Towards a Practical Model of Strategy-as-Practice

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Abstract

Strategy-as-Practice is a young research field concentrating on how the strategists actually do strategy. Not being content with the more traditional views of strategy, the central tenet to the field is an understanding that the strength of micro activities of strategy – commonly known as strategy practices – is what separates performers from non-performers. This paper is an attempt towards building a model that details some of the mechanisms, through which supra-organizational institutionalized practices shape the micro activities and in turn, how the micro activities shape the strategy process. The main merit of the model is viewing these links in unison. The link from the supra-organizational practices is modelled through applying the concepts of routines, strategy methods, strategy concepts and behavioural norms and beliefs. The link from micro activities to the strategy process is built by modelling the main functions strategy practices perform within the strategy process.

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Keywords: Strategy-as-practice, strategy practices, strategy process
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1. Introduction

In his 1978 article “Patterns in Strategy Formation” (Mintzberg 1978) Henry Mintzberg advocates the view that there is somewhat more to strategy execution than just deliberate strategy. By defining strategy as “a pattern in a stream of decisions” Mintzberg stipulates that realized strategy is an interplay between “dynamic environment and bureaucratic momentum, with leadership mediating between the two.” Now, some 30 years later, research has turned its eye towards the details of this interplay looking at how managers actually “weave” this pattern of strategy. With that in mind they are now looking at strategy from the vantage point of social practices through which strategy is created and realized. This activity based view of strategy (Whittington, Johnson, Melin 2003), more commonly known as the field of strategy-as-practice (SAP), has arguably taken on the task of looking at the “how” of strategy to balance the well researched “what”, to an extent reviving the traditions established by Henry Mintzberg with the “Nature of Managerial Work” and the case based business policy courses of Harvard Business school of the seventies.

The central tenet to the practice perspective is the realization that the very resources and capabilities which underline corporate competitiveness, rely on how people actually engage in strategy discourse (Whittington, Johnson, Melin 2003; Floyd and Lane 2000). Serving as a simple example, Roos and Von Krogh stress in their case study of media firms that the outcome of the strategy process depends to a great extent on factors like “who talks to whom, why they talk, what they talk about, and when these conversations take place” (Roos and Von Krogh 1996 in Hendry and Seidl 2003).

The strategy-as-practice research field as such is rather young, with the first article naming the term published in 1996 (Whittington 1996, reiterated in Whittington 2002 and Whittington 2006), the field arguably having found firm ground with the publication of the January 2003 Special Issue of Journal of Management Studies. The field is now starting to turn mainstream with the first book published by Paula Jarzabkowski (Jarzabkowski 2005).

This paper aims to outline a tentative theoretical model which can be used to structure strategy practices of an organization in a meaningful manner, allowing an observer to make sense of the practices of an organization as a whole, a system. The model is based on a general theoretical framework introduced in a 2004 conference paper by Whittington, Johnson and Melin (Whittington, Johnson, Melin 2004), where they outline a contextual model of strategy practices. Relying on this general framework, the model details the principles for structuring strategy practices in the context of supra-organizational institutionalized practices and organizational level processes. In order to detail the link with the supra-organizational level, the model...
details what is to be considered as a practice labelled as the four components of practice. The link to the organizational level is formulated on the basis of the functions which strategy practices perform in the course of the strategy process.

The model is based on research performed in four Estonian companies, where research data were gathered in the course of 53 interviews. As such, the authors consider the model tentative in nature and acknowledge its limitations in the light of the small research sample. Also further work is needed in order to elaborate and develop the theoretical foundations of the model.

2. Overview of SAP Research Field and Definition of Research Focus

As noted in most of the recent strategy textbooks (e.g. Strategy Safari by Henry Mintzberg), there are ten main schools of strategic thought. Half of them are more normative in nature and deal with the “how-to” of strategy (the design, planning, positioning, learning and the configuration school), the other half being more descriptive (the entrepreneurial, cognitive, cultural, environmental and the power school). Arguably the study of strategy-as-practice could be added to this group of strategy schools as a number eleven, but unlike most of the established strategy schools, the strategy-as-practice field does not deal with strategy content or strategy process at the organizational level. Rather, it permeates to what is above and below that – it studies the social life of strategy at the micro and the supra-organizational level (Whittington, Johnson, Melin 2004). The three levels of strategy, as elaborated by Whittington, Johnson and Melin, are displayed on Figure 1.

*Figure 1. The Three Levels of Strategy*

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*The Supra-organizational Level*

The central tenet of the supra-organizational view of strategy-as-practice is the understanding that each organization operates within a culture, as host of discourses, which influences how any firm goes around organizing its strategy process (Seidl 2003). It is generally accepted that the practices within each organization are influenced by the

![Figure 1. The Three Levels of Strategy](source: Whittington, Johnson, Melin 2004.)
national, industry and professional cultures, gurus, business schools, etc., determining the kinds of practices considered legitimate (De La Ville 2003).

In addition to its influence on common or accepted strategy tools, the supra-organizational level also includes the main strategy paradigms that shape the thinking or understanding of the makeup of the business (De La Ville 2003; Seidl 2003). For example, businesses that are familiar only with the design-planning-analytical school of thought are likely to behave differently from companies that are also familiar with the learning school of thought. The influential work by Hamel and Prahalad on core competencies (Hamel and Prahalad 1990) is a good example. Essentially the concept has enabled managers to visualize the firm as a bundle of a few core competencies and additional periphery competencies attached to them – very much like an atom with its core and electrons – as opposed to understanding a business only as a position or a value chain. Consequently it has led many successful businesses to the development of new strategy routines with the intention of nurturing the capabilities that make up the core of the business.

To summarize and generalize, the strategy-as-practice research on the supra-organizational level is directed towards understanding the nature of the forces outside organizational boundaries, which shape the strategy content and strategy process.

**The Organizational Level**

At the organizational level, the intention of research has been towards creating models or tools for strategy content and strategy process. Most of the “prescriptive” preaching of the majority of strategy schools belongs to this group. Perhaps of most fame, on the content side there are the 5F Model and the generic strategies by Michael Porter (Porter 1980, Porter 1996) and on the process side there is the general strategy model of the design school and the detailed process logic common to the planning school. To these we can add the models of the learning school where the boundaries between direction setting and execution are less absolute compared to the other two. A generalization of strategy process stereotypes has been introduced by Stuart Hart in his 1992 AMR article (Hart 1992).

**The Micro Level**

Research into the micro level of strategizing is driven by the conviction that success in strategizing is very much dependent on how well the small, nitty-gritty details of the process are actually executed. According to Whittington et al. there are two main categories to consider at the micro level, the process and the content approach (Whittington, Johnson, Melin 2004). The process approach deals with the makeup of single strategy episodes (strategy away-days, meetings, workshops, etc.) and the content approach deals with how strategy episodes and other practices have been intertwined into a pattern that suits certain strategy content. The following sections will first look at the former and then the latter.

Managing a strategy process is always a demanding feat, even an emotionally perilous and difficult one. In conducting specific strategy episodes, managers and consultants rely on their experience of “how to make things work” and their well trained common sense. They combine their social skills and their professional knowledge of strategy tools to produce results. The episode based approach dealing with single events of a strategy process is receiving quite a bit of attention in strategy-as-practice research.
Specific attention has been paid for example to strategy away-days, the use of consultants and the work of strategy-making teams (Whittington, Johnson, Melin 2004).

The content side of the micro level research deals with studying specific organizational dynamic capabilities, which suit certain strategies. By definition dynamic capabilities are organizational routines by which firms achieve new resource configurations (Teece et al. 1997). By nature they have at the same time both firm specific and common features. They are unique to a specific organization, but can be and usually are to an extent equifinal (Eisenhardt, Martin 2000). Meaning that although the specific dynamic capabilities of firms are different, they can yield a similar end result in economic terms. Dynamic capabilities have been rather well studied in the areas of strategic alliances, product development and strategic decision-making (Eisenhardt, Martin 2000).

**Research Focus and Research Design**

**Research Focus**
The paper aims to build a practical taxonomy for structuring the micro activities in the context of both the supra-organizational institutionalized practices and the strategy process at the organizational level. Visually speaking it concentrates on the vertical links V1 and V2 on Figure 1, link V1 representing the influence of institutionalized supra-organizational practices and the second V2 link is representing the influence of organizational practices on the outcome of the strategy process.

The merit of viewing strategy practices of an organization in the context of both the supra-organizational and the organizational context lies in the fact that one would be hard pressed to observe meaningful structure through the perspective of only one of the links. Although the supra-organizational view allows one to observe the different sources and types of practices, e.g. methods and concepts, it fails to describe the functions these practices perform within the strategy process the way the V2 link does. Viewing these links together will help to structure the practices in a meaningful manner. It should be noted though that the model ignores the third, content link illustrated in the general model.

The V1 link is detailed in the next section in the shape of the four components of strategy-as-practice: strategy routines, strategy process concepts, strategy tools and behavioural norms. These four components represent the mechanisms through which supra-organizational discourse shapes that within the organization. The V2 link is represented in the form of the seven generic functions of strategy practices. The seven functions concentrate on how sense-making takes place as part of the strategy discourse, how ideas are born as a result of sense-making, how the formal strategy is designed, how the general strategic direction is communicated, how strategic decisions are made, how the means and the right course of implementation are agreed upon and finally, how execution is controlled and adjustments made to the strategy. Collectively these seven functions make up the strategy process of the organization and are designed to structure the mechanisms through which strategy practices influence the strategy process. The interrelation of the four components and the seven functions are displayed on Figure 2.
Research Method
The research was performed in four companies: AS Eesti Post, the Estonian postal service company with 4200 employees, an oil-shale refinery and chemical plant VKG Grupp AS with approximately 1000 employees, AS Lasnamäe Tervisekeskus, a hospital with 450 employees and in a factory with approximately 200 employees and 30 staff, which wished to remain anonymous.

By design the research methodology was of an inductive nature relying on very general theoretical grounds. Our main intention was to observe how organizational members perceive the activities through which they create and execute strategy. Interview design relied on the four functions of strategy practices used by Paula Jarzabkowski in one of her well known studies of practices in a UK university (Jarzabkowski 2002), the taxonomy of sense-making and sense-giving used by Gioia and Chittipeddi (Gioia and Chittipeddi 1991) and 10 managerial roles outlined by Floyd and Lane (Floyd and Lane 2000).

The interviews were made up of two sections: the first concentrating on strategy process and the other on managerial roles. Both sections incorporated between 12 and 17 questions, the variation being the result of having separate questionnaires for top, middle and operative management. While the questions relating to the managerial roles were uniform for all four companies, the strategy process questions incorporated both uniform and organization specific questions.

The general structure of the process questions was built according to the logic used also by Paula Jarzabkowski in her six-year study of the Aston Business School (Jarzabkowski 2002) elaborated in section four of this paper. After a short introduction, the business end of the interview started off with the question about how the interviewee would structure the main strategic issues of the organization. The rest of the
questions were directed towards issues about where and how the main strategic issues are initiated and discussed within the company, how the main points of the strategy are communicated downwards and how the follow-up of execution is organized. The organization specific set of process questions were direct questions about practices identified in a preparatory interview with one or two top managers. The interviewees were asked to describe the practices as they perceived them and were also asked to point out both the more positive and negative aspects of these practices. Before asking the practice specific questions the interviewees were also confronted with a more general question about whether she or he felt uneasy about some of the practices of strategy creation, communication and follow-up used in the company.

The 12-17 question set about managerial roles inquired the interviewees directly about how they performed certain tasks related to their level of management. The set of 10 managerial roles were adopted directly from the Floyd and Lane 2000 AMR article (Floyd and Lane 2000), where the authors infused a myriad of previous literature into a simple taxonomy. In their model Floyd and Lane assigned top and operational management a set of three roles and the middle management were given four. Our questionnaire addressed each of the roles with approximately three questions, which were developed on the basis of the original literature used by Floyd and Lane in constructing their model. Each interviewee was also inquired about some roles above and/or below their managerial level as in reality there is no “pure” top-, middle- or operational level of management.

The interviews were coded by using free software “Compass” available at www.compasss.org. The first interviews were assigned a simple coding according to the three theoretical frameworks discussed above. The detail of coding increased every time a collective analysis of interviews was performed after work at each of the companies came to a conclusion. Consequently, the 37 interviews performed in the first three companies were recoded after the team had reached at the final model upon finishing the analysis of the interviews of the fourth company.

The limitations of this research are related to the relatively small sample of 53 interviews and especially the small number of companies involved. The team also acknowledges that the research methods involved are of rather crude and tentative nature as no secondary coding of interviews was performed.

As a result of the interviews and the preceding analysis our team was able to discern a distinctive pattern to strategy practices common to the four companies. The pattern is laid out in the following sections in the form of the four components and the seven functions of strategy practices.

3. The Four Components of Strategy-as-Practice

*Strategy Routines*

The main determinant of what kind of a „creature” a strategy becomes – how cunning a ploy it is, how well it is understood within the organization and how well are the adjustments made, etc. – depends to a large extent on who talks to whom, in what format the interaction takes place and finally, how often and when does it all happen. An illustrative example of this view was encountered in one of the interviews:

“...putting together [a strategy] is like solving a large multi variable equation/.../ only one has to do it with words, talking to a lot of people.”
A useful framework for understanding strategy practices as routine actions can be found in the doctoral thesis of Heini Ikävalko (Ikävalko 2005), where she divides routine actions into four classes on the basis of whether the main rules of the practice are implicit or explicit and whether the time-space of the practice is loose or fixed as depicted on Figure 3.¹

In a sense, routine actions form the main structure of the “collective brain” of an organization. According to our subjective observations, the „brain” of a medium Estonian company would be made up of mainly individualized and stochastic practices, meaning it would be „fluid” in nature, communication looking much like Brown movement. That just might be appropriate in most of the cases, because such practices can often be considered enough for a small company to be successful. In medium-sized and larger companies, all four types of strategy routines should be manifest in order for the „brain” to make sense of the situation and make high quality decisions. In our study we observed that the combination of established and recurrent practices together with individualized and stochastic practices make a powerful combination in creating a high quality strategy discourse. This is mainly linked to the fact that discourse participants need 1-on-1 interaction (individualized and stochastic practices) to make sense of things and gather information, on the one hand, and structured strategy meetings (established and recurrent), on the other, in order to structure the information and make a collective commitment.

Figure 3. The Time-space and Rule Based Categorization of Strategy Routines

¹ In this particular section the terms practice and routine are used interchangeably since in her dissertation Ikävalko views practices as routines leaving aside the wider context of conceptual frameworks, behavioral norms and methodologies which we view as separate components of practices.
At this point there is a good possibility to get confused about how stochastic 1-on-1 communication and emails can be called routine actions. The logic behind doing so is rooted in the fact that even if such communication is stochastic by nature, the interviewees reflected of being able to determine a pattern – a generalized logic – to them, if you will. In the interviews this logic can be seen through such remarks as

“I usually give my team members about a week to comment on the final version of the action plan” or

“a lot of the time I discuss new ideas with management members on the way to work, since we use the same company bus.”

**Strategy Process Concepts**

In each and every organization, there is some understanding about how a strategy should be drawn up and executed. In the simplest of cases, a manager might not call it strategy-making at all and might not even acknowledge the taxonomy of strategy and tactics, but nonetheless, there is some conceptual understanding about how “important” decisions should be made and how execution should be followed up.

As a general observation, in line with the contingency approach (Donaldson 2001), we believe that the complexity of the strategy concepts serving as beacons in the strategy process grows in line with the complexity of an organization. The more complex examples from recent literature include the concept of core competences (Hamel and Prahalad 1990) and co-evolution (Eisenhardt and Galunic 2000). Somewhat more “classic” and simple examples would include the main concepts behind the design and planning school of strategy.

According to our understanding, the strategy process concepts shape two main facets of strategy practices. First, they serve as an underlying model to building and understanding strategy routines, which shape the backbone of a strategy process. A good example of a rather complex strategy process concept in this respect is the concept of co-evolution, where organizational routines are conceptualized as “shifting webs among evolving businesses”. A less fancy example from our own study would concern strategic planning, whereas in one of the companies budgeting and planning was regarded as a bottom up process and in another it was seen as a top down process, leaving middle management the task of “filling in the details”.

The second facet of strategy concepts is their use in the form of simplified rules that direct strategy content through their use in specific strategy episodes. For example, in the already familiar case of co-evolution one of the main rules used for strategy-making is to let the businesses within a conglomerate decide for themselves who they co-operate within the group with, instead of telling them so from the top. A less fancy example from our own study concerns again strategic planning, where in one of the companies simple rules in the vein of “we kill a product, if the margins fall below 20%”, were used.

**Strategy Tools**

Strategy tools are used to guide cognition in a specific way as concerns the object of analysis a tool is designed for. The most commonly used strategy tools are from the design and planning school of thought including portfolio models, the Porter Five Forces Model, budgeting, the SWOT analysis, KSF (key success factors), etc. Less known and less used are the strategy tools from the cognitive and learning school, which concentrate on how to improve the perception of the issues through narratives,
metaphors or through building 3D objects, drawings, photographs, treefuls of bubble diagrams, etc (for examples, see www.strada.fi and www.imagilab.org)

Strategy tools are the most visible part of strategy practices, since unlike informal discussions in the smoking room or „stochastic” e-mails, they have „labels” on them. In our study we paid a significant part of our attention to how the methods were used. Starting with questions about whether they were found to be useful and finishing off with issues about whether the routines and episodes they are utilized in fit with the intentions of the methodology, the rate of change in the company and the level of common ground shared between the participants. To rephrase in the context of our general model, we were looking at how the legitimized supra-organizational practices were engaged in the micro activities and were shaping the strategy process.

For example, in one of the companies 25 people attended the discussion about the vision, the mission, SWOT and the main strategic goals. Contrary to our expectations, the practice was considered as useful and worthwhile by the participants. At the same time, discussions about the very same issues in a slightly smaller group of approximately 15-20 people in another company were considered nearly useless. The main dividing line between the two was the rate of change, which drives the complexity of the issues, and the fact that in the second company the bulk of attendees were relative newcomers to the business.

The main strategy tools used by the companies in the survey belonged to the design school, including the mission, the vision, key success factors and the balanced scorecard, the last one of which has elements of design, planning and the learning school. The planning school was represented also through an extensive use of strategic planning.

**Behavioural Norms and Beliefs**

The strategy routines are made up of single strategy episodes (Hendry and Seidl 2003), the place where the actual strategy praxis takes place. While the strategy process concepts the organizational members hold true influence both the more formal strategy process and also provide a general pattern for the less formal and more stochastic practices, there also exists another, behind-the-scenes actor at the episode level, which influences the outcome of a strategy process. This factor can be construed as the general way of behaviour and action met with approval within the organization, represented by the taxonomy of behavioural norms and general beliefs.

Behavioural norms and beliefs are about „how we do things around here” or “what is the right way of doing things”. Many norms and beliefs are of little consequence to strategy, but some can be beneficial and others again quite detrimental to the process. A good example of an influential behavioural norm is one related to how people are expected to prepare for strategy meetings, whether they open the meeting materials for the first time when they arrive at the meeting or whether they are motivated to work them through before the meeting, maybe even discuss them beforehand.

An example of an overarching belief influencing the strategy process relates to how detailed should the basis for strategic decisions be, or how fast they should be made. In this respect the companies in our survey were again quite different, some of them making decisions hastily and on the basis of skimpy data, others taking a more detailed approach arching over a longer time period.
4. The Seven Functions of Strategy-as-Practice

Structuring the Functions of Strategy-as-Practice
In her 2002 article Paula Jarzabkowski (Jarzabkowski 2002) used a four-fold categorization of strategy practice functions to study practices in a university. The four functions read as follows:

a) Direction setting establishing organizational goals and strategic actions.

b) Resource allocation to support the implementation of strategic action.

c) Monitoring and control which monitors performance towards goals and reinforces desired behaviour.

d) Interaction involving regular personal contact between top management and other organizational members, to increase participation in organizational goals through negotiation, communication and persuasion.

The multitude of facets to strategy practices encountered in our 53 interviews went on to suggest that a more detailed classification of strategy practice functions is feasible and desirable in order to lend appropriate structure to the mechanisms through which micro activities influence the outcome of a strategy process (the V2 link in Figure 1). In order to make a more concise model, we first relied upon the work of Gioia and Chittipedi, who describe strategy making as a process of sense-making and sense-giving (Gioia and Chittipedi 1991). Drawing on these general concepts and our own research, our team made an effort to categorize typical generic activities within the strategy process, the performance of which can be construed as the main functions of strategy practices. In all, we were able to distinguish between seven such categories.

The first generic activity, forming the basis for the rest of the strategy process, is the process of making sense of the organization and its environment. This is where strategic thinking begins as this is the component without which no logical action can be derived, be it perfectly rational or rational only in a bounded manner. All the other generic activities related to direction setting depend on this.

The process of sense-making has two main outputs, one structured and the other of a more ad-hoc nature. The more structured output of sense-making is the classical formal designed strategy; ideas and initiatives are more ad-hoc in nature. At first it may seem odd to separate sense-making from generating ideas and designing a strategy, as making sense is an integral part of both. Nevertheless, while working with the companies we observed that some of the practices are directed purely at sense-making while others, still incorporating sense-making, are more directed to generating ideas or designing a coherent strategy.

Sense-making can take place at all levels of the organization, but unlike others, on the basis of that, the top management has the power to communicate a coherent strategic direction, which the rest of the organization can hold as a beacon in their “own” process of sense-making. Top management efforts related to communicating a strategic direction make up the fourth category of generic activities in our model. In the framework of Gioia and Chittipedi’s sense-making and sense-giving, these actions can be considered as top management sense-giving efforts.

While ideas and strategy design are about the “what” of the strategy, there usually is some agreement in any organization about the “how”. Meaning that there can be and usually are practices within the organization which allow the members to exchange information for the purpose of agreeing on how to implement the strategy or
the ideas. In our framework, the practices aimed at building a coherent understanding about implementation form the fifth generic category of practices.

While the outputs of sense-making are new ideas and/or a structured strategy, the actual pattern of strategy manifests through the process of decision-making (Mintzberg 1978, Mintzberg 1987). Meaning that whichever practices are used for sense-making, generating new ideas or designing a strategy, it all comes together in how strategic decisions are made at all levels of management. It is important to keep in mind that decisions influencing the outcome of the strategy are made both before and during the strategy implementation, the top management having a larger role in performing the former and the middle management in performing the latter.

The last and seventh category of generic activities is made up of practices that are aimed at control: keeping track of results and making adjustments to strategy. This is the feedback loop to strategy.

**The Generic Activities and the “Style” of Strategy-making**

Not all organizations engage in each and every one of the seven generic sets of strategy practices. And when they do, their way or “style” for performing them varies greatly, as the strategy process of any organization is always unique. In order to link our model with strategy process literature, we will use the work of Stuart Hart, who in his 1992 AMR article (Hart 1992) structured prior strategy process literature into a general model of five strategic modes.

The work of Stuart Hart refers to five different modes of strategy-making construed on the basis of prior influential strategy literature, incorporating the majority of the more influential concepts. In his article Hart shows that strategy can be made in a set of five different generic manners: a) by a single leader, b) led by a vision, c) structure and planning, d) the processes that encourage mutual adjustment and e) generating organizational initiative. As punctuated by Stuart Hart himself and as observed by our team in an anecdotal manner, many companies combine several or even all of these modes in crafting and executing strategy. In the most extreme case, one of the companies in the study had successfully combined a strong top down strategy with bottom up initiative, with top management and even the owners making the most important strategic decisions, leaving at the same time room for initiative from below in certain areas where such tight control was not needed. Excerpted from the article, the Hart strategy modes are shortly summarized in Table 1.

<table>
<thead>
<tr>
<th>Style</th>
<th>Command</th>
<th>Symbolic</th>
<th>Rational</th>
<th>Transactive</th>
<th>Generative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style</td>
<td>(Imperial) Strategy driven by leader or small top team</td>
<td>(Cultural) Strategy driven by mission and vision of the future</td>
<td>(Analytical) Strategy driven by formal structure and planning systems</td>
<td>(Procedural) Strategy driven internal processes and mutual adjustment</td>
<td>(Organic) Strategy driven by organisational actors’ initiative</td>
</tr>
<tr>
<td>Role of top management</td>
<td>(Commander) Provide direction</td>
<td>(Coach) Motivate and inspire</td>
<td>(Boss) Evaluate and control</td>
<td>(Facilitator) Empower and enable</td>
<td>(Sponsor) Endorse and support</td>
</tr>
<tr>
<td>Role of org. members</td>
<td>(Soldier) Obey orders</td>
<td>(Player) Respond to challenge</td>
<td>(Subordinate) Follow the system</td>
<td>(Participant) Learn and improve</td>
<td>(Entrepreneur) Experiment and take risks</td>
</tr>
</tbody>
</table>
The relationship between the seven generic activities and the frameworks used or introduced by Jarzabkowski, Hart and Gioia and Chittipedi are illustrated in Table 2.

**Table 2. The Relation of the Seven Generic Activities to Other Classifications by Hart, Jarzabkowski and Gioia, Chittipedi**

<table>
<thead>
<tr>
<th>The seven generic activities</th>
<th>Jarzabkowski</th>
<th>Gioia and Chittipedi</th>
<th>Hart modes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding the organization and the environment</td>
<td>Direction setting</td>
<td>Sense-making</td>
<td>Rational, transactive, generative, command, symbolic, generative, command, symbolic.</td>
</tr>
<tr>
<td>Generating new ideas and initiatives</td>
<td>Direction setting</td>
<td>Sense-making</td>
<td>Rational, transactive, generative, command, symbolic, generative, command, symbolic.</td>
</tr>
<tr>
<td>Designing a formal strategy</td>
<td>Direction setting</td>
<td>Sense-making</td>
<td>Command, Symbolic, Rational, Transactive</td>
</tr>
<tr>
<td>Communicating a strategic direction</td>
<td>Direction setting</td>
<td>Sense-giving</td>
<td>Symbolic, Rational, Transactive</td>
</tr>
<tr>
<td>Making strategic decisions at any level of management</td>
<td>Direction setting, resource dissemination</td>
<td>Sense-making</td>
<td>Rational, Transactive, Generative, Symbolic, Command</td>
</tr>
<tr>
<td>Agreeing about means of implementation</td>
<td>Direction setting, resource allocation</td>
<td>Sense-making and sense-giving</td>
<td>Transactive, Rational, Symbolic</td>
</tr>
<tr>
<td>Control and adjustment</td>
<td>Control</td>
<td></td>
<td>Rational, Command, Transactive</td>
</tr>
</tbody>
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A Further Description and Anecdotal Evidence of the Seven Generic Types of Strategy Practices

Making Sense of the Organization and the Environment

The most commonly known tool used for a structured exercise of making sense of the company and the environment, is the SWOT analysis. But as one might imagine, most of the sense-making activities are not very structured and analytical due to the bounded rationality of the individual. In the companies studied by our team, most of the sense-making takes place through informal discussion, which is used for gathering information and constructing mental models for interpreting the information. Other means include outside contacts (conferences, newspapers, commissioned surveys, even dining, etc.) and formal meetings. Formalized methods like SWOT are used, but play a very small role, if any role at all.

In two of the four firms studied, sense-making was a very top heavy activity, whereas in the other two, middle management was very much engaged in gathering information that can be considered strategic in nature. Generally the differences could be attributed to the specifics of the organizational structure and the rate of change. The specific reasons were indistinguishable due to the small research sample.

According to our observations, the generic activities aimed at making sense of the organization and the environment can fall into all five strategy process categories introduced by Stuart Hart: command, rational, symbolic, transactive and generative.

In the case of the command mode, the process of sense-making is concentrated solely at the top of the organization, where the leader or a small leading team does all the thinking and planning, and all that is communicated downwards are direct and specific orders. In rational mode of strategic management the practices are related to using analytical models for performing internal and external analysis.

In symbolic and generative terms, sense-making is more of an emergent process where organizational members use different perspectives to make sense of the
organization and its environment. In the case of the symbolic mode, this perspective is
given in a top-down manner of metaphors or other mental models, in the generative
mode the choice of mental models and perspectives is left to the organizational
members themselves. Both of these modes are often backed up by the transactive mode,
where organizational routines are introduced to encourage learning through
communication.

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<th>Command</th>
<th>Rational</th>
<th>Symbolic</th>
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</thead>
<tbody>
<tr>
<td>Sense-making at the top, communicated below in the form of direct orders</td>
<td>Sense-making relies on formal analysis</td>
<td>Sense-making through the perspective of mental models introduced by top management</td>
<td>Sense-making is performed through information exchange in the form of written and verbal communication, formal and informal.</td>
<td>Sense-making directed by the individual choice of perspective.</td>
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**Generating New Ideas and Initiatives**

A firm operating in a slowly changing environment and with little push for development
from the management and the owners, can have a very clear-cut strategy with strategic
goals and the main means of execution staying rather constant over time (Donaldson 2001). For example, one of the companies in our study operates within the constraints of a seven year budget, the fulfilment of which is the sole expectation of its owners. They are now running the third year of the plan and are nicely ahead of their game. Since they also operate in a rather mature industry, they have had very few surprises and therefore rely little on new ideas for developing their strategy.

At the other end of the extreme, some companies, including one in our study, operate in an everlasting state of flux, always evolving at a fast pace. As it can be expected and as our interview data confirmed for that particular organization, such companies are ever so open to new ideas and initiatives from all levels of management.

While studying the companies, our attention was mainly directed to what managers at different levels perceive to be the main impediments to proposing new ideas and pushing them through. For example, in the case of middle managers this included questions about what they saw as the main impediments to new ideas coming from the operative managers and what they saw as the main impediments in pushing the ideas through to the top. Such hurdles ranged from language barriers to non-constructive practices for discussing the possible implementation of the ideas.

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<tr>
<td>Practices are geared towards the generation of new ideas only within the top management team</td>
<td>Ideas and initiatives are created as part of an analytical process</td>
<td>Ideas and initiatives are driven by the ideological direction.</td>
<td>Ideas and initiatives are the result of dialogue and discussion</td>
<td>Ideas and initiative sprout as a result of entrepreneurial spirit within the organization</td>
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**Designing a Formal Strategy**

To paraphrase Michael Porter, any strategic decision should be made on the basis of the strategic position the firm intends to keep or achieve. Whether made only by the top
level of management or also at the middle and operative level, these decisions are always based on some understanding about the strategy of the firm, leaning towards being either more tacit or explicit in nature. This part of our model looks at one single aspect of strategy-making: does the top management have a clear strategy, is it tacit or explicit and through which type of practices is the strategy created.

The kinds of practices a top management team should use for establishing a strategic position and the main means for achieving that position can vary a great deal depending on specifics of the industry, the organization and the level of competence present in the management team. Our attention was mainly turned to the routines through which strategy is designed and to establishing to what extent the management teams use classical design school methods, how they use them and whether they perceive them as a worthwhile exercise or not. In case there were no practices used, we worked to establish whether that was justified and if not, we went on to discover the main reasons why no practices had been adopted.

For example, in one case we were able to observe that whilst a top management team had an explicit vision for a five year span, it lacked an understanding about the main means for achieving it. As it turned out, the main impediment behind this was the unwillingness on the owners’ behalf to commit to any numbers concerning future investment therefore alienating the management from thinking in concrete terms and numbers. A destructive strategy practice indeed.

In the framework of the five strategy modes of Hart, designed strategy can only be of command, rational, symbolic or transactive nature. The generative mode is excluded as a purely emergent process.

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<tr>
<td>There is no designed strategy, or if there is, it is the sole concern of the top management and is not communicated downwards.</td>
<td>The process of designing a strategy is a thorough analytical process.</td>
<td>Strategy sets a very general direction in the form of one or a few main concepts.</td>
<td>Strategy is born in the process of discussion at several or all levels of management.</td>
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It should be noted that in practice all the three modes can be combined in the process of designing a strategy. This was well illustrated in the case of one of the companies in our study, where some strategic issues were discussed only by the owners and the top management (command), while others were the object of wider discussion (transactive), plus a formal process of analysis (rational) was used and backed up by a vision and a mission statement (Symbolic).

**Communicating a Strategic Direction**

The driving idea behind communicating a general strategic direction to the employees is the expectation that acting as a beacon, a general vision or general strategic goals may act as a powerful direction setter for motivated and competent employees. It is often argued that a compelling vision is both, a direction setter and an emotional motivator. Strategic goals may not be as powerful, but have their own advantages by being more concise. Another strategy tool, often chosen to accompany strategic goals and the vision, is the definition of critical success factors that underline the main focal points of the strategy.

The main attention in our study was directed to whether the employees feel they have understood the main goals and the strategic direction of the organization and
how they have become to learn of them. The definition of a vision and a mission was used in three of the four companies and in two cases out of four strategic goals had been defined, in both cases as part of the balanced scorecard framework. The rate to which the employees felt the named tools useful, on the other hand, varied widely. More often than not, the workers, and even middle managers, called the vision and the mission statement blue-sky dreaming. In one of the cases the strategy goals were stated to be meaningless, because reportedly only the top management understood their meaning. While that might be a prudent practice in small organizations, it is not in larger ones, where middle managers are responsible for decisions of strategic impact.

In the framework of sense-giving and sense-making, the process of communicating a strategic direction is concerned squarely with the latter. Of the five strategy modes introduced by Hart only three are related to communicating a strategic direction: a) rational, where the function is performed in the form of goals and plans, b) symbolic, where the direction is conveyed in a more ideological manner and c) transactive, where the meaning is relayed through discussion. The command and generative mode are excluded, since in the former mode only direct orders or very specific goals are directed downwards and the latter again due to its emergent nature, where strategy is the result of initiative from below.

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<tr>
<td>Strategy is communicated in the form of strategic goals.</td>
<td>Strategy is communicated in the shape of an ideology.</td>
<td>Main strategic ideas are conveyed through discussion.</td>
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Making Strategic Decisions at All Levels of Management

Whatever the tacit or explicit strategy of the management, strategy happens through decisions made throughout the organization making up the realized pattern of strategy (Mintzberg 1978). The more power is delegated downwards in the organization and the less strict the control mechanisms, the more leeway is given to the lower echelons in making strategic decisions.

How much power should be delegated downwards is generally dependent on the level of dynamism present in the external environment of the organization (Lawrence and Lorsch 1967) and is regarded as the centralization aspect of organizational structure (Chandler 1962). Another issue with strategic decisions is the speed of decision and the quality of information they are based on (Eisenhardt 1989).

The named aspects of strategy-making come together or are manifest in the practices as a result of which strategic decisions are made. Most of our attention was paid to how useful the decision-making practices were perceived to be, whether the level at which important strategic decisions are made was found appropriate and whether the time-span and information needed for making the decisions were found appropriate.

With the exception of one company in our survey, the members were content with the speed, management level and quality of strategic decisions made. Although this assertion is based on a very small research sample, the level of contention seemed to be contingent on how well the management team knows their business and whether they have developed the business information systems and internal working procedures according to the level of dynamism in the external environment.
**Agreeing about Means of Implementation**

The most common practice deployed for building a common understanding about how to implement a strategy, is to make plans and budgets. It must be borne in mind though that plans and budgets are only the final manifestation of what has gone before, their quality depending on how well the different levels of management have been able to make sense of the organization and the environment, and in the case of a centralized strategy process, how good is the designed strategy and how well has the strategic direction been communicated.

Making plans and budgets was common practice in all of the four companies studied in our survey. But in only two of the companies the process had a satisfactory result. In both of the negative cases, middle management complained about not understanding the strategy of the organization and therefore felt at loss in choosing priorities.

Another issue to consider in making plans and budgets is the co-ordination between organizational units. While not an issue in top heavy management in smaller companies, it did prove a challenge in one of the companies in our survey, where the division managers found the co-ordination between units very much lacking.

In the context of the Hart framework of strategy modes, rational, symbolic, transactive and generative modes of strategy serve the function of agreeing on the means of implementation. The command mode is excluded, since it relies on direct orders from above the top management excluding any need of strategic discussion below in the organization.

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<tr>
<td>Strategic decisions are</td>
<td>Strategic decisions are reached at</td>
<td>Strategic decisions are delegated downwards with the main ideology</td>
<td>Strategic decisions are made through a series of formal and informal</td>
<td>Strategic decisions are the result of initiative within the organization,</td>
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<td>made only at the top of</td>
<td>through the use of analytical methods</td>
<td>serving as a beacon.</td>
<td>discussions resulting in a formal decision.</td>
<td>the top management acting only as a ratifying party.</td>
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<td>the organization</td>
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**Control and Adjustment**

Unless being ideological in the extreme no organization can thrive without at least some control over whether and how the strategy is being executed. In addition to control being closely linked to motivating employees, it must also be kept in mind that no strategy is perfect and therefore needs adjusting. Therefore our team paid attention to three main aspects of control: how the achievement of results is tracked, how adjustments are made and how people are motivated.
By their very existence businesses are rational entities and tracking results was performed with aplomb in most of the companies we studied, with only one giving possibly too much slack to its employees in executing plans. The practices used for tracking results were rather typical: depending on the level of management and the nature of operations, results were checked daily, weekly or monthly.

Regarding the motivation system as part of strategy practices may seem awkward at first glance, but as we were to observe in our study, not linking adequate rewards to objectives – a practice led by erroneous beliefs about human motivation – can prove to be rather destructive. Suffice to say, the design of the motivation system is not central to strategy practices, but it does play its part.

More complex issues related to control are related to the main concepts about how the managers believe the reasons for non-performance should be discussed and how adjustments should be made to strategy. As we were to observe, most of the organizations in our study relied mostly on stochastic, non-formal routines complemented by the more systematic performance review routines where agreements were made.

Within the Hart framework only the command, transactive and rational modes are related to control and adjustment. Generative and symbolic modes are excluded since these do not include the concept of feedback.

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<td>Control and adjustments are based on direct reporting to the top with adjustments decided upon solely by the top management.</td>
<td>Transactive mode covers only the adjustment facet in the form of dialogue and discussion about how to mitigate the deviations from the intended and what kinds of adjustments should be made towards the main points of strategy.</td>
<td>Control and adjustments are part of a systematic process of reporting and an analytical process for making conclusions.</td>
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5. Conclusions

In recent years, strategy researchers have started to pay more attention to how strategy is actually done within organizations, taking an activity based view of strategy known as strategy-as-practice. While the bulk of the research has been concentrated on micro activities of strategy themselves or the link between the supra-organizational and micro level of strategizing, this paper makes a tentative attempt towards understanding the micro activities in a more practical context. To achieve this, the paper has presented a structured view of the mechanisms through which supra-organizational discourse shapes strategy practices and in turn, how the practices themselves shape the strategy process.

The merit of the model is that it presents – what we believe to be – a practical approach towards structuring strategy practices thus lending a deeper understanding of how the “pattern of strategy” comes to life through practices. Although the limitations of the model are considerable due to the small research sample of 53 interviews conducted in only four enterprises, we feel it can be used for the purpose of furthering the understanding of how supra-organizational discourse and strategy practices influence the outcome of the strategy process. Utilizing the practical characteristics of the model our team has already used it successfully for consultancy purposes.
In the course of further research our team expects to develop the model through the analysis of additional case organizations and through intertwining the model further with existing theory.

References

De La Ville, V. I. 2003. What Do We Mean By Strategy as Practice? EGOS Colloquium proceedings.