices than in the other four, (C, D, F, H).

Table 17 Organizations divided by the number of enabling experiences of middle managers

	Many enabling experiences	Small number of enabling experiences
Organizations	C, D, F, H	A, G, B, E

Until now, I had noticed that in some organizations middle managers reported more enabling experiences than in others. In addition, the variety of kinds of practices considered enabling differed. Also, differences were noted in terms of the modes of the strategy process.

Piecing together the individual findings enabled me to discover findings concerning their linkages. It appeared that the range of coherent practices-in-use was related to the mode of strategic renewal. That is, the mode of strategic renewal emerged in those organizations, in which coherence could be detected among the practices used by middle managers. Also, the number of meanings given to practices was higher in these organizations where the mode of strategic renewal appeared.

What is the intended strategy

4.5 Strategy process types

Until now, I have noted differences in both the intended and experienced strategy processes. Based on those differences, I now suggest four types of strategy processes.

The first distinctive characteristic is the formality of the intended strategy process. Based on findings concerning the intended strategy processes, the intended strategy process is characterized either as formalized or not formalized (Figure 34). The formality of the intended strategy process reflects the institutionalized manifestation of the process through the official strategy process an organization has.

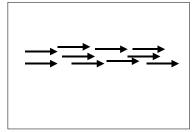
Figure 34 Formality as a distinctive characteristic of strategy process

Another characteristic distinguishing the types relates to the strategy process experienced. The dominant issue here is whether the strategy process appears only as mode of strategy implementation or whether the mode of strategic renewal also exists. This characteristic reproduces the view of middle managers and their purposeful activities in shaping the strategy process in practice. This characteristic defines which modes of the strategy process are employed (Figure 35).

What is the experienced strategy process like?

mode of strategy implementation

mode of strategy implementation and mode of strategic renewal



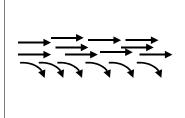


Figure 35 The employment of modes of strategy process as a distinctive characteristic of strategy process

Further distinguishing features relate to the variety of practices-in-use and the amount of enabling experiences of middle managers, which were earlier discovered differentiating the processes. All these aspects will appear along the illustrations of the four types, which are characterized next.

Type 1: Sustainable strategy process

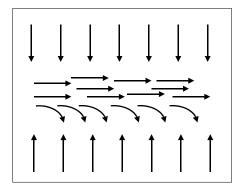


Figure 36 Type 1 strategy process

In this type of strategy process, the intended strategy process is well articulated. It may take a formal manifestation as a flow chart or other similar illustration of the activities in the process. The description is probably available at the intranet of the company, or at least presented regularly at official meetings relating to strategy. The process is formalized and broadly notices aspects of strategy process: vision and mission statements, analysis of strengths and weaknesses, competitors, scenarios, business planning, implementation and monitoring results as well as compensation, are typically included in the descriptions. The intensiveness may reach a level with well-communicated points in time and continuity of the process.

The experienced strategy process appears as both modes: the mode of strategy implementation and the mode of strategic renewal. The activities unfold through a diversity of practices-in-use. So, the strategy process in practice realizes through both institutionalized and individualized practices. Consistent practices at all aspects of time and space appear among the middle managers in these organizations. Practices of strategy process are considered highly meaningful by the practitioners (the middle managers). Examples of this type of strategy process, in the data of this study, were a financing company, an insurance company and a telecommunications company (organizations D, H and F).

From the intended aspect, the process reflects formality, while from the experienced aspect, versatility (Figure 36). Metaphorically speaking, a metaphor "Swiss army pocket knife" would characterize well this type of strategy process. It is a well-known

instrument with a famous brand. It is a multipurpose tool that facilitates both building and breaking down. Because of an impression of a well-functioning system, this type was labeled a *sustainable strategy process*. Table 18 summarizes characteristics of a sustainable strategy process.

Table 18 Characteristics of a sustainable strategy process

	Practices-in-use			
	Nature of practices	Typical practices		
Many expressions of the logics of action for practices	Individualized & systemic practices	Meetings		
Coherent use of practices representing majority of the types of practices	Individualized & sto- chastic practices	Documents		
In addition to the mode of strategy implementation, also a clear presence of the mode of	Established & recurrent practices	BSC, Planning		
strategic renewal in the logics of action Organization has a formal description of the strategy process	Institutionalized & loosely coupled practices	Projects		

In *sustainable strategy process*, the official and experienced processes seem to have reached a sense of balance. The emergence of this type of process agrees with Weick's (2001) arguments as to how manifestations of structure, such as official strategy process, as a mechanism, may bind together events and people.

"They hold events together long enough and tight enough in people's heads so that they do something in the belief that their action will be influential. The importance of presumptions, expectations, justifications, and commitments is that they span the breaks in a loosely coupled system and encourage confident interactions that tighten settings" (Weick 2001, 49).

In addition, the strategy process supports the sensemaking of their members and provides procedures for argumentation and interpretation, as in design as improvisation (Weick 2001). Design as improvisation also includes the notion that an organization has multiple designs instead of being one large stabilized structure. It notices the social nature of managerial action, and its effect on design. The purpose of design from this perspective is to facilitate interpretation, which on its part determines effectiveness. (Weick 2001).

A sustainable strategy process sets system or general guidelines for behavior, as in process or umbrella strategies (Mintzberg & Waters 1985), but lets actors maneuver

within them. Of the repertoire of practices-in-use, some are arenas provided by official strategy process while others are created or employed initially by individuals themselves.

Type 2: Self-directed strategy process

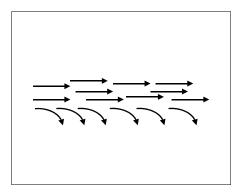


Figure 37 Type 2 strategy process

The second type of strategy process shares many features with the previous type, with respect to the experienced strategy process. Not only implementing strategy, this type of process also fosters strategic renewal through a coherent set of practices. The practices-in-use are considered highly meaningful for the practitioners. Coherent practices are of several types, considering rules and resources and the aspects of time and space (Table 19).

However, the special feature of this type is the non-formality of the intended strategy process: there is no description of the strategy process (Figure 37). Despite the invisibility of the intended strategy process, coherent practices-in-use of a typical strategy process, like planning and performance appraisals, most likely do exist. The elaborations of the practitioners expose the fact that there are shared practices-in-use. An example of this type of strategy process is organization C, a company operating in retail. An example of a shared practice-in-use among the middle managers of this company was performance appraisal, which was in fact experienced most coherently here, when compared to the other organizations.

As a tool, this type of strategy process could be characterized metaphorically as a set of basic tools like hammers and screwdrivers that can be used for various purposes. The tools are not in any handy toolbox provided by the organization, and thus the coherent set is not easily apparent to an outside observer. This type of strategy process seems to operate well, if evaluated by the enabling experiences of middle managers

and the variety of practices-in-use. This characteristic gives an impression that there is no need for a stronger intended strategy process with a name such as *self-directed*.

Table 19 Characteristics of a self-directed strategy process

	Practices-in-use				
	Nature of practices	Typical practices			
Many expressions of the logics of action for practices	Individualized & systemic practices	Performance appraisals			
Coherent use of practices representing majority of the types of practices	Individualized & sto- chastic practices	Informal discussions			
In addition to the mode of strategy implementation, also a clear presence of the mode of	Established & recurrent practices	Planning			
strategic renewal in the logics of action Organization has no/an ultra light formal description of the strategy process	Institutionalized & loosely coupled practices	Training			

A self-directed strategy process is like the consensus strategy combined with the entrepreneurial strategy (Mintzberg & Waters 1985). The entrepreneurial strategy brings in the flexibility and adaptability, while the consensus strategy adds a common pattern, derived from collective action rather than from collective intention. The strategy process type represents a design as improvisation, which is a combination of improvisation, retrospect and emergent orderliness (Weick 2001, 67). It contrasts with the idea of design as a blueprint and captures how strategy process is enacted by practitioners.

Type 3: Unbalanced strategy process

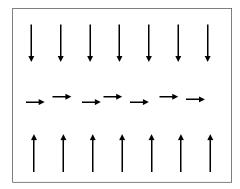


Figure 38 Type 3 strategy process

The intended strategy process in this type is formalized and intensive. The description of the process is illustrative and rich in content. The documentation of the process is carefully designed and it is presented at the official events related to the annual strategy process of the organization.

The experienced strategy process consists of various practices, which are mainly seen as tools for strategy implementation (Figure 38). Thus, the use of practices does not reflect any apparent intention for strategic renewal. On average, the practitioners have quite a few enabling experiences of practices, but the use of them is not especially coherent among the practitioners. That is, strongly shared practices-in-use tend not to exist. An example of this type of strategy process was found in organization B, an insurance company. There, coherence was noticed only in the use of informal discussions but not in other practices-in-use. However, the variety of practices-in-use was similar as in other organizations, but typically a single practitioner considered a single practice meaningful (Table 20).

This type of strategy process is like a tool with limited purposes of use, like a screwdriver. A screwdriver is usually considered suitable for screwing in general. Screws of different types need special screwdrivers, and, because of that, there is no coherent use of tools among practitioners. Instead, each practitioner has a particular kind of screwdriver of his own. With this strategy process, I get a feeling of two big pairs of shoes fitted onto tiny feet. The intended strategy process appears as oversized compared to the one experienced and leads to the label of *unbalanced strategy process*.

Table 20 Characteristics of an unbalanced strategy process

	Practices-in-use	
	Nature of practices	Typical practices
Few expressions of the logics of action for practices	Individualized & systemic practices	Meetings
Incoherent use of practices representing minority of the types of practices	Individualized & sto- chastic practices	Documents, Infor- mal discussions
The mode of strategy implementation in the logics of action	Established & recurrent practices	?
Organization has a formal description of the strategy process	Institutionalized & loosely coupled practices	Intranet

An unbalanced strategy process is, as in the planned strategy suggested by Mintzberg and Waters (1985), dominated by articulated intentions, here as formal strategy process. However, the type may reflect a similar problem that relates to separation between strategy formulation and implementation – the intention may remain unrealized. Explained according to the duality of structure and duality of strategy process, it may happen that, across time, the official strategy process becomes institutionalized and loses its connections with the human agent who gives meaning to it, while the process becomes an objective artifact in the intranet of the organization instead (cf. Orlikowski 1992).

Type 4: Weak strategy process

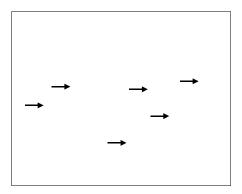


Figure 39 Type 4 strategy process

The intended strategy process in this type is eclectic. There is no formal description of the strategy process, although some diffuse documentation concerning the process (e.g., in the form of documentation of the outcomes) may exist. As to the practices-in-use, the experienced process relates to the mode of strategy implementation (Figure 39). On average, the practices are not experienced as especially enabling, and if any coherence exists, it appears only in some types of practices (Table 21). Examples of this type in this study were to be found in organizations A, E and G, representing both public and private sector organizations.

As tools, this type is hard to define. It could be any tool that can be used for a single purpose of use. The type can be illustrated with an example of nailing. Even though a typical tool for nailing is a hammer, also other tools (axe, tongs, screwdriver) can be used for this purpose. Depending on the situation and user, the tools vary.

The character of this type of strategy process has only a vague appearance and, therefore, I call this type a *weak strategy process*.

Table 21 Characteristics of a weak strategy process

	Practices-in-use			
	Nature of practices	Typical practices		
Few expressions of the logics of action for practices	Individualized & systemic practices	Meetings		
Incoherent use of practices representing minority of the types of practices	Individualized & sto- chastic practices	E-mail		
The mode of strategy implementation in the logics of action	Established & recur- rent practices	?		
Organization has no/an ultralight formal description of the strategy process	Institutionalized & loosely coupled practices	Informative meet- ings		

A weak strategy process could be an example of an unconnected strategy (Mintzberg & Waters 1985) or may even represent the absence of strategy (Inkpen & Choudhury 1995). A possible negative implication of this process may relate to the meaning of structures, or rather, the absence of them. As Weick (2001) illustrated in the Mann Gulch example, one reason for the failures of leadership may be the absence of structures. Thus the question: Does a weak strategy process, by the absence of a formal strategy process, reflect a structure that is by the agents experienced constraining strategic action? Or, a more optimistic interpretation would be that this type represents what Weick (2001) calls *design as bricolage*, meaning that individual leaders may use whatever resources and repertoire available to perform whatever task is faced. Strategy process consists of a unique combination of resources and beliefs, while there is no fixed procedure that a leader can follow (Weick 2001, 63).

5 Discussion

The purpose of this study was to explore the experiences of middle managers in strategy implementation and describe practices and strategy process in practice. The objectives were to gain an increased understanding of strategy process in practice and to describe strategy process in practice. The research questions were:

- 1. What is strategy process in practice like?
- 2. How do strategy processes differ in terms of official strategy processes and middle managers' logics of action for practices-in-use?

The answers are now summarized, followed by a discussion of the contribution of this study in the light of existing literature.

1. Instead of being a homogeneous entity, this study defines strategy process in practice as repertoire of practices. The practices-in-use enlighten strategy research about how strategy process appears in practice. The focus on practices and practitioners in this study adds to the discussion of strategy process in practice, emphasizing the relevance of the recent perspective in strategy research. A new perception of strategy research was provided by the focus on both agents and structure. The enabling experiences of middle managers for practices show what practices are considered meaningful in strategizing in the middle of the organization. The logics of action for the practices illuminate how middle managers use the practices for different purposes, reaching for either strategy implementation or strategic renewal. The nuances in the strategy process emerge in the *various* purposes that the middle managers have for *various* practices in their day-to-day activities in their organizations.

As such, the practices indicate certain structuring properties concerning rules and resources as well the aspects of time and space. Practices can be characterized as four types of arenas for strategic activities. The practices of the official strategy processes engage a minority in the whole repertoire of practices. The middle managers had most enabling experiences about individualized practices, which provide the strategy process with arenas for creating and sharing meanings, thus supporting the sensemaking of members of an organization. Instead, established and recurrent practices, often de-

fined as part of the official strategy process, provide the strategy process with continuity, binding with other systems and a legitimate outlet.

Four logics of action for practices were identified, namely Executing, Facilitating, Empowering and Reflecting. These logics of action create two modes for strategy process, the mode of strategy implementation (the logics of action of Executing and Facilitating) and the mode of strategic renewal (the logics of action of Empowering and Reflecting). The emergence of the mode of strategic renewal shows how middle managers in their activities seek strategic renewal, even in the context of strategy implementation. This finding illustrates how interdependent strategy implementation and strategic renewal may be in practice. While implementing an intended strategy, a middle manager may seek strategic renewal as well. It is a noteworthy finding for the discussion concerning strategy implementation and the question of the implementation of bad strategy (that is, whether the intended strategy should be implemented, even it were evaluated unfit in practice).

2. Strategy process in practice is considered to result from both the intended and experienced strategy process, the two of which most likely interact with each other. The experienced strategy process may be detected in the experiences of practitioners for practices-in-use. In addition, the indication of an intended strategy process reflects an institutionalized practice of the same process.

This study found four types of strategy processes in practice. The types differed in terms of the intended and the experienced strategy process. The intended processes differed in terms of formality of process. Concerning the experienced strategy process, differences were detected in the employment of modes (strategy implementation / strategic renewal), the variety of practices-in-use and the amount of enabling experiences for practices. The results of this study suggested that for strategic renewal to emerge, it is of significance how coherent the practices-in-use are and to what degree middle managers have enabling experiences of practices.

5.1 Contribution

"The field has been searching for a new paradigm for a long time", but "(...) there simply has been no agreement on a paradigm for the field of strategic management. Why? We argued it was because strategic management is fundamentally an interdisciplinary subject, a field of practice and application, whose perspectives will shift and whose research approaches will be incommensurable, rendering it unlikely that a single paradigm will ever govern the field" (Schendel 1994).

The notion of Schendel (1994) sounds reasonable; however, I would argue that the most fertile opportunities for future strategy research are provided by those studies that avoid the classical dichotomist logic (see, for example, Pozzebon 2004). Here, taking a structuration view, which provides a fresher view on a complex matter, is one possibility. As Pozzebon (2004) argued:

"[the] core contribution structurationist premises offer is the establishment of a kind of balance between structure and agency, micro and macro, environmental constraints and strategic choice, an equilibrium perhaps lost by important schools, such as institutionalism, throughout their historical development" (Pozzebon 2004).

By taking a non-dichotomist logic in this study, I was able to explore strategy process in practice, taking into account *both* the structure *and* agent. And, I would argue, the choice, as such, contributes to the strategy literature by being different from the classical view. An empirical study taking a structuration view thus contributes to strategy literature. In addition to this general contribution to strategic management research, the study contributes to several issues that are discussed next.

Strategic renewal from the middle

The study contributes to discussion about middle managers, adding to our understanding of their activities in strategy and their influence on strategic renewal (cf. Floyd & Wooldridge 2000). According to this study, middle managers can be considered active agents, practitioners who engage in strategic activities with various logics of action. The study shows how it is also middle managers "whose local social logics shape the strategic management process" (Clark 2004). The description of logics of action illustrates the variety of purposeful activities of middle managers in strategy implementation. It adds empirical support from eight organizations to existing knowledge about strategy implementation, noticing the complexity of such activity. Despite the problems and constraints noticed in previous literature and practice concerning strategy

implementation (Alexander 1991, Noble 1999), the finding of enabling features is encouraging, at least for practitioners.

Providing empirical evidence of how strategic renewal may arise in the activities of middle managers, by their use of practices, is a key contribution of this study. The emergence of the mode of strategic renewal in the context of strategy implementation enlightens us as to how strategic renewal may arise evolutionarily in practice (Burgelman 1983a, 1983b, 1983c, 1991, Lovas & Ghoshal 2000). Also, this finding highlights the challenge of separating the implementation and renewal of strategy from each other and rather suggests considering them as interdependent (Floyd & Wooldridge 2000).

The data in this study have illustrated how middle managers use practices in strategizing. A related question, yet not the focus of this study, is *why* they act differently. Earlier research has suggested that different actions or interpretations may relate to different strategy types (Martinsuo & Ikävalko 2003), or be due to different social positions that individuals take in strategy process (Mantere 2003). Individuals who generate new ideas for strategic renewal are likely to have access to strategically relevant information and are motivated to attend to, and bring together, divergent information with existing knowledge (Floyd & Wooldridge 2000). In addition, previous literature has noted the meaning of top managers in the process. Their role may influence the whole process and actions taken by other actors like middle managers. Previous literature provides examples of the significance of the role of top management in several contexts, such as in strategic conversations (Westley 1990), change (Quinn 1980) and in organizational renewal (Spender & Grinyer 1995).

Considering the emergence of strategic renewal in an organization's realized strategy process, two issues seemed significant according to this study.

Firstly, the range of coherent practices-in-use was related to the emergence of the mode of strategic renewal. According to the results, the mode of strategic renewal emerged in those organizations, in which coherence could be detected among the practices used by middle managers. The finding suggests that for strategic renewal to emerge, it is of significance how coherent the practices-in-use are.

Coherence, or consistency can be argued to have a central role in strategy. According to Araujo and Easton (1996), "some notion of consistency lies at the heart of most views in strategy". Normative schools provide a view in which consistency is the result of implementing a constant, rationally defined strategy. On the other hand, according to processual views, consistency may emerge even without well-articulated prior intentions and form a pattern in the stream of actions in an organization. Araujo and Easton (1996) raise two questions concerning consistency. "First, how can isolated events be said to coalesce and get locked into patterns from which observers can construct coherent stories, regardless of whether outcomes are associated with prior intentions or post-hoc rationalization? Second, who are the strategy story-tellers and what resources do they use in constructing their strategy discourses?"

This study provides one answer for the question of coherence. It suggests that middle managers are relevant strategic actors to tell a story of coherence in strategy. Through their experiences, coherence can be detected in practices-in-use and logics of action. As Araujo and Easton (1996) suggest, sources of consistency may be detected in, for example, cognitive and cultural practices. Consistency may derive from minds, texts or activities as well as from symbols, shared cognitive maps or sets of solutions or recipes of firms as collective agents.

The finding can also be discussed in light of propositions suggested by Whittington (2002). He proposed that "strategy praxis will work most smoothly – in the dual sense of being accepted as legitimate and of gaining the efficiencies of routine –when following practices that have either been established in the history of the particular organization or been endorsed by significant institutions (such as prestigious consulting firms) externally" (Whittington 2002).

My results argue that the existence of a formal, and thus legitimate, strategy process, may not be sufficient, as such, for strategizing. The discovery of the self-directed strategy process type illustrates how active strategy implementation and even strategic renewal may emerge without a formal process, whereas the detection of the unbalanced strategy process gives an impression that the formal strategy process does not necessarily guarantee a working strategy process in practice, if explored through the experiences of the practitioners themselves. Concerning the unbalanced strategy process, one could pose the question: Can a formal process be even too formal? The no-

tion of Whittington (2002) of the meaning of establishment of practices in the history of a particular organization may give additional reasoning for the findings. The history of an organization and its strategy process may relate to both unbalanced and self-directed strategy processes. Possible reasons could be that, in the case of the unbalanced strategy process, a rather long history with formal process and various legitimate practices may perhaps even restrain the initiatives for renewal. Possible explanation for the self-directed strategy process may be that due to a shared entrepreneurship among the middle managers there is not (yet?) any need for formal processes for renewal.

A further point of reference is suggested by Floyd and Wooldridge (2000) who argue that strategic renewal emerges through complex processes embedded in existing knowledge and social relationships. The emergence of divergent ideas relates to prior experience and organizational memory (e.g., Teece, Pisano & Shuen 1997) as people interpret issues in light of what they already know (Dutton, Fahey & Narayanan 1983). The ideas emerge from an individual's belief systems, which appeared also in the logics of action of middle managers. However, at some stage of strategic renewal, interaction and patterns of coordination "lead to development of procedural knowledge in the form of emergent organizational routines" (Floyd & Wooldridge 2000). And "to complete the cycle of strategic renewal, emergent routines must become part of the organization's repertoire of operating routines – its organizational capability base" (Floyd & Wooldridge 2000, 125). The finding of this study concerning the coherence of practices-in-use strengthens this argument by providing empirical support for it.

Secondly, the number of enabling experiences of practices related to the emergence of the mode of strategic renewal. In those organizations where strategic renewal emerged, the middle managers gave more meanings to practices. The finding argues that it is of significance, to what degree middle managers have enabling experiences of practices.

The finding relates to a notion that, if the practitioners are able to give meanings to the practices, it more likely initiates strategic renewal. Concerning top managers, the relevance of meanings attached to strategic issues (Dutton & Jackson 1987), obsessions (Noel 1989) or mental models (Barr, Stimpert & Huff 1992) for strategic action

and strategic renewal has been noted by previous literature. For a practice perspective, the finding gives empirical support for the proposition of Whittington (2002), that innovation or strategic renewal is more likely to appear if the practitioners are able to draw on diverse practices. As to the diversity, it is to be noticed that the variety of practices-in-use in those organizations where strategic renewal appeared was also greater.

In addition, support for the findings can be found in sensemaking literature (Weick 2001), according to which it can be argued that, if the strategy process of an organization provides its members with procedures for argumentation and interpretation, it supports the sensemaking of its members, which is required for strategizing. A variety of coherent practices-in-use may reflect an organization-specific schema that influences the sensemaking of individuals (see, for example, Harris 1994). Another argument is that if the practices are experienced meaningful it reflects the inclusion of middle managers in strategy process (cf. Westley 1990).

Strategy process as repertoire of practices

With this study, I seek to contribute to the questions raised by the practice perspective of strategy, emphasizing practitioners and practices in day-to-day strategizing (Whittington 2002). My study contributes to interests of strategy-as-practice by increasing our understanding of strategic practices *and* the activities of a group of practitioners middle managers who are able to make a difference to strategy process. The study illustrates a small part of the complexity of practice, diverse practices and the richness of various activities of practitioners. Although practices have been emphasized as one essential element of the practice perspective, conceptualizations or empirical studies concerning practices are still rare (some studies exist, see, for example, Jarzabkowski 2003, Langley 1989). Thus, a major contribution of my study is, not only in providing descriptions of practices-in-use, but also in providing a framework for discussing, defining and analyzing practices — not only formal practices (cf. Langley 1989) — but also the more informal practices that are used by practitioners.

The results illustrate that practices provide the strategy process with different kinds of structures. Holding to the structuring properties of rules (and resources) and the aspects of time and space, practices create different arenas for strategic action. The insti-

tutionalized, established nature of some of the practices, like the custom of planning and goal-setting or the mindset and framework tool provided by the Balanced Scorecard, gives them a dominant role in the official strategy process by providing an explicated terminology (cf. Oakes, Townley & Cooper 1998). I interpreted these practices as connecting primarily to the structure of legitimation as well as to domination, because they seem to be arenas where value standards and sectional interests are discussed, rights, obligations and sanctions are actualized, as well as command over objects, are generated and resources allocated (cf. Riley 1983). By illustrating the meaning of the formal practices of strategy process, the study takes the proposal of strategy-as-practice to start with "the formal work of strategic and organizational design" (Whittington 2003). As Whittington (2003), quoting the study of Merton (1957), emphasizes, the significance of the formal process of strategizing is that "it is not necessary that rain-dances produce rain for them to be important".

According to my results, the practices of the official strategy processes represent only a minority in the whole repertoire of practices. However dominant in the official strategy process, these practices (typically established and recurrent) were not the most-used among the middle managers. Although the official strategy process sets rules and norms of action, the actors themselves influence the process by a recursive process of enactment. The notion illustrates the influence of individual actors on institutionalized processes – a concern raised by institutional theory, yet considered unsatisfactorily understood from the micro perspective of strategy (Johnson, Melin & Whittington 2003).

If anything, for middle managers, strategy process is restructured by individualized practices. The practices, of which the middle managers had most enabling experiences, reflect mainly the structures of signification and domination. Among others, meetings and informal discussions as arenas where meanings are stimulated, created and shared, appear significant in the management of meaning (Smircich & Stubbart 1985) and in supporting sensemaking by members of an organization, and thus providing the strategy process with procedures for argumentation and interpretation (Weick 2001).

Therefore, there is a risk of a restricted view arising if strategy process is viewed only as described by the intended strategy process. A one-sided view would neglect the

individualized practices that provide the strategy process with arenas for sensemaking, an activity the legitimacy of which has been emphasized by recent research (Balogun 2003).

The study increases understanding of strategy process by illustrating that strategy process in practice is not merely what has been described as the official strategy process, but also a repertoire of practices experienced as enabling by practitioners. This finding evidently shows that, in practice, the meanings of practices are given by their users. These meanings are subjective in nature; hence the middle managers may use the practices for several purposes despite their institutionalized meaning. The intentions in the activities of the middle managers may vary from straightforward execution of the strategy to reflective activities concerning the strategy, which gives empirical evidence for the argument of Floyd and Wooldridge (2000) that divergent ideas will likely be accepted into the organization through the subjective belief systems of individuals. More generally, the study strengthens the arguments that in organizations there are multiple frames of reference and systems of meaning (McKinley & Scherer 2000, Drazin et al. 1999) and that it is valuable to study multiple voices in strategy process (Gioia & Chittipeddi 1991, Pettigrew 1992, Mantere 2003).

As to the repertoire of practices, I would argue that different kinds of arenas are needed for strategy process. Hence, established and recurrent practices are needed because of their continuity, binding with other systems and already legitimate conduits, which may "provide a channel for promoting interests and conveying concerns that might not otherwise have a legitimate outlet" (Dutton & Duncan 1987). However, if the more individualized arenas are also recognized meaningful for strategy process, then also the stochastic practices and freer arenas may contribute to strategy process. In particular, these arenas appeared the most usable for strategic renewal.

The findings of this study agree with the previous argument that strategizing is situated and thus bound to its context, e.g., strategy type, time (mature vs. new firm), type of organization (public vs. private, value-based) or cultural differences (see Wilson & Jarzabkowski 2004). Therefore, the types of strategy process are likely to relate to context-related issues and any strong conclusions relating to the organizations would be misleading.

This study contributes to the understanding of strategy process by adding a new element of the experienced strategy process (Figure 40). For a practice perspective, the experienced strategy process is a relevant view that also brings into strategy discussion those practitioners who may not be the ones whose intentions are described in the intended strategy process, but whose actions are nevertheless crucial in the realized strategy. Nevertheless, I argue that the intended and realized elements in strategy (cf. Mintzberg & Waters 1985) are still important to understanding strategy process in practice.

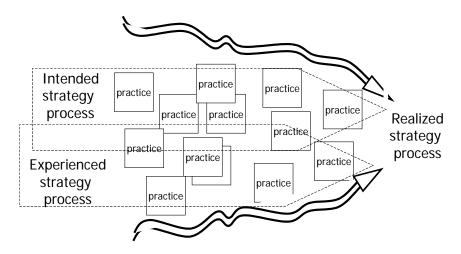


Figure 40 Strategy process in practice

A major concern of strategy-as-practice is the interaction between micro and macro level activities in strategy (Whittington, Johnson & Melin 2004, Jarzabkowski 2004). The interaction between individual cognition or action and organizational action represents one of the interesting interaction levels, which, in this study, have been represented by the intended and experienced strategy processes. The intended strategy process represents the organizational action level whereas the experienced strategy process characterizes the individual cognition and action.

The challenge of change and stability in strategy concerns all the levels. On one hand, to act effectively requires certain stability but on the other hand, organizations must adapt to the changes in e.g. their environment. This challenge is a major one for strategists as well. The dilemma can be discussed through the themes of *recursiveness* and *adaptation* (Jarzabkowski 2004).

Strategy as practice may be both recursive and adaptive. Recursiveness in practice appears due to the actors' need for ontological safety, routinized nature of interaction between agent and structure and, self-reinforcing, sedimented structures. Durability of practice appears in rules and resources that govern how to act. Recursiveness of practice is not necessarily a weakness, as routinized practice, through effectiveness or best practice may also relate to competitive advantage. Adaptation can be explained by the constant change in practice, arising from the interaction between micro- and macro-contexts. Tensions in practice foster learning and flexibility.

Jarzabkowski (2004) suggested that the characteristics of micro- and macro-contexts might be indicators of recursive or adaptive practice. The practice is rarely prescriptively adaptive or recursive, but more likely somewhere between.

This study contributes to the discussion by providing descriptions of strategy processes in practice. The different strategy process types suggest how recursive and adaptive characteristics at the intended and experienced level appear in strategy process in practice. The different levels interact with each other and create tensions of recursiveness and adaptation in the strategy process of an organization (Figure 41).

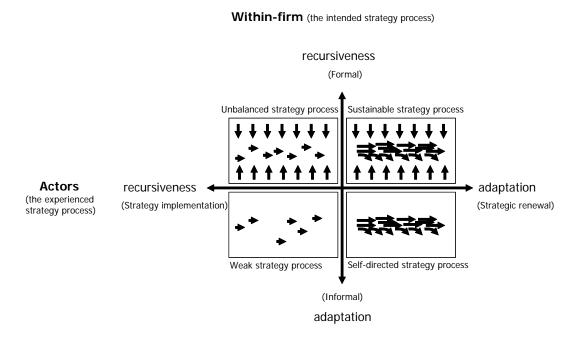


Figure 41 Recursiveness and adaptation in strategy processes in practice

At the level of the organization (*within-firm*, Figure 41), the question of recursiveness and adaptability relates to the formality of the intended strategy process. The informality (or absence) of the intended strategy process can be argued to reflect adaptability, leaving space for diversity. The formality of the intended strategy process may relate e.g. to strong operating routines, thus reproducing recursiveness.

At the level of actor cognition (*actors*, Figure 41), the logics of action of middle managers can be argued to reflect either recursiveness or adaptation. The mode of strategy implementation (the logics of action of Executing and Facilitating) is a sign of recursiveness while the mode of strategic renewal (the logics of action of Empowering and Reflecting) represents a more adaptive form of practice.

The identified tensions of recursiveness and adaptation evoke challenges for the practice of strategizing. This study does not describe the possible contradictions that may appear in organizations but leaves it for further research on strategy-as-practice.

5.2 Practical implications

Whittington (2004) argues that strategy-as-practice research should develop "a framework that can assist managers in terms of their personal development as strategists". For my part, I would argue that the dimensions that typify the practices as different kinds of arenas, as well as the identification of logics of action and modes of strategy process, contribute to this need.

In the introduction of this dissertation, I described how certain observations from practice stimulated me in this study. Research from the practice perspective hopefully stimulates practice, by, for example, easing the frustration and despair of the persons in the informative meeting.

For an individual (middle manager) this study provides primarily a framework to assist in reflecting upon and developing his own activities. Questions for reflection are, for example: What are my logics of action related to practices of our organization? Do my activities reach for strategy implementation or strategic renewal? How could I use the practices of our organization for diverse purposes? Are there practices that are not employed and could be withdrawn (e.g., to save resources for practices that are in use)? Would my logics of action be supported by some practices that are not supported by our organization?

For organizations, the study provides tools and concepts for *understanding* their strategy processes as interaction between agents and structure, practitioners and practices and intended and experienced strategy processes. I hope that the study gives them support in *evaluating* the current state and possibilities of their strategy processes for strategy implementation and strategic renewal. A further implication is to apply the findings of this study to *develop* their strategy process by creating new practices, supporting old practices that are not in-use or withdrawing resources from current but unused practices. For persons responsible for strategy process development or those who are in charge of organizing training for middle managers, the study may give ideas for their practice.

5.3 Evaluation of the study

Here, I will evaluate the study and its limitations primarily through criteria that are often used in evaluating the trustworthiness of qualitative research: credibility, transferability, dependability, and confirmability (Lincoln & Guba 1985). To increase the trustworthiness of research, the researcher can do several things concerning triangulation, field techniques, techniques of analysis, and the publicity of the research process (Tynjälä 1991).

To increase *credibility*, the researcher's task is to point out that the research is carried out in a way that results in findings that are considered plausible. Earlier, I have described how the studies were carried out in organizations and how the selection of strategic issues and sampling was done. In the process of defining strategy process in each organization and selecting the strategic issue, we deliberately tried to ensure that it was the planning group who defined what was strategic for their organization at the moment of the study. Hereby we wanted to avoid intervening too much in a process where we, as outsiders, could not have the same opportunities to evaluate the situation of the organization.

The time period when the study was carried out was an intensive period of time considering sensemaking with respect to the organizations and their strategies as well as strategy as an object of study. During the conduct of the studies in twelve organizations, their then situations and challenges to strategy were deeply discussed and constructed by our research group, including myself as a member of that group. Regular reflections on the interviews that had been carried out helped us to make sense of the complexity of the subject.

In addition to applying our minds to the task, we generated procedures to secure a consistent phase of data production. The semi-structured interview outline and shared rules of how to conduct the interviews, as well as the tape-recording of the interviews and listening to each other's interviews, assured that we carried out the data production as intended, keeping a neutral position and focusing on the understanding of the phenomenon. Yet, acknowledging the character of qualitative interviews (even if semi-structured) as an interaction between the interviewer and the interviewee, I took cognizance of the possible personal biases of the four researchers. Unquestionably we

all as persons performed differently in the interviews and, for example, formulated different additional questions to the interviewees. Nevertheless, the semi-structured interview outline and the lists employed assured that practices related to strategy and the activities of the interviewee were discussed during the interviews.

A valid question here is whether I would have changed the interview outline if I had had clearly defined research questions already. Although my research questions were not yet crystallized into the final wording, I would argue that my basic interest in strategy, at that time defined through concepts of participative methods (Ikävalko & Martinsuo 2000) and the role of middle managers (Ikävalko & Aaltonen 2001), were the same. Thus, I would argue that these interests produced relevant questions for the interviews.

A related issue is the retrospective approach to the interviews. On the one hand, I argue that a retrospective approach enlightens the *strategy* of the practices, reflecting sensemaking of the middle managers (cf. Weick 1995, see also Westley 1990); on the other, the ex post design, where I ask the middle managers to tell of their experiences of implementing the strategies of their organizations likely affected the way in which they expressed their thoughts and understanding.

One of the limitations of this study is the snapshot-like nature of the data, representing interpretations of the reality at one point of time. Previous literature has noted that interpretations vary as change unfolds (Isabella 1990), and it may be that, at another point in time, the interpretation of the enabling practices would have been different.

Transferability refers to the applicability of the findings elsewhere than in the original context. In terms of transferability, I find it necessary to reflect upon both the middle managers interviewed and the organizations studied. The randomness in the selection of interviewees assured that within the organizations or units in question, typical middle manager positions were selected for interviews. The transferability of logics of action and modes of strategy process might have been improved by conducting more interviews or, by using a member check (Lincoln & Guba 1985) to discuss my interpretations of the logics of action with the interviewees. However, qualitative research is about making interpretations and therefore the procedures of this study can be argued entitled. Also, one could argue that other logics of action, not detected in this

study, may exist as well. Indeed, it is reasonable to argue that other logics of action may exist as well. Nevertheless, the large amount of data is a counterargument, which supports the findings of this study.

While discussing the transferability among middle managers, one can also raise the question as to whether I would have had a different picture of strategy if I had studied other actors, like top managers or personnel. Most likely the answer is "yes"; and now it would be of great interest to broaden the view and to study the practices-in-use from the viewpoint of other actors. However, as the middle of an organization may well be critical in the strategy process (Floyd & Wooldridge 2000), I find it reasonable to have started the research with middle managers.

How about transferability concerning the organizations? Did they represent typical service organizations? At least all the basic types of service organizations were included (maintenance-interactive, task-interactive and personal-interactive) (Mills & Margulies 1980), which would argue for the typicality of the organizations. On the other hand, all the organizations were willing to participate in our study and to develop their strategy processes; this perhaps reflects a more development-oriented approach than typically, which can further be evaluated as a limitation of this study.

I would argue that the conceptual framework could also be applied in other contexts, including organizations not representing service organizations. This notion concerns especially the categorization of practices, as it was a theory-driven conceptualization. Concerning the logics of action, modes of strategy processes and types of strategy processes, it is eventually the reader's responsibility whether the contextual limitations limit the transferability (Lincoln & Guba 1985). Also, whether my report is readable, understandable and free of academic jargon (Patton 1990) is left to the reader to evaluate. The several comments on my texts, given by my supervisor and colleagues at various stages in the process, have no doubt improved the readability of the report.

Dependability implies replicability of the research process and the findings: Will an outsider who reads the report come to the same conclusions as the researcher? To meet the criterion of dependability I have tried to provide the reader with a deep and detailed description of the research process, with references to general field tech-

niques and techniques of analysis and to direct quotations from the interviews and descriptions of the situations. In addition, the documentation of data (tape-recording the interviews, collection of documents) is stored, so the study can be repeated. However, I acknowledge that it is nearly impossible to illustrate all the minor details and turns along the long and winding road of research.

Confirmability is an issue that concerns the neutrality of the research; the criterion, in quantitative research, is objectivity. Due to the subjectivity of much qualitative research, Lincoln and Guba (1985) suggest this criterion against which to judge the research data: "Are they or are they not confirmable?" I would argue that, at least to some extent, the process whereby the data was produced increases the confirmability of this study. The initial collective process of discussing the research interests, outlining interview questions and questionnaires, as well as the replication of the corresponding semi-structured interviews, despite the organization or interviewer in question, act as triangulation through multiple investigators (Patton 1990) and support the confirmability of the data.

Further, the results of the study can be evaluated by the categories of accuracy, generality and simplicity (Langley 1999, referring to Thorngate 1976 and Weick 1979). In terms of *accuracy*, one can evaluate the results in their relation or fit with data. Do the results stick closely to the original data? *Generality* refers to a concern of applicability of the theory to other kinds of situations. How can the findings of this study be applied elsewhere? *Simplicity*, as a final criterion, evaluates the amount of ingredients needed to make a mixture that explains the phenomenon studied. Is it kept simple or made complex?

Tradeoffs among the three categories can be detected in the phases of this study. The notions of compatibility, simplicity and generality conflicting with accuracy (Langley 1999) can be argued as relevant to this study, as well. Where high accuracy characterizes the data-driven analysis, high simplicity and generality are more related to the resulting framework of the study. As the research process proceeded to the analysis of organization-level differences in strategy processes in practice, I would argue that the accuracy increased as I went back to the data. The descriptions of the types of strategy processes got more complex and the generality in other contexts could be evaluated lower (Figure 42).

Data analysis process Logics of actions Practices Strategy process in practice: framework consisting of modes of strategy process & arenas for strategizing simplicity & generality accuracy Differences in and types of strategy processes in practice

Figure 42 Accuracy, simplicity and generality of the results of the study

5.4 Ideas for further research

The study leaves many open questions for future research: Why do certain practices dominate the strategy process? What is the role of consultants and management fads in the establishment of certain practices? How do new practices emerge in the day-to-day practice of organizations? What is the role of leadership or organizational culture in the process? Why do strategy processes differ?

As to the future of strategy research, I would argue that it will likely progress through new perspectives, such as strategy-as-practice in particular. Relevant issues for future research arise from the claim for studies noticing micro-level aspects in strategy. The strategy-as-practice perspective views practices and practitioners relevant issues for future strategy research. However, the literature taking this perspective is so far mainly dominated by general theorizing. Therefore, there is still need for *empirical research that merges micro- and macro-level activities in strategy*.

A constructivist perspective provided an opportunity to view both agents and structure in the same study. I find that, at least for my research questions, the perspective suited well. As one guideline for further research I would encourage more studies to follow the ideas suggested – especially those relating to the structuration view. A constructivist perspective could make available *more pluralist views on strategy*, and thus perhaps advance our understanding of it.

As one study can only focus on a limited amount of questions, further research is still needed, concerning the activities of middle managers and practices-in-use. Future research can continue with questions raised by the results of this study. Here, a natural suggestion concerns the *application and research concerning the types of practices, the logics of action and the strategy process types*. One question is: "How does the framework suggested by this study describe the practice of strategy in *other contexts*?" What is strategy process in practice like in, for example, the context of small-and medium-sized industrial enterprises? Further research could still focus on *middle managers*, whose role and activities are not yet sufficiently understood. Studies focusing on *competencies and learning* would probably throw light on the role of middle managers. What skills do they need in strategizing? What hinders their use of practices? And, how can organizations support their activities?

Ideas for future research also arise from the definitions and choices of the study; by focusing on certain issues, other relevant issues are always left outside the scope of a study. In this study, middle managers were in focus; however, the framework created in this study could also be used in studying strategy process in practice from the viewpoint of *top managers or personnel*. Further, I started to explore strategy process in practice by focusing on how the middle managers experience it enabling their activities. Another starting point could have been to start with their *experiences of problems* in strategy process. As this was not done in this study, it was left for further research.

Another suggestion is methodological. Future research could utilize the framework provided by this study in *a longitudinal research setting*. The snapshot-like data of this study was relevant for this study, but a deeper understanding about the dynamics of the strategy process would need further research with a different approach. As the agents use the practices for different kinds of purposes, one could study how the different modes of strategy process evolve through the process of time. In addition, research could focus on the question of change in practices and, further, in strategy process across time. A longitudinal setting could give more insight into how new practices emerge, and how the old ones are withdrawn.

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Appendices

Appendix 1. Interview outline

Appendix 2. Lists used in the interviews

Appendix 1 Interview outline

Future

1 How do you perceive the future of your organization⁵?

The strategy process

- 2. What do you understand by the term "strategy"? (What things do you associate with strategy?)
- 3. What do you understand by the term "strategy implementation"? (What things do you associate with strategy implementation?)
- 4. How do you participate in <u>your organization's strategy process</u>? (With references to strategy process diagrams)
- 5. How do you define your own role in strategy implementation?
- 6. How do you communicate strategies?
- 7. Are there problems associated with strategy implementation? (A list of general problems in strategy implementation, discussed with the interviewee.)
- 8. How do you perceive the ability of <u>your organization's personnel</u> to participate in the strategy process?

The strategic issue

- 9. What is the <u>strategic issue</u> in <u>your organization</u>, in your view?
- 10. What is the role of <u>the strategic issue</u> related to other strategic issues in <u>your organization</u>?
- 11. Why is the <u>strategic issue important for your organization</u>?
- 12. Are there unclear issues associated with <u>the strategic issue</u>? (If there are, could you elaborate them?)
- 13. Where and when have you become aware of the strategic issue?
- 14. In which other situations and with whom have you discussed the strategic issue?
- 15. How has the understanding of <u>the strategic issue</u> been supported in <u>your organization?</u>

⁵ The underlined words were replaced with contextual words for each organization

- 16. How do you know that your organization's personnel have adopted <u>the strategic issue</u>?
- 17. Which matters associated with <u>the strategic issue</u> have been the most difficult to explain to personnel?
- 18. What have you done to ensure that the members of the personnel have interpreted the strategic issue in a parallel manner?
- 19. What kind of competences is required from <u>your organization's</u> personnel for implementing <u>the strategic issue</u>?
- 20. In what way is the strategic issue present in your team's current objectives?
- 21. In what way is the strategic issue present in your team's day-to day work?
- 22. In what way should the strategic issue be present in your team's day-to-day work?
- 23. What have you done to promote the strategic issue in your organization? (List of general practices, discussed with the interviewee) What are the five best practices in your view?

About these five practices:

- 24. Why do they work well?
- 25. Who has participated in the use of these practices? (In what ways?)
- 26. What is the most central content that you have communicated to your team members concerning the strategic issue?
- 27. What sorts of goals have been set for your work? Who has set them? How is the strategic issue present in these goals?
- 28. How is the promotion of <u>the strategic issue</u> present in your work? Please provide an example
- 29. What motivates you to implement the strategic issue?
- 30. Do you feel that you have been given a sufficient opportunity to influence goals associated with <u>the strategic issue</u>? (If not: how would you have wanted to influence them?)
- 31. Do you believe that the strategic issue will be realized?
- 32. In your opinion, what is the single most important thing that should be done to implement the strategic issue in your organization?

Questions? Comments? Thank you!

Appendices

Appendix 2 Lists used in the interviews

List of practices for strategy implementation. In what way have you contributed to the promotion of <u>the strategic issue</u> in <u>your organization</u>?

Communication					
Meetings					
Informative meetings					
Letters and communications					
Notice boards					
Internal magazines					
Intranet					
Mailing lists (e-mail)					
Unofficial discussions					
With superiors					
With subordinates					
With co-workers					
Cultural phenomena					
Stories					
Symbols					
Slogans					
Personnel development					
Training					
Performance appraisal					
Induction training					
Personnel choices					
Rewarding					
Planning					
Budget monitoring and reporting					
Business plans					
Operational and performance objectives					
Balanced scorecard					
Operations/processes					
Projects					
Project management systems					
Quality systems					
Changes in organizational structure					
Networks and partnership					
Other?					

List of typical problems in strategy implementation. Assess the weight of these problems in strategy implementation in <u>your organization</u>.

	I don't know	Not a problem	A small prob- lem	A relatively big	A big problem
Feasibility of strategy					
Strategy is not applicable in every part of the organization	0	1	2	3	4
Different issues in the strategy are in conflict with each other	0	1	2	3	4
The organization's environment hinders strategy implementation	0	1	2	3	4
Awareness of strategy					
Strategy is being deliberately kept secret	0	1	2	3	4
It is assumed that strategy is already known	0	1	2	3	4
The communication of strategy has been insufficient	0	1	2	3	4
The communication of strategy at different organizational levels is not perceived as important	0	1	2	3	4
The flow of information is disrupted at some point	0	1	2	3	4
Strategy is not correctly understood	0	1	2	3	4
Organizational systems					
There are not enough resources for strategy implementation	0	1	2	3	4
Working procedures conflict with strategy	0	1	2	3	4
The organizational structure conflicts with strategy	0	1	2	3	4
The connection between strategy and rewarding systems is insufficient	0	1	2	3	4
Different personal roles have not been adequately defined	0	1	2	3	4
The concretization of strategy does not succeed	0	1	2	3	4
Commitment to strategy		·			
The management does not sufficiently commit itself to implementation	0	1	2	3	4
The middle management does not sufficiently commit itself to implementation	0	1	2	3	4
The personnel does not sufficiently commit itself to implementation	0	1	2	3	4
There is not enough faith for the realization of strategy	0	1	2	3	4
Strategy implementation conflicts with organizational culture	0	1	2	3	4
Strategy implementation conflicts with certain personal goals or interests	0	1	2	3	4
Other activities and events divert attention from strategy implementation	0	1	2	3	4
Monitoring and development of implementa- tion					
The implementation is not evaluated	0	1	2	3	4
After any change the old direction of activities is soon regained	0	1	2	3	4
There is no reaction to perceived problems in implementation	0	1	2	3	4