Master Degree Project in Innovation and Industrial Management

Ambiguity in the Strategy Process
An interpretive approach

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Abstract

A common conception of strategy is that it has to be communicated and interpreted the same way internally for strategy to be successful operationalised. How strategy is ultimately formed and used will depend on how it is interpreted by its users. This qualitative case study describes how organisational members, influenced by an extensive organisational assignment, interpret strategy differently. This results in ambiguity in the strategy process. For its purpose the thesis uses an interpretive approach to describe strategic tensions during strategy formulation and operationalisation. The studied organisation works with developing strategy for a regional industry. As a proxy and tool for strategy this thesis considers the business plan process. A result has been that ambiguity creates tensions in how employees interpret strategy and its process. Strategy is seen as being set by top management, while little is done at an organisational level. What unifies the organisation as a whole is the strong culture. How the organisation works with strategic issues largely stems from continuous social interactions and interpretations in autonomous units.

Key Words: Strategy, Interpretations, Social Interactions, Ambiguity, Interpretative Approach.
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1. Introduction

A common conception of organisations is that they work towards a singular purpose, e.g. maximising financial returns for its stakeholders. Hence, strategy will be built with this purpose in mind. What the organisational assignment is and whom it benefits is then relatively clear: earn money and increase profit for the owners. However, what happens to the strategy process when the goals are not so straightforward, or even interpreted differently by the people working with them?

Strategy can be seen as a way of providing direction - of making decisions - of engaging and integrating stakeholders and of rationalising decisions (Clegg et al., 2011). The traditional view on strategy advocates that a unified perception is required to help guide the organisation (Chandler, 1990: 1-11). Hence, strategy when well implemented can work as a unifying mechanism. It is then problematic, as Carter et al. (2008) claim, that people tend to perceive and interpret the where (direction) and the how (operationalisation) of strategy differently, even within the own organisation. Strategy and the strategy process can thus be seen as a highly social activity. An activity that is governed by the different interests and assumptions of prominent stakeholders (Samra-Fredericks, 2003; Vallejo & Hauselmann, 2004). Hence, how strategy works, is managed and controlled in the organisation is ultimately an effect of interpretations made by internal actors (Goold & Quinn, 1990).

Strategy is an important part of all types of organisations, since it is a way of mapping their further path. In order to understand and use strategy to its fullest extent, it is also important to understand how strategy is developed. Since strategy is very much dependent of human interpretations, it is thus interesting to explore the notion of strategy as something organisations do. As such, it also becomes important to study how interpretations are affecting strategy. ‘Strategy-as-practice’ (SAP), is one concept which considers the human aspect i.e. how strategy is shaped by what actors do (Whittington, 1996). However, this view of strategy as something done is relatively new in the field of strategic management. It can help explain the discrepancies between how strategy is described and how it is actually used. Thus, it could help create a clearer understanding of how organisations operate. It can also create relevance for strategy users. A better understanding of strategy can help develop and operationalise strategy. Consequently, increased cognition has the potential to create stronger, more robust organisations.

In order to study this, a destination marketing organisation with the assignment of improving its destination has been chosen as the focus of a case study. As such the organisation is not only strategising for itself. It is strategising for the entire regional tourism industry. This includes hotels, house-owners, arenas, shopping areas, restaurants, etc. The assignment is extensive inasmuch that the goal can be reached through numerous initiatives. Consequently, the assignment can also be interpreted in many ways. The challenge in the organisation is thus to find relevant projects that benefits stakeholders and the destination as a whole. In order to realise the assignment, the organisation is the driving actor behind a collaborative platform spanning a large number of networks. Through the three main business units - convention, events and tourism - it coordinates, engages and executes projects. The aim is to ‘package’ the destination for its population and various visitors and organisations. As a proxy for
strategy the thesis considers the organisation’s business plan, as it is the main tool for strategy.

The organisation has several factors to take into consideration when developing strategy. This could thus prove problematic as it could cause a divergence in interpretations. This duality in how strategy can be interpreted and realised was the cause for choosing to study this particular organisation.

1.1. Research Objective

The purpose of this thesis is to expand the knowledge about how strategy is formed in reality. More exactly, how it is dependent of what interpretations internal actors have of the strategy process. I.e. if strategy becomes a rational, managerial process or if it emerges out of social interactions at all levels of the organisation. This will be done through describing the formulation and operationalisation of strategy in an organisation. To do this the following research questions were elected:

1.2. Research Question

How does strategy develop in the organisation?

This will be answered by describing how the different members of the organisation view and use the business plan as a tool for strategy. To help delimit this further a sub-question has been added:

What possible strategic tension(s) can be seen in the organisation as a result of the organisation’s strategic work?

This will be answered by describing areas where organisational representatives either share or disagree about perceptions.

1.3. Delimitation

The set of tools studied is limited to the organisation’s business plan, as it is its proxy for strategy. The thesis will consequently consider the business plan and process as the media through which strategy is formulated and operationalised. Due to time constraints and the difficulty of observing the implementation process the study will look back on the last business plan cycle, from early 2011 up until early March 2014.

The focus in the operationalisation part of the process is on the strategy breakdown structure, internal communication and reviews and evaluations. These practices were chosen as they were addressed in the interviews and are also mentioned in the strategy cycle by Hametner and Steurer (2007). The thesis does not consider how specific strategic goals are generated and selected, but rather on the ‘regular’ process and
practices. This as the focus is rather on understanding how individuals make sense of and thus use strategy. The focus is consequently also on internal actors - by which is meant the line organisation excluding the board. However, the line between internal and external is not always that distinct, as the organisation works in a number of networks. External actors influence the interpretations of internal members. Thus it can also limit their freedom to manoeuvre (Scott, 2003).

1.4. Thesis Disposition

The theoretical framework is divided into four blocks. The first block gives a brief overview of the field of strategic management. A framework analysing the strategy process is presented. It seeks to explain how strategy can be influenced by the organisational paradigm, e.g. perceptions and actions. The second block helps create an understanding of how perceptions and an organisational frame of reference are shaped. It thus helps explain why individuals have different interpretations. Why and on what rationales and structures strategy is formed is further explored in the third block. Finally, the fourth block aims to create an understanding of the importance of social interactions and daily activities in how strategy is formulation and operationalisation.

The methodology explains assumptions and how the empirical evidence was collected and analysed. The organisational setting is presented right before the empirics. The empirical findings are divided into three blocks. The first one describes the business plan formulation process and employee perceptions thereof. After this, the second block goes into the organisational assignment and details tensions as described by the interviewees. The final block describes what happens when strategies reach the operational core.

The discussion firstly comments on the applicability of the SAP approach on the organisation. It then summarises some common perceptions and tensions in the organisational paradigm. The rest of the chapter discusses how the strategy process is affected by existing perceptions and tensions. The final chapter briefly summarises the main findings and implications of the study.
2. Theoretical Framework

The theoretical framework aims to give an understanding of how the strategy process interacts with interpretations and activities. It provides a basis for a discussion of the rationales behind how the strategy process is shaped. Thus, this chapter exemplifies theories for how individuals and organisations create strategic sense and reaffirm or discard these assumptions through different actions.

2.1. Previous Research - Different Views on Strategy

According to Clegg et al. (2011), the theoretical understanding of strategic management is largely built on economic models. These models then explain how strategy should be done. E.g. frameworks such as Porter’s five forces, the SWOT analysis or Barney’s resource-based view (RBV) explain external and internal factors for success (Porter, 1979; Humphrey, 2005; Barney, 1991; Wenerfeldt 1984). Organisations are described as rational entities that, in order to maximise return, follow the often linear procedure found in a plan-do-check-act (PDCA) cycle. To ensure efficiency the Chandlerian view argues that structure should follow strategy. I.e. that management should set a strategy, decide on a direction and then design the organisation. These deliberate strategies, once expressed, are then communicated, implemented and assessed for goal achievement. This process is argued to create legitimacy in the eyes of organisational stakeholders. (Clegg et al., 2011) Grant (2008:25-27) argues that these economic, rational frameworks and models fill a role, as they help strategists analyse and understand different issues. However, they cannot be a replacement for managerial expertise and knowledge. An issue further addressed by among others Mintzberg. (ibid)

Mintzberg (in Clegg et al., 2011) questions the view of the top-down, deliberate strategic planning process. Instead, he views strategy as emergent and argues that rationality is bounded. He argues that strategy can come from anywhere in an organisation. Further top managers are not dissociated from the daily routines. The process is not linear. Rather organisations do what they are good at and later justify and explain these actions. Hence, he states that it makes little sense to differentiate between strategy formulation and operationalisation. Further, strategy can be considered an after-construct as plans never unfold exactly as predicted. Supervision and planning are replaced by conversations and ad-hoc and intuitional decisions. In other words, planning is antithetical to strategy and strategic thinking. A strategic path is shaped in the meeting between the bottom-up and top-down approach. I.e. it is developed in the merge between initiatives, planning and managerial intent. This means that it is not static resources and knowledge that shape strategy. Formal and informal meetings and interactions do. This opposes Chandler’s view on structure as antecedent to strategy by claiming that strategy is a coalescence of organisational design, power structures and organisational culture. As a result, strategy is highly parochial and acts to conceal and justify political actions. One could thus refer to strategy as a form of negotiation. (ibid)
E.g. Whittington, Pettigrew, Johnson, Melin and Jarzabkowski (in Clegg et al., 2011) have addressed what they perceived as a gap in the field of strategic management. They argue that strategy is not solely something that an organisation has. They state that it is rather something the organisation does. Samra-Fredericks (2003) similarly views strategy as something that is experienced. Not as something reported. They all argue for the importance of human actors, since it is they who interpret and make sense of their environment. This is a step away from linear, rationalistic models towards a more dynamic organisation - where strategy, or strategic thinking, is a continuous social process. This process constructs shared definitions of strategic realities and where strategy is headed. (Clegg et al., 2011) This means that strategy is composed of elements such as culture, rules and norms, and control systems, etc. These elements constitute the organisational paradigm (Heracleous, 2003).

2. 1.1. The Organisational Paradigm in the Strategy Process

Heracleous (2003) and Heracleous and Langham (1996) also argue that social interactions and interpretations affect strategy development. When strategy is not ‘successfully’ operationalised it is often attributed to the lack of consideration for soft cultural and social values. Goold and Quinn (1990) argue that the harder it is to specify strategy, the more the organisation will be reliant on culture for its management. Culture then acts to demarcate strategy and decides what the organisation should do. Hence, it is important for strategy users to account for the effect of soft values in the strategy process. Perceptions and soft values are represented in the form of the organisational paradigm or ‘cultural web’. The organisational paradigm can thus be seen as a proxy. Heracleous and Langham (1996) analysed whether perceptions affect an organisation’s strategy process through a normative framework (described below). They argue that to increase rationality in the entire strategy process strategists should consider the framework. The framework hopes to provide a way for managers to anchor strategy in its operational reality. By doing so they can mitigate cultural and social tension. Further, the iterative process allows for adaptation to changing conditions and the organisational focus. Consequently, the result of the strategy process could be change and adaptation. It can however also be further institutionalisation or inertness. (Heracleous, 2003: 87-108; Heracleous & Langham, 1996)

The thesis builds on this research by Heracleous and Langham (1996) by using it as a basis for its discussion. By analysing the interaction between the paradigm and the strategy process the framework can cause reflection over how strategy develops. Creating awareness of how the organisational paradigm affects strategy can form a better understand of how strategy actually develops. For an organisation, reflecting on what is done and what is not done in the strategy process can improve rationality in the process. This means that strategists have to be aware of how the interpretations that individuals make are affected by the organisational paradigm. Not only does this affect how strategy is operationalised. It also decides whether strategy is operationalised as intended. Heracleous and Langham’s (1996) framework consists of the following five steps. The steps are seen as representative for considerations in the strategy cycle:
1. The first step is to conduct a situational analysis to better grasp the internal situation - “where are we now?”

2. It encourages double-loop learning, i.e. to impugn current interpretations and decisions. “Where do we want to be?”

3. It considers the implications that new strategic decisions would have on the current paradigm, e.g. where there might be resistance to change. “What does this mean?”

4. The fourth step is to communicate, create incentives and establish prerequisites in the control systems and organisational structure. “How should this change be managed?”

5. Finally, the paradigm acts to monitor and evaluate the state of strategy realisation. “How do we know how we are doing?” (Heracleous, 2003: 87-108; Heracleous & Langham, 1996: 487)

The paradigm consequently creates an understanding of how soft values can create tensions in the strategy process. Similarly to what Mintzberg (in Clegg et al., 2011) says, this framework emphasis the entire strategy cycle as a way to rationalise behaviour and create meaning. The next section helps explain how organisations render shared perceptions. It also explains how tensions evolve in the paradigm.

### 2.2. The Organisational Frame of Reference

#### 2.2.1. Sensemaking - Recursive and Adaptive Practices

It is through the daily activates of communication, codification and articulation that the organisational sense of self - the organisational frame of reference, is shaped (Clegg et al., 2011). Weick et al. (2005) describe sensemaking as the continuous process through which actors make sense of and rationalise their actions. As such it is a coping mechanism that not only legitimises behaviour, but creates meaning, motivation and emotional protection from uncertainties (Shrivastava et al., 1987). Sensemaking prescribes how to act in different situations, what is taken for granted and how information is handled. Hence, sensemaking is a means for action. Interpretations and plausible explanations of ‘facts’, tacit understanding and taken-for-granted assumptions can as such exert powerful influence on how strategy emerges. This challenges the view of the organisation as a rational entity and as a result how strategy is developed. (Clegg et al., 2011)

Through the sensemaking process organisational actors are influenced by and in turn influence rules and norms (Shrivastava et al., 1987). Organisations have the conflicting needs of on one hand the safety provided by stability and on the other the need for flexibility and adaptation to the environment. (Jarzabkowski, 2004; Johnson et al., 2003) Jarzabkowski (2004) refers to this as recursive and adaptive practices. Sensemaking as a recursive action is a locus for institutionalisation. I.e. you do what you usually do. At the same time it can also disguise a process of incremental and radical change. Whether an organisation is inclined towards recursive or adaptive practices is a consequence of
cultural, political aspects and structure. Recursiveness is more common in centralised, hierarchical and bureaucratic organisations. These organisations often have strongly demarcated divisional specialisations. This means that strategy is centralised to top-management. Thus, strategy is seldom diffused into the lower level of the organisation. Recursive practices are more likely in organisations with stable memberships. I.e. they have a relatively stable environment and limited external networks. The culture is homogeneous and the assimilation structure is narrow. Operational routines are strong. Adaptation on the other hand is more common in decentralised or network organisations. Here the social, regulatory and economic environment is more volatile. Actors have a broad assimilation structure and a broad competence and knowledge base. Knowledge is transferred in the organisation. The role of management is to align different strategic initiatives, rather than to control. (ibid)

The term practice in itself suggests that what is done is recursive. I.e. a repetitive, self-reinforcing cycle. When actors refer to the organisational frame for cues on how to act it creates path dependency and a normative pressure at an organisational level. This can mean knowing the ‘best practice’, ‘dominant logic’ or taking something for granted. However, recursive practices can prove problematic if they are reinforced to the point where the organisation loses its ability to adapt. It can thus be maintained that the distinct social structures of an organisation are its core rigidities. When an organisation adapts it must often challenge its own assumptions. The organisation learns and adapts by interpreting and incorporating several frames into the own frame. The own frame is further adjusted when the organisation encounters situations that are inconsistent with previous practices and when it lacks the knowledge of how to handle them. (Jarzabkowski, 2004) When actors are faced with multiple frames or new situations it is more difficult to predict how they will act (Pance & Santos, 2013). This creates discourse. Shrivastava et al. (1987) maintain that stakeholders have different frames and rationales. The own frame will favour some frames while it oppressing those of other stakeholders. Actors that control vital resources usually think that they should have a controlling influence on strategy development and operationalisation. (Driver, 2014: 113-114) Hence, an increasing number of stakeholders makes it harder to reach consensus over the strategic direction. As such it is not strange that contradictions and irrationality exist within the organisation. (Jarzabkowski, 2004)

This section helped understand why there could be different perceptions in different parts of an organisation. Not only about what the strategy is, but also of what should be done to realise it. Consequently, it explains why the strategic intent articulated in e.g. the business plan and actual outcomes are not always the same.

2.3. Strategy Formulation

2.3.1. The Role of Strategy

Strategy can have different intent, e.g. it can act to coordinate, help make decisions and provide direction (Grant, 2008: 25-27). The business plan is one further tool in strategic planning and is defined as a “written document that describes the current state and the
Strategic planning can be done in a number of ways, e.g. through just-in-time, ratios or a written business plan etc. (Karlsson and Honig, 2009).

A positive aspect of drawing a business plan is that it is a way to legitimise the organisation. Internally it creates unification and legitimises the assignment. Externally it increases the possibility to access financial resources, technology and qualified employees, etc. (Zimmerman & Zeitz, 2002) Zapata and Hall (2004) state that obtaining legitimacy is an important strategic objective for organisations in the tourism sector. This because of vague and shattered responsibility regarding economic responsibility. An argument against the use of business plans is that they are often forgotten. As they stop being updated it results in a gap between the plan and the actual strategy. Instead, the business plan becomes a symbolic document. Thus, it is seldom referred back to in the daily operations. (Karlsson & Honig, 2009)

As such this section raises the questions whether there is a gap between strategy formulation and implementation. If this is so it could impact whether strategy is used as intended, or even at all.

2.3.2. Strategy as Deliberate or Emergent

How the business plan is intended to be used is not always the realised use, according to Mintzberg (in Clegg et al., 2011). This section thus discusses whether strategy can be seen as a result of deliberate actions. Mintzberg and Waters (1985) in their research aim to understand how strategy forms in organisations. Strategy is by them defined as “a pattern in a stream of decisions” (ibid: 257). They argue that a purely deliberate strategy can exist under the prevalence of three conditions. Firstly, that strategy is realised as indented - this means that the environment is either entirely predictable/benign or that the organisation can control it. Secondly, that there is a precise intent. Intent must be clearly articulated, detailed and actions for reaching targets should be specified. Finally, that there is a sense of organisational collective action, where intentions are recognised as either common or accepted from leaders. Purely emergent strategies completely lack intent, but it is still possible to discern a pattern to it. Mintzberg and Waters (1985) state that there is a connection between the strategy process and the organisational context. Hence, deliberate strategy persists in centralised and tightly coupled organisations. Emergent strategy is often found in decentralised organisations. (ibid)

Mintzberg and Waters (1985) describe the following strategies as examples of how strategy can go from deliberate to more emergent (see also Figure 1):

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1The organisation has chosen the terminology business plan for its strategic work. As such it is important to point out that this is not strictly how the term is usually used. The organisation’s business plan process could e.g. be referred to as strategic planning. A business plan document typically includes the following elements: a summary of the organisation and its goals. It discusses what separates the organisation from others. What the market and competition looks like. It presents organisational structure, what the product or service is and how the organisation plans to market and sell it. Typically there is a financial projection and other information about e.g. permits. (U.S. Small Business Administration, 2014) Another approach is to detail the business model by describing key partners, activities and resources; the value proposition, customer relationships, channels and customers; and finally costs and revenues (Osterwalder & Pigneur, 2010). As such business plans are usually found in start-up companies.
1. **Deliberate** or **planned strategy**.

2. **Entrepreneurial strategy** - here intent is less articulate. Strategy is adaptive as it is connected to the vision of one controlling individual. This strategy is often found in new or small organisations.

3. **Ideological strategy** - is built on collective action. It is inspirational and immutable. Further, ideological strategy is often path dependent and determines methods as well as objectives.

4. **Umbrella strategy** - is less tightly controlled as leaders only provide general behavioural guidelines, limits and directions. Hence, it is partly deliberate and emergent.

5. **Process strategy** - here leadership provides a direction and controls the strategy process. E.g. they decide the staffing, but strategy content is often up to the sole unit.

6. **Unconnected strategy** - consists of loosely coupled units that develop own strategies. Thus, it is organisationally emergent.

7. **Consensus strategy** - is about negotiation and convergence over the same themes and patterns. There is a lack of central and common intention. Instead it is about ‘having a feel’ for a particular issue. Hence, rather emergent.

8. **Imposed strategy** - is when an external factor imposes strategy on the organisation. E.g. pre-emptive strategy. Noteworthy is that some ‘planned strategies’ can be pursued by organisations resigned to external events. Thus, the most emergent. (ibid; Clegg et al., 2011)

The eight examples are thus mixtures of deliberate and emergent strategies. Similar traits for deliberate forms of strategy are that they are more centrally controlled, whereas emergent strategy could be said to be 'organically grown'. Worth noting is that this is not an absolute nor comprehensive scale. Further, there can be elements of different strategies within an organisation. (ibid)

As such this section helps discern and evaluate at what levels of the organisation strategy is actually formulated. This coming chapter addresses some activities that further connect management and the personnel. These activities connect every-day practices with strategy formulation in the organisation’s sensemaking process. Breaking down targets, evaluating performance and goal accomplishment and continuous communication are practices through which the organisation can learn and adapt its strategy and actions. (Heracleous, 2003; Heracleous & Langham, 1996)
2.4. Strategy Operationalisation

2.4.1. Control Systems and Evaluations

It has already been established that strategic planning can be considered a sequential process. Strategic control systems have a prominent role in this process, as they ensure strategy operationalisation. E.g. through coordinating and evaluating efforts. The control system should also prompt intervention when something deviates from planned outcomes. (Goold & Quinn, 1990) Argyris (1977) further argues that the control system should raise doubt about strategy itself - this is referred to as double loop learning.

Evaluations and reviews enhance awareness of what is expected. Thereby, they help improve employee performance. Participative set goals also appear to both increase job satisfaction and performance for complex tasks. This is attributed to greater ‘ownership’ of goals and improved insight and understanding of tasks. Further, targets that are difficult, but achievable, also increase motivation. This means that targets should be precise and measurable. Setting fewer, synoptic, prioritised and result-oriented targets help managers oversee different functions. Thus, it is possible for them to understand the overall achievement of the business. In practice however, few organisations appear to have these formal and explicit control systems. Hence, it can be argued that informal and implicit control measures could be more effective. (Goold & Quinn, 1990)

One prerequisite of strategy is that it is possible to control whether the strategy is achieved. Different forms of control are more or less suitable depending on the predictability of the environment, whether the causal relationship for different outcomes is known and if it is possible to precisely measure targets and objectives. Ouchi (in Goold & Quinn, 1990) warns that too much control can damage trust. This is a problem as mutual trust and understanding of targets are essential to a functioning control system. The most controlling system is built on action control. However, action control is highly reliant on knowing causal relationships for different actions. This is not always possible. When it is not possible to prove causal relationships or measure targets, an organisation can supplement single quantitative objectives with a couple of qualitative ones. Further, informal, directional and long-term goals are seen as preferable when the environment becomes more volatile. This could e.g. be applicable in public organisations, as they often lack both a commercial way of thinking and explicit goals and objectives on which to focus (Wortzel & Wortzel in Heracleous, 2003: 154). Another suggested control system is built on cultural control. This system relies on a strong sense of shared values and traditions and the prevalence of trust in individual members. (Goold and Quinn, 1990)

Consequently, these passages create an understanding of what limitations strategy and the assignment can put on control systems and assessment of goal accomplishment.
2.4.2. Discourse and the Learning Organisation

Heracleous (2003) emphasises that strategy can be born from all parts of an organisation. This assumption is built on the fact that knowledge is difficult to centralise, and thus to manage. This means that in a learning organisation, being strategic is not confined to the organisational top. Rather, the entire organisation is involved in the sensemaking process. Discourse is a relatively unchanging deep structure that guides superficial communicative actions in the singular organisation. Communicative actions are explicit, and occur during a limited time-frame and for a specific reason. Discourse on the other hand is not merely talk, having meetings and sending memos; it is a sensemaking activity that motivates individuals into action. It also stipulates that for more complex issues organisational members need help with interpretations. Discourse and its communicative activities thus provide the platform for this. (Heracleous & Barrett; Heracleous & Hendry; Lengel & Daft; Pondy & Mitroff in Heracleous, 2003: 112-121) It also implies that unless this platform is supplied it is more difficult for employees to interpret situations. Thus perceptions, actions and strategy are unlikely to adapt.

Argyris (1977) argues that single loop learning is about learning to, given current conditions, optimise capacity. In other words this occurs without challenging the given parameters. Double loop learning on the other hand attempts to change variables, actions and strategy itself. Thus, a double loop learning process questions whether a task reaps the benefits it should. Thereby, it also questions the current organisational paradigm. (Heracleous, 2003: 42-45; Argyris, 1977) Thus, it is possible to compare single and double loop learning with sensemaking (e.g. Shrivastava et al.). Single loop learning allows for cognitive association and reaffirmation of the current frame of reference. I.e. activities are recursive. Double loop learning makes it possible to see causal relationships and find new ways of perceiving the world. In other words those activities are adaptive. (Heracleous, 2003) Consequently, how an organisation relates to and evaluates what to do also affect how strategy evolves.
3. Methodology

The thesis aims to describe what happens in the organisation, rather than to challenge and find a best practice for the strategy process. As such the interpretive approach is appropriate for this case study (Burrell & Morgan, 1979). Further, when studies of strategy emphasising subjective, individual interactions, actions and perceptions rather than objective truths they often use an interpretive approach (Rabinow & Sullivan; Daft & Weick in Gioia & Chittipeddi, 1991).

3.1. Research Design

In order to find and exemplify tensions within the organisation’s strategy process the thesis applied a qualitative method. The qualitative method’s tolerance towards subjective interpretations made it suitable for uncovering a social phenomenon. A qualitative study allowed for an intensive understanding of discovered themes. This as it made it possible to collect comprehensively and complex data (Bryman & Bell, 2007).

Brignall and Modell (2000) argue that a case study is suitable as the integration and balance of the business plan are complex phenomena. This meant creating both knowledge of how the business plan is intended to work and a broad understanding of its actual use. A single case study was found suitable as it opened up for a broader interpretation. i.e. the case study sought to describe the strategy process - a regular occurrence taking place within the organisation. At the same time the case study made it possible to explore tensions in the organisational. It was however not possible to draw general conclusions based on the single case study (Bryman & Bell, 2007).

Because of the assumption that both strategy and interpretations would change over time a longitudinal study could have been conducted. However, the feasibility of this option was restricted due to time and resource constraints. An ethnographic approach was discarded for the same reasons. The study could also have been cross-sectional, but as aspects were seen as idiosyncratic, it was assumed that a cross-sectional study would add limited value to the individual analyses. (Bryman & Bell, 2007)

3.2. Mode of Procedure

Initially, the studied organisation was presented with a topic. The dialogue with the organisation during the research development phase was intended to find a research aim that was satisfactory to all parties (Czarniawska, 2013). During the study, further dialogue was maintained with the organisation in order to ensure further access.
As the aim was to identify the development of strategy through different interpretations, it was judged that interviews with both unit managers\(^2\) (interviews 5-7, 9 in Table 1) and the personnel (interviews 3-4, 8, 10-17) working in the different units\(^3\) were needed. The organisation (see Figure 2) was structured around three main business units, together with supporting units such as communication, HR, finance and the trade and industry group. The trade and industry group and the board are considered to be partly external actors. In order to collect a more diversified, trustworthy and robust description the thesis studied more than one unit (units marked in blue in the figure). Additionally, this approach made it possible to distinguish aspects caused by contextual factors. (Yin, 1994)

Primary data was collected through semi-structured interviews (see Table 1). In order to give a well-grounded description of the organisation it was judged that this material should be complemented (Silverman, 2006). This was done by analysing and searching for themes in the organisation’s annual reports and business plan. Secondary data was collected from scientific articles and books and one previously held interview. To counterbalance potential misrepresentation interviews with several units and individuals were conducted. Researchers also compared interview results to the results of the document analysis. (Czarniawska, 2013).

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\(^2\) Unit managers from both business units and supporting units are part of the management group.

\(^3\) Unless otherwise specified, units refer to both business units and supporting units.
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<thead>
<tr>
<th>Topic</th>
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</tr>
<tr>
<td>1</td>
<td>140131</td>
<td>Executive director - Real estate (Telephone interview)</td>
<td>30 min</td>
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<tr>
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<td>140207</td>
<td>Unit A</td>
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<td>2</td>
<td>140212</td>
<td>Unit B, Unit C</td>
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<tr>
<td>3</td>
<td>140214</td>
<td>Management group - Unit E</td>
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<td>4</td>
<td>140217</td>
<td>Management group - BU1</td>
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<td>Management group - Unit D</td>
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<td>7</td>
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<td>8</td>
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<td>Middle manager &amp; project leader - Unit D</td>
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<td>9</td>
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<tr>
<th>Secondary information from organisational representative</th>
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**Table 1** Interview summary.

Prior to the organisational interviews, two interviewees were conducted with consultants. It was judged that the consultants’ knowledge of strategic issues in the public and private sector would act as a complement to theory and the rest of the empiric material. These interviews thus helped find issues for and formulate the structure of the theoretical framework. Further, they were judged to increase the relevance of the interview questions. This by adding professional expertise and insights.

All interviewees accepted being recorded. To compensate for memory limitations all interviewees were transcribed and documented as soon as possible (Czarniawska, 2013). Semi-structured, face-to-face interviews were conducted since it allowed the
respondents the chance to reflect on own experiences. It also allowed the interviewer to observe the interviewees body language. In order to judge usage and interpretations of strategy in the entire organisation, the aim was to conduct interviews in all parts of the hierarchy. Interviews were selected based on 'a snowball effect' selection (Czarniawska, 2013). I.e. they were picked from suggestions from the contacts in the organisation. Respondents were sent a short e-mail introducing the purpose of the study. This to capture the respondents’ spontaneous perceptions and to avoid distorted answers.

Interview guides were used to maintain the focus in the interviews. The guidelines helped interviewers to not slant an issue or ask leading questions. They also increase replicability between interviewers. (Czarniawska, 2013) The interview guideline for the organisation was constructed based on two meetings with the organisational contacts, the consultant interviews, the document analysis and a cursory check of theory. To get a better understand of the organisation, questions about the organisation, its context and assignment were asked. These questions also helped illuminate whether the respondents shared the same perceptions. The overall themes were the same for all the interviews. Some questions were reworded or excluded depending on if the respondent was a unit manager or employee. The themes were: definitions of the industry, destination, organisation and units. Organisational priorities. Strategy, the business plan and its process. Finally, the questions considered operationalisation processes.

The interviews were semi-structured as it increases comparability when more than one person conducts interviews. The main advantage of this type of interview was the flexibility. The interviewer could collect more intensive data and could return to, expand on and ask again where new themes became apparent, the answer was unclear, etc. (Bryman & Bell, 2007) Thus, the questions could be seen as open-ended as they were intended to prompt the respondents to give clarifying examples (Charmaz, 2006). The decision to conduct qualitative interviews rested mainly on the fact that the situation was not known in its entirety before the data collection phase began. Additionally, the theoretical framework had to be continuously evaluated based on the interview results. (Styhre, 2013)

3.3. Data Analysis

Inspired by grounded theory the thesis had a general research question. It was re-evaluated as the thesis developed. This to help the iterative process described above. The iterative process was partly why grounded theory was judged to be appropriate. I.e. it made it possible to reassess thesis elements as new data became apparent. Grounded theory further does well when trying to capture complexity and was as such deemed to be propitious (Bryman & Bell, 2007). To mitigate bias, coding and analysing the results were done by two individuals. By comparing interviews and by consulting theory, possible themes started to emerge. Each theme was assigned a label. After a while, patterns between interviews started to appear and it became possible to categorise the themes. The categories were summarised in another document. This procedure continued until all interviewees were labelled and no new themes were detected (theoretical saturation - Bryman & Bell, 2007) Thereafter, detected categories were further discussed and linked together. Ultimately, seven categories for strategy were established.
3.4. Ethical Considerations
Anonymity in interviews was assured to encourage truthful answers. As the intent was to convey a collected view of perceptions and tension this was not viewed as having a detrimental effect on the results. (Fowler, 2009) Discrepancies in opinion were seen at a more general level or between the unit managers (management group) and the personnel. This is why the text chiefly separates the two groups.
4. The Setting

4.1. The Industry
The organisation is a destination marketing organisation and is thus active within the tourism sector. This industry has experienced a fast growth and has been recognised as an important sector of the economy. The reasons are that the sector provides both work opportunities and an increased tax base. Hence, it can be described as a source of public welfare. Even so, the industry is experiencing a growing competitive pressure, where different destinations try to compete for visitors. Thus, to be able to offer visitors a complete experience has become a way of competing on the global market. This has created a pressure of increasing the attractiveness of the own destination

The organisation was founded based on the idea that the destination could create synergies by coordinating the industry’s many and varied actors. Actors are e.g. large restaurants, hotels, house-owners and shopping and event areas. By coordinating these actors the attractiveness vis-à-vis the visitor is optimised. As such, the organisation has, by political directive, been given the assignment of making the destination better by marketing, coordinating and developing the destination.

4.2. The Ownership and Stakeholder Structure
The organisation is mainly publicly, but also partly privately owned. The public ownership means that there are certain ‘rules of the game’, where boundaries are not entirely governed by the own organisation. The organisation is e.g. required by law to follow public procurement procedures. One example when this acts as a restricting factor is when the organisation wants to procure high quality, but the law about public procurement stipulates that the cheapest option should be chosen. It also happens that what stakeholders requests in a project is not in line with the organisational demarcations. Conversely, the contractual obligations towards investors can sometimes be experienced as restrictive vis-à-vis the assignment. This creates a need for dialogues and compromises on both sides. The environment in which the organisation works is perceived as rather bureaucratic, but at the same time also stable. This as a result of the anchoring that decisions have with its stakeholders. As such, the probability of radical changes in the assignment is perceived as low. The private owners are in turn judged to be highly valuable as it is impossible to develop the destination without these vital actors:

“It is important who we have with us along the way, since we cannot decide on our own what is good for the destination.”

- Unit employee

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4 The term destination is related to the terms region and city. The employees mainly define the destination as a place that someone wants to visit. Some interviewees further discuss that the destination will ultimately be defined by the visitor and not the own organisation. E.g. a local visitor might have a more narrow definition of the destination than a visitor from China. From an organisational point of view the destination can further be defined by the actors who are active within the destination.
The organisation in itself has no demand on being profitable, but as some of the interviewees comment, it is not unreasonable that the owners expect some sort of return.

“We work with collaboration by having build three clusters ... the owners; the trade and industry group and the largest corporations; and then we have identified our key organisations.”
- Unit manager

All interviewees argue that the organisation’s main strong point is the fact that it works closely with influential and strong actors within the destination. Today some 300 different stakeholders have been identified as key actors that ensure the continued work of the organisation. As the driving force in a collaborative platform the organisation works in a number of projects with different network constellations or clusters. These clusters can consist of scientists, other corresponding international organisations and different associations where the organisation is either a member or sits on the board. The networks are built around the organisation’s three main business units (convention, events and tourism) and can be found locally, regionally, nationally and internationally. The regular organisation also includes a trade and industry group that consists of the largest organisations in the destination.

4.3. Organisational Strategy

When describing the purpose and what the organisation does, all interviewees return to three concepts addressed in the business plan: the organisational concept, the vision and the organisational assignment.

The organisational concept is “to be an internationally leading collaborative platform for destination development”. The role of the platform is thus to unify the industry.

The vision is “to be the first hand choice among cities in Europe through being: one of the most humane and attractive big city regions for actors to live, work in and visit”.

The main assignment is “to market and to contribute in the development of [the destination] as a city for tourism, conventions and events”.

The collective aim of the assignment is defined as “to make the [destination] better”. This is done firstly through the collaborative platform, which the organisation has developed as a vehicle for collaboration in the destination. Secondly, the organisation itself also engages and realises projects related to the three main business units.
5. Empirical Findings

This part describes the strategy process in the organisation, and how different organisational representatives perceive it. Thus, it also discusses tensions in how strategy is interpreted.

5.1. The Business Plan Formulation

The business plan is seen as a strategic tool for extending and communicating strategy to concerned actors. The assignment is communicated through the business plan. Additionally, the formulation process of the business plan is also seen as the first step to anchor strategy within the organisation. These following passages describe the procedure and intent of the business plan formulation process and the business plan including critique and praise.

"Strategies, they are there because we need that vision - that direction of where we are going. Then by applying what you know, you will be able to influence directly or indirectly. And that is important. If you do not, you turn introspective - do what you always do, but do not question why. I think that the business plan is meant to provide a sense of purpose so that you know where the journey is headed; to convey that we are not simply going about haphazardly, but we are going somewhere. And that I am along on that journey. And I believe that this is very important for the organisation on a psychological level."
- Unit manager

5.1.1. Mode of Procedure

The management group argues that involving different stakeholders is important in order to legitimise the strategy at all levels of the organisation.

"[The purpose of the business plan process] is very clear - to increasing knowledge, anchor and involve."
- Unit manager

"The process should establish a direction, so that it is easier to make decisions along the way. Then it is important to be aware of as many parameters as possible - what the environment looks like, how the market is evolving, or what events that will be popular in three, five, ten years time."
- Unit manager

The business plan process starts at the beginning of the year (e.g. in early 2011 for the 2012-2014 business plan) and is a yearlong process that is conducted through the 6 steps delineated further below (see also Figure 3). The first half of the year aims to collect knowledge about internal and external factors from different actors. This knowledge is then applied to form a notion of what should be undertaken and how. As
such the demarcation of the organisational assignment, the main priorities and possible changes in processes should be established in this phase. The business plan process moves back and forth between primarily the management group and the board. The board governs the organisation by being the final authority on the boundaries of the organisational assignment and what direction the organisation should move in. The management group is the fulcrum in the business plan process and is an important connection between the organisation and the board.

1. Initially, the board and management group aim to create a knowledge base for future decisions. In 2011 this part included a SWOT-analysis, trend-analysis, brand survey and a board member workshop to identify future strategic areas.

2. In a second step the board and the management group conduct deeper strategic studies; in 2011 these studies were done on themes related to collaboration and the three main business units.

3. In a third step the management group leads a two day employee conference. The participants are asked to, in a two hour long group discussion, consider some strategic and business plan questions, e.g. ‘What will [the organisation] be doing in three years’ time?’ or ‘What have we accomplished and what does it look like?’ The management group argues that the conference has helped show the personnel what complex questions the management struggle with. The management group describes the purpose of this exercise, as a way to encourage all employees to participate and feel included in the process:

   “Our employees are very strong in finding solutions and executing and realising. Hence, working with more subtle strategic questions can be perceived as difficult. However, we want them included as these are issues that we in the board and management group are actually working with. I believe that participation is important as it provides a sense of commitment - that you are part of something.”
   - Unit manager

4. The board has a strategy conference and makes a policy decision.

5. The management group conducts further work around the business plan based on the policy decision.

6. The board makes a final decision and validates the business plan for the destination.
5.1.1.1. Formulation Process - Critique and Praise

The employee conference is seen as the initial step to anchor strategy in the organisation. However, although the general subject is presented before the conference, many perceive the time as too short to properly address and find answers to such complex issues. Some interviewees also state that they see little connection between the included questions and their business units. They are therefore asking for more specific questions that they can relate back to their work. They further argue that with this short time-frame the process does not fully utilise the opportunity to gather ideas. It further reduces the possibility for people to feel included and as if their input matters. Some thus think that it is a good first attempt that needs improvements, while some are more satisfied.

"I think that it would have been exemplary if there had been an opportunity to prepare before [the employee conference]. ... I think many would have felt a bit important, and as if [management] was interested in giving people the opportunity to reflect and not just produce something on command."

- Unit employee

Most respondents not part of the management group maintain that they have very little insight into the process apart from the conference. E.g. most of the personnel do not really know what happens with their suggestions - if there will be some sort of mid-point milestone or the opportunity to provide a response to the ‘product’. It is possible to find further information about the business plan process, but it is up to the individual to do so. Hence, many perceive that you can bring own ideas into the process, but that no one really does it. A general opinion is that the process has been too introspective and a more transparent process is required. However, even if the process is somewhat opaque all personnel hold a great deal of trust in the organisation and its representatives. This appears to generate a sense of contentment.

5.1.2. The Business Plan - Documentation

The business plan is developed by the organisation, but is intended as a strategic document for the destination. I.e. the business plan is their proxy for strategy. As such, the business plan is constructed to inform external stakeholders about how the organisation intends to develop the destination. At the same time it is a document that should support and give strategic direction to the organisation in its daily work. An internal business plan solely for the organisation does not exist.

The actual business plan is a thirty page document, written by the in-house bureau. It consists of:

1. Letter from the CEO, including business concept, vision and organisational assignment.
2. Two of the three focal areas from the first spread are presented more in-depth.
4. The organisation and organisational structure and business unit assignments.

5. Presentation of the business units including focal areas, objectives and accomplishments.

6. The business plan process.

7. Sustainability - Triple bottom line.

8. The organisational board.

The impression the researchers had from the document analysis is that the business plan is divided by the separate units, with little focus on collective accomplishments. The business plan is written at a rather aggregated level for each unit, and is thus perceived as equivocate. Somewhat paradoxically for a document focusing on the future, it pays much attention to what has been done. At the same time, promises for the future are rather vague. There is e.g. an overall aim of hosting a big event, but how collective actions should contribute to this is not specified.

5.1.2.1. The Business Plan - Critique and Praise

Cognition of the main points of the assignment, concept and vision is high. However, outside of the management group a more detailed knowledge of the content of the business plan is restricted. Many describe it as knowing roughly what it contains. Most respondents argue that it is up to the each individual to familiarise themselves with the business plan.

“This issue [anchoring strategy] is build on own responsibility. But seriously, how far should the own responsibility go? I have a lot of information, but to be fair I do not think I could find the current business plan if you asked me.”
- Unit employee

Those who find it a good steering document are mostly unit managers; they think that it is possible to form an understanding of what the different units should do. This is not to say that unit managers are entirely satisfied with the current business plan. They find that it is not sufficiently anchored at all levels of the organisation.

“I think that the primary purpose of the business plan is to anchor strategies in the local environment … So what I want [for the future business plan] is for it to be relevant… at a guess a business plan should also create a drive forward.”
- Unit manager

Someone further comments that it does not really take the form of a regular business plan:

“It reads like an annual report in future tense.”
- Unit employee

The personnel would like to see the business plan as something they can relate back to - that helps clarify their work. Not everyone thinks that this is currently the case. The
personnel vacillate between finding the business plan to be a good steering document for the units, it being too concrete or it being too abstract. A few unit employees argue that the business plan makes it clear what their unit should do. One of them however states that their unit appears to have gotten further in this process than others; thus they are satisfied with the transparency of the process. Those who think that it is too concrete argue that the application of focus areas means that not everyone feels that they can contribute. Those who think that it is too abstract state that it needs to have more distinct objectives and that it is too generally worded. Someone refutes this, with the argument that the business plan is meant to provide a sense of direction. Consequently, some see that they can contribute indirectly or just to some of the focus areas.

5.2. The Organisational Assignment

The business plan is supposed to communicate what the organisation should do (the assignment) via its strategy. The business plan, as a codification of the assignment/strategy, represents the same duality as the assignment:

“Tourism is an extensive area, so you have to work with several areas of interest. Otherwise you risk missing something... The limitation with working so extensively is that it easily becomes fragmented. There are many actors to show consideration for.”
- Unit manager

This section thus considers two areas where the organisation has trouble forming a common view of the assignment.

5.2.1. Demarcation of the Assignment

The main aim of the assignment - to make the destination better - is shared and understood similarly by all respondents. Regardless of how well the purpose of the assignment is understood by the employees, how they are to reach this goal is perceived as rather unclear.

“The purpose of the organisation is, as I see it, ultimately to act as collaborator - a catalyst for the desired development. But that is so extensive that it means almost nothing.”
- Unit employee

Making the destination better thus means that the organisation could theoretically expand its business to encompass almost any activity. Someone further comments that regardless of what is agreed on in the business plan, when the personnel talk among themselves they get stuck on the fundamental issue of: “What are we supposed to do?” (Unit employee) The question as such is not so much what the organisation could do under the purview of the assignment, but rather what it should do. Thus, the employees argue that the business plan is not a tool they can go back to when they are confused about what to do.
“The broad outlines are sometimes a bit diffuse.”
- Unit employee

“Today we are trying to gather everything under one umbrella, and that can sometimes be a bit fragmenting.”
- Unit employee

One employee exemplifies this through a story where the security coordinator at the organisation was consulted about a man that got bitten by a cobra. As a matter of life and death, the coordinator helped mediated a contact to Skansenakvariet in Stockholm, where an antidote was found. At the time it was not a question of whether to intervene or not, but the example illustrates how wide a variety of activities they are sometimes consulted about. Consequently, the demarcation of the assignment has been and continues to be under discussion, both within top management and in the operational units.

In combination with the perceived fragmentary nature of the assignment many interviewees feel that the organisation takes on too much work, often in the form of too many projects.

“We say yes to basically everything.”
- Unit employee

“I think that the organisation in general has a problem saying no. We take on far too many projects and are bad at limiting ourselves. We are bad at finding our competitive edge. We develop through new projects but seldom develop our main assignment or units.”
- Unit employee

Interviewees argue that the organisation’s main strong point is the large amount of internal knowledge and competencies - it is advantageous to keep the know-how of how to collaborate and execute large projects in-house. At the same time some respondents, at different levels of the organisation, argue that since realising projects and events is very time consuming they become occupied with the daily work and have little time for anything else. Consequently, some respondents question the current operational balance within the organisation. I.e. they think that the organisation should evaluate what projects should be kept under own management, at what stage projects should be passed on to other actors, etc. As such they mean that there can arise a conflict between an operational and knowledge focus. What is thus unclear to some is what the main role of the organisation should be, or what type of organisation they should develop into.

5.2.2. For the Destination or the Organisation?

The prevailing opinion and organisational culture is that the employees do not work for the organisation; they work for the destination. Hence, some see no difference between working with the organisation and working with the destination.
“The destination is expressed in the assignment, so I see no difference.”
- Unit employee

“No, there is no difference the way we are established today. It has been established that we are the city’s destination marketing organisation, and as such there is no divide between the two...Strictly speaking the strategies of the organisation and the destination are very tightly knit. So there is no difference except those relating to organisational development. There you could distinguish between the two. Once we have established the big questions they go directly down to me in my unit. E.g. ’how should you and your business unit contribute to this?’.”
- Unit manager

Some state that it is very much a difference and that it is necessary to make this distinction. Those who see a difference describe it as having two different roles. One is to communicate the destination, the other is to convey the organisation’s raison d’être. In order to justify the organisation’s existence it must show that it reaches its targets; what it does for the destination and that it adds value that could not otherwise be added.

“Our owners do not make demands on the destination; they make demands on the organisation and its performance.”
- Unit manager

When asked whether they would like to have strategy more distinct for the organisation some think that it would serve little purpose. A couple however, both in unit management and in the personnel, think that clearer strategy for the organisation would help clarify the organisational role. As such, the interviewees argue that the organisation is always secondary to the destination. An apparent effect is that the role of the organisation is difficult to grasp, since clear strategy for the organisation is seldom discussed. The strategic focus is thus on the destination and units rather than on an organisational level.

5.3. Strategy Operationalisation

Once strategies are set they are passed down in the organisation to the different units. The business plan is here broken down into measurable targets and objectives to help realise the assignment. These activities are highly idiosyncratic and up to the individual units to develop and handle. Hence, perceptions of how this work is conducted will vary. This process and some idiosyncrasies are detailed below.

5.3.1. Breakdown Structure

Once the three year business plan for the destination has been set, it is broken down per year. These annual plans can be compared to action plans that are also assigned themes. These themes help generate ideas and regulate what projects and actions to focus on or raise during a specific year.
The units are fairly autonomous and as such there is no standardisation in this breakdown process. Unit managers use whatever method they see fit for their unit e.g. SMART criteria or benchmark against former years or other organisations. As such, the system is divided per unit rather than being one cohesive system. The management group is generally content with how the breakdown process currently works. A more joint structure has been tried, but was discarded as it did not generate synergies as expected. Most employees are to some extent involved in the breakdown process. E.g. through discussions in the units and through setting individual action plans, employees participate in developing the unit action plans. Some interviewees state that the breakdown structure is experienced as rather fragmented and some express a concern that there is a gap between the set goals and what the organisation does. In other words, few interviewees see a clear connection between what their units do and how this contributes to the business plan goals. Even so, the personnel gives credence to the system. Mostly as a result of trust in the own management.

"We are entering into a large project, so of course we have targets tied to it. And again, they are perhaps not really connected to the organisational and destination goals. Of course one of the main goals is to build knowledge about the destination, and to build a better destination. So you could say that [this project] does that. If you want to slant it like that."
- Unit employee

"Even if I understand that overall goals have to be fuzzy, they have to be broken down. I think that we are bad at that. I have an example of when [breaking down targets] was done very clearly. We drew a business plan for [a sole event] as it was so large. Then every unit got the opportunity to be involved. They all got to draw a report on what to attain - both in text and in measurable objectives. And that was really concrete... and I think it has to be, down at the level where it is measurable."
- Unit employee

There has been some critique that different units do not cooperate as much as they perhaps should. An experienced consequence of the low amount of intra-divisional cooperation is that they do not fully make use of internal knowledge and competencies. How much insight employees have in the different units varies depending of the nature of their work. Most of the personnel think that they have a general knowledge of what other units do, but profess that this knowledge is on an operational rather than a strategic level. For them knowledge about other units is often a result of three factors: own inquiries, that they have worked on the same projects or that they have worked in more than one unit. Therefore, some argue that a more standardised breakdown process could be helpful. Mostly because it would create a more comprehensive view of the organisation as a whole.

5.3.2. Internal Reviews and Evaluations

Reviews and evaluation activities are carried out at different levels in the organisation. Evaluations consider both qualitative and quantitative targets: the success of the overall strategic goals and business plan targets, two organisational ratios, business unit objectives and ratios, individual project targets and action plans for individual
employees. The method and extent of evaluations are up to the different units and projects.

Management argues that reviews and evaluations can serve to create a sense of commitment and achievement among employees. For this to happen the management group argues that there has to be a correlation between what you think you should do and what you monitor, otherwise monitoring becomes a nuisance. This is made difficult by the fact that effects cannot be measured in the own organisation, but must be measured in the destination. Neither is causality between actions and outcomes always razor-sharp.

"We cannot measure it, but if we look back on the previous year we saw that Norwegian visitors increased by a certain number of per cent. Then we want to show that we had campaigns in Norway, and that that increase is because of this. But we can never know for sure."
- Unit employee

The extensive assignment makes it inherently difficult to judge what effects and improvements the organisation is responsible for. One employee e.g. states that the organisation seldom evaluates its own importance because that could result in the organisation being made redundant:

"The organisation as a whole is bad at self-critique. I think we have a view of ourselves where we are doing well because we are developing our projects, but it feels as if we do not ask the real important questions that affect the development of the destination."
- Unit employee

Personnel think that while it is good to be able to celebrate success it should be easier to find and compare failures and mistakes in order to learning from the past. Consequently, employees request a more stringent and consequent process for evaluations, especially at a strategic level - where business plan goals are reflected upon:

“It is difficult when it targets are not quantitative. If we want to improve something, what does that mean? In relation to what? ... I think it would be good with more quantitative targets. Otherwise we can think that we are doing really well.”
- Unit manager

5.3.3. Internal Communication

The organisation conducts a number of internal daily, weekly, biweekly and to some extent monthly meetings. The aim of these meetings is to address both strategic and operational issues. However, the overall impression from the personnel in the organisation is that internal communication is more geared towards operational issues and debriefing, e.g. ‘what are we doing right now’, ‘has something new come up’, ‘does someone need help with something?’
The personnel describe that the main channel for strategy and strategic issues are bi-monthly larger occasions or personnel meetings. Apart for this, other communication platforms for strategy are mentioned, such as the internal blog, the CEO letter and the business plan. An appreciated feature is also the weekly breakfast presentations where the organisation invites external actors and acquaints the organisation with new opportunities, projects or actors. Given the amount of possible communication channels, some employees argue that there are too many, and new channels for communication. This means that none of them are used efficiently. As such interviewees think that communication could still become more pointed.

In addition, many interviewees describe informal ways of communication as important. All respondents are satisfied with the open organisational culture, which allows for much informal communication. In the decisions-making process further down in the organisation more informal discussions and knowledge of prior actions, rather than the business plan, help dictate what to do. A problem however is that many experience that there is not always enough time for it.
6. Discussion

6.1. A Reflection on Previous Research

The thesis has presented two opposing views on strategy: the rationalistic, linear process described by Chandler (1990) and the view of strategy as emergent presented by Mintzberg (in Clegg et al., 2011). The traditional view is also that strategy is something that an organisation has, while later authors claim that strategy is something individuals do (Clegg et al., 2011; Whittington, 1996). There are elements in the organisation that speak for both of these views. What speaks for a more traditional view is that strategic decisions mainly fall under the purview of the board and the management group. Apart from this, there is not much else that indicates that the traditional and rational view of strategy can be seen in the organisation. The organisation’s business plan process is depicted as a linear and deliberate process. However, this superficial description does not account for the daily interactions and the reformulations of strategy taking place. There is continuous communication between the management group and their units. Hence, managers are apprised of issues that happen in the daily activities. Thus, they are a part of the continuous sensemaking process. While the personnel might experience strategic issues as difficult, they can still offer managers valuable insights. Neither is the strategic discussion of ‘what should we do really?’ - a core issue of strategy - contained to unit managers (Clegg et al., 2011; Grant, 2008; Karlsson & Honig, 2004; Mintzberg and Waters, 1985). Hence, in order to explain what occurs within the organisation it is relevant to consider strategy as something which is done continuously and emerges from the entire organisation. In order to understand the strategy process, it is then important to understand culture and overall perceptions of what they should do.

6.2. The Strategy Process and the Organisational Paradigm

Heracleous and Langham’s (1996) present the organisational paradigm as a way of analysing how cultural and structural aspects affect strategy operationalisation. They argue that by looking at how the paradigm is build, it is possible to explain what happens in the strategy process. This will thus be discussed below. While the first step - the situational analysis, is a joint activity between the board and the management group and thus excluded from the analysis, the next step: ‘where do we want to be?’ or more aptly ‘what should we be/do?’ is a discussion present in the entire organisation. Consequently, the main effect of the extensive assignment on the strategy process appears to be ambiguity. I.e. that it is difficult to establish what to do and how to see what is done. The assignment is so extensive that it is difficult to relate to. What appears to happen in this case is that this ambiguity affects further steps in the process. Heracleous and Langham’s (1996) description is thus recognisable also in the studied organisation. Interpretations in the frame do affect strategy formulation and operationalisation. In order to explain how ambiguity affects strategy, it is essential to first map key traits of the paradigm and organisational frame of reference. In doing so the thesis answers it second research question.
6.2.1. The Organisational Frame of Reference

As suggested by Jarzabkowski (2004) practices, dominant logic and the frame of reference are found when actors systematically interpreted things in the same way. In the organisation the following interpretations can be seen:

The culture of creating a better destination appears to unify the organisation. Consequently, the destination is seen as more significant than the organisation. Strategy is set by the management and board. The strategy presented in the business plan is seen as elusive, this as it can be realised in a number of ways. Although the own culture is open and informal the owner structure is seen as bureaucratic. The different units are autonomous and idiosyncratic due to the fact that they work in own projects and networks. Thus, collaboration is also seen as limited across the units. Communication is managed chiefly through different meetings, with informal communication acting as an important complement. Except for the overall business plan goals there is an emphasis on unit/project level targets. The organisation relies on the sole individual to find information, especially on a strategic level. Employees have strong competencies and are defined as ‘doers’. The organisation appears to be reliant on prior decisions for future actions in the operational core. Hence it is more retrospective than prospective.

Tensions can occur in the sensemaking process when the organisational frame is challenged (Clegg et al., 2011, Jarzabkowski, 2004; Johnson et al., 2003; Shrivastava et al., 1987). Here this is illustrated through differences in opinions and interpretations of concepts. Arguably the organisation can have different rationales and frames at different levels of the organisation (destination, organisation, units, projects, individuals) (Shrivastava et al., 1987; Vallejo and Hauselmann, 2004). Firstly, it is unclear to many exactly what the organisation should do in accordance with the assignment. While the role of the own organisation in the destination is not really an issue, it is contested whether there is a distinction between working for the organisation and the destination. Opinions to some extent diverge on the issue of what the business plan and the business plan process does and should attain. The strategy formulation process is relatively opaque for members further down in the organisation. These tensions appear to cause further implications in the units: there is an idiosyncratic approach to communication and reviews and evaluations. Finally, many from the personnel want to see a clearer connection between unit objectives and overall goals.

The greatest tension is perceived to be the obscurity and uncertainty of what the organisation should do. The possible relationship between the different denominators, tensions and the organisational context will be further discussed in the following chapters.
6.3. Sensemaking and Ambiguity in the Assignment

6.3.1. External Effects

As suggested by Wortzel and Wortzel (in Heracleous, 2003) it appears that the organisation as a partly public organisation has less explicit goals. Vallejo and Hauselmann (2004) claim that a group of stakeholders mitigates bias towards single stakeholders. Shrivastava et al. (1987) however argues that organisations naturally favour some stakeholders. Looking at the organisation, both Shrivastava et al. (1987) and Vallejo and Hauselmann (2004) could be seen to be correct. The units will have different frames depending on what networks and key clusters they are consolidating around. On a smaller scale this same tension is seen in individual projects, where relevant stakeholder interests should be combined with the assignment parameters. I.e. employees must be able to explain to stakeholders that improving the destination improves conditions for sole actors. The owner and stakeholder structure thus helps limit what actors to work with. However, defining these actors does not necessarily demarcate how to realise the assignment. It only means that there are fewer external opinions to incorporate in possible suggestions (Jarzabkowski, 2004).

The stakeholder structure can further be said to creates impulses for both adaptive and recursive actions (Jarzabkowski, 2004). The bureaucratic and hierarchical create a normative pressure as stakeholders demand certain actions to legitimacy organisational behaviour (Zimmerman & Zeitz, 2002). This creates a need for unit managers and the organisation to justify its raison d’être. At the same time it also explains why the different units are autonomous and have idiosyncratic systems. As the assignment is to improve the destination as a whole, incorporating ideas from the stakeholders is important. An important interface is thus the separate units and their networks. Adaptation is made possible by the units encountering new frames through the networks and new projects. As such the organisation would tend to adapt incrementally. Consequently, recursive practices can be said to conceal adaptation in the organisation (Jarzabkowski, 2004).

6.3.2. Internal Effects

Jarzabkowski (2004) discusses that organisations demand stability. Shrivastava et al. (1987) explain this as a part of emotional rationality. I.e. where the individual prefers to not have uncertainties as a part of a coping mechanism. In the organisation this need for stability is characterised by a request for increased clarity with regards to what the organisation should do. This uncertainty is exemplified in the discussion of the proposed (im)balance between a knowledge and an operational focus. Employees overall argue that there is a need to decide what direction the organisation will continue to develop in. Making such a limitation could help demarcate the assignment and further decide what projects to realise. Hence, the tension regarding the assignment mainly focuses on if the actions taken are the right ones.
Somewhat paradoxically to this logic the organisation takes on numerous projects and has a problem saying no. As such, even though the extent of the assignment is not always clear, the organisation is by no means idle. Organisational members have been defined as doers, a perception that could in itself be self-reinforcing - realising projects and thus acting on the perception of themselves as doers. This suggests recursiveness (Jarzabkowski, 2004). This is further emphasised by the fact that an acceptable way of solving issues in projects is to look back at what has been done previously. Thus, sensemaking impels them into action (Clegg et al., 2011). To constantly work and perform is a result of the culture embedded in the organisation. By doing what they perceive themselves to be, what they are good at, and what they have done before; sense is further rationalised and institutionalised (Jarzabkowski, 2004). While this might seem highly inefficient at an organisational level it could be a way of trying to ratify the organisation’s raison d’être. This can be seen as ‘covering’ as much as possible in order to try to create favourable outcomes in the destination. Thus, actions that are seemingly illogical at an organisational level can help promote emotional rationality (Shrivastava et al., 1987). Taking on too much work is then a way of coping with uncertainty and creating internal emotional rationality.

Heracleous & Langham (1996) in their third step ask how strategic decisions affect the current paradigm. In this case it could be argued that strategy is not necessarily what drives the organisation forward. Instead incremental shifts in perception occur as sense and the organisational frame is challenged with every new project (Jarzabkowski, 2004; Johnson et al., 2003). Taking on more projects is further a way to promote emotional rationality.

### 6.4. Strategy Formulation

#### 6.4.1. Deliberate or Emergent Strategy?

The discussion above suggests that strategy is incrementally emergent. That strategy comes from in the operational core of the organisation. However, as familiar from Mintzberg and Waters’ (1985) discussion of how strategy is formed, whether strategy is emergent or deliberate is not an absolute scale. Strategy is about forming consensus, as the organisation does not differentiate between setting strategy for the destination and for the organisation. At the same time the strong organisational culture of ‘creating a better destination’, implies that strategy could have an ideological framing. I.e. the vision unifies the units around a concentric goal. The strategy process is internally depicted as a linear and planned process. This coupled with the fact that at least the political environment is perceived as stable could argue for a deliberate take on strategy. I.e. there is a lower possibility that strategy will have to adapt because of changes to the assignment. Even so, as units are largely autonomous the organisation could still be seen as having an unconnected strategy.

It can still be concluded that strategy is mainly emergent at an organisational level. This because of the importance and autonomy ascribed the individual units in breaking down strategy and the relatively minor emphasis put on organisational strategy.
6.4.2. Perceptions of Strategy Usage

In relation to this discussion it is interesting to see whether and how the business plan is utilised in the organisation. If so at what levels. Theory argues that if the organisation does not reflect upon the strategy process, and simply does what it is good at, the business plan becomes a way to pay lip service instead of adapting (Jarzabkowski, 2004; Karlsson & Honig, 2009). Arguably, the business plan is utilised in the organisation, albeit not to its full desired potential. The business plan process is currently an important forum for the board and management group. Unit managers use it as a coordinating, heuristic and directing tool for both the destination and units (Grant, 2008). However, strategy may not be anchored to the desired amount further down in the organisation. I.e. it is not the steering document the units want it to be. This is exemplified in the discussion of whether the business plan is too concrete or too abstract. This polarity in opinion about how specific the business plan should be can be explained as follows: on one hand wanting to legitimise the business plan and not promise what is not possible to keep (Driver, 2014). On the other hand employees want to have it clearly stated what they are expected to deliver (Goold & Quinn, 1990). As such the tension about the explicit purpose of the business plan can be explained.

Consequently, the most relevant factor in this discussion is perhaps not what strategy and the business plan traditionally do, but rather what the own organisation wants them to do. Since it is argued that the business plan process is supposed to legitimise the procedure, create involvement and help create operational milestones; then it is on those criteria it should be evaluated.

There is a great deal of faith in the own organisation and that the management group knows what they are doing (Ouchi in Goold & Quinn, 1990). Hence, the purpose of providing a direction and signalling that there is a plan for where the organisation is headed can thus be seen as met. However, many employees express a concern that there is a gap between the strategic intent in the business plan and strategy as it is enacted in the units. Thus, there could be said to be a disassociation between the different levels. At an aggregated level this has been seen in the difficulty in establishing how to choose and operationalise goals for the destination. Further, the personnel find the strategy process to be opaque, both in its formulation and operationalisation. Then the business plan is not currently the tool for reflection that the organisation wants it to be. The written business plan is an articulation of the result of the previous process, and is as such a still picture of what the dominant logic was at that time. It could thus be seen as more of a symbolic document (Karlsson & Honig, 2009). Alternatively, it can be seen as a tool for discourse. Then it is only by using, referring back to and questioning the document that it can help the sensemaking process (Heracleous, 2003). At this point, there is insufficient support that the personnel can relate to it. At least if judged by the fact that not everyone from the personnel can precisely remember it, or even find it. One further example of how the business plan is not really anchored can be seen in the issue of the organisation’s focus on sustainability. In the approximately 30 page business plan, it has been allotted a spread and is mentioned continuously throughout. Yet, only five out of all interviewees, explicitly mention sustainability issues. As the personnel has limited visibility into this process, the business plan process primarily remains a tool for management. Thus, it is not the business plan but rather the process that is of the greatest importance when developing strategy in the organisation.
As can be seen from the above discussion it is difficult to separate the formulation and operationalisation of strategy (Mintzberg in Clegg et al., 2011). As such it makes sense to further explore how the strategy process is expressed in the operational units.

6.5. Strategy Operationalisation

6.5.1. Control Mixture and Breakdown Structure

Goold and Quinn (1990) explain why the organisation is governed by a mixture of result and cultural control. Organisational action is built on autonomic actions and individual responsibility. This can be explained by the need for employees to have an extensive knowledge base and strong operational competencies within their areas. Arguably, a too regulatory control system would promote distrust and irritation. This explains why the organisation does not use action control. Result control on the other hand makes it possible for management to discern the general direction of the units. Cultural control serves to unify the autonomous units around the common goal of improving the destination. As such it is interesting to return to the discussion about working for the destination versus the organisation.

Currently strategy is developed for the destination and then broken down directly in the autonomous units. This has resulted in what can be described as a silo-structure, where every unit works separately to contribute to overall goals. The issue is that there is little to connect strategy at the organisational level to the assignment. The direct break down from destination to unit has meant that the organisation is if not insignificant, then a purely legal or invisible entity. By invisible is meant that organisational issues are ancillary to the destination - there is no point in differentiating between actions for the destination, the organisation and the units - they all serve the same purpose. An effect of which can be seen in the relatively few ratios for the organisation. The silo-structure becomes a way for units to develop their own structure around what they and their stakeholders perceive as important. Employees offer two possible explanations for downplaying the organisation: one, that it is highly difficult to form a true picture of the organisation and units as a whole. This as they are the sum of individual projects. Two, that the organisation is afraid to challenge own actions and their effects as it might cause the organisation to be made redundant. This division into a unit silo-structure can thus partly be explained by the difficulty in precisely measuring and finding cause-effect relationships at an organisational level. This in turn means that there is no automatic system that prompts employees into questioning why the organisation is configured the way it is, and the essential question of what it should and does attain (Argyris, 1977; Heracleous, 2003).

6.5.2. The Learning Organisation? - Evaluations and Discourse

By combining the above discussion it must be established that the organisation has a tendency towards single loop learning (Argyris, 1977, Hearcleous, 2003). I.e. the organisation learns incrementally through new projects and the communicative
structure is geared towards debriefing. Further, the strategy process is introspect and overall lacking in self-critique. Lastly, the process is opaque to employees down in the unit. These aspects mean that communicative activities can provide limited support in understanding complex strategic issues. Ambiguity in what to do could thus be a result of these channels not working fully. I.e. management group meetings, informal communication, the employee conference, breakfast meetings, CEO letters, the blog, etc, do not sufficiently help employees deal with difficult strategic issues. (Heracleous & Barrett; Heracleous & Hendry; Lengel & Daft; Pondy & Mitroff in Heracleous, 2003) Consequently, the strategy process can be said to have bounded rationality (Heracleous & Langham, 1996).

However, theory also argues that recursive practices conceal adaptation (Jarzabkowski, 2004). This can in the organisation be shown by the emergent characteristics of strategy. I.e. the organisation still learns through new projects. It could thus be argued that the tension of "what should we do?" is born as a result of the units being unclear about what they should do. The request for clarity has promoted discourse among the personnel and thus with unit managers. Hence, cumulative and continuous communicative activates could with time rebuild discourse. Resulting in an according change of the dominant logic in the frame.

Thus, the implications of ambiguity in the last steps in Heracleous and Langham’s (1996) framework can be seen as follows: the issues of how to manage communication and control systems are relegated to a unit level. Cultural control appears to be predominant at an organisational level, while result control is more important at a unit level. There is currently a tendency towards single loop learning, although the organisation has established platforms for double loop learning in its structure.

6.6. Summary

The thesis ends where Heracleous and Langham (1996) start their framework. The trouble with establishing double loop learning appears to steam from two things. One, the organisational focus on operational efficiency and two, the low-level of self-critique. Further, at an organisational level control is left largely to cultural aspects - meaning that there is a lack of the explicit goals requested by the unit employees. Thus, many perceive that the result control system does poorly at connecting the unit targets up to destination goals. The difficulty in monitoring the organisation makes it difficult to create a system that monitors and prompts corrective actions. Thus, it appears that rationality is bounded in the strategy process. This is a result of the main strategic tension - the difficulty in demarcating and measuring the assignment. It could thus be said that ambiguity and the nature of the assignment, means that it is difficult to form a coherent picture of what the organisation as a whole contributes with to the destination. This in turn suggests that it is difficult to fully plan strategy. It must rather emerge out of the organisational actions.
7. Conclusion - Ambiguity in the Strategy Process

Overall strategy and priorities are set by the board and the management group when they formulate the business plan. Strategy is then communicated to employees at an organisational meeting. The business plan is broken down per annum and responsibility is handed over to individual unit managers. The accumulated efforts of the units should act to reach business plan goals. Operational progress is mapped continuously through meetings and evaluated at the discretion of the affected units. Targets are reassessed by unit managers to see if there is a need to re-evaluate. As such strategy development bears resemblance to the traditional recurring, top-down, linear process (Chandler, 1990). What this description does not capture is the strong external and action orientation of the organisation (Samra-Fredericks, 2003; Vallejo & Hauselmann, 2004). Neither does it capture the interaction between unit managers and the personnel. How to demarcate, measure and realise the assignment is seen as the main tension within the organisation. The nature of the assignment makes it difficult to establish effects for the organisation as a whole. Further, it makes it hard to determine what the organisation should do - thus creating ambiguity, both in interpretations and in the strategy process (Carter et al., 2008). As argued the strongest influences for adaptation of the organisational frame and strategy comes from the operational core. E.g. causing ambiguity in what kind of projects the organisation should focus on. This creates a downward pressure in the organisation and further increases the importance of autonomous and knowledgeable units. It is at a unit level that the elusive causal-relationship and difficulty of measuring achievements vis-à-vis the overall goals of the destination is the most visible (Goold & Quinn, 1990). Thus, it is argued that strategy is formulated and operationalised in the meeting between the top-down and bottom-up approach (Mintzberg in Clegg et al., 2011). The dominant logic of the organisation is shifted bit-by-bit through communicative activities (Mintzberg & Waters, 1985; Heracleous, 2003). Thus, strategy emerges and incrementally adapts. This last aspect emphasises the importance of social interactions and sensemaking in the strategy process. Thus, arguing for the view of strategy as something done rather than something the organisation has (Whittington, 1996).

The business plan and process could thus be concluded to act as a way of providing a general direction (make the destination better) (Clegg et al., 2011). Even so, to what degree it is currently creating involvement and knowledge is debatable. What cannot be emphasised enough is that this is still a functioning organisation. Further, it has managed to establish platforms for a more rational strategy process (Heracleous & Langham, 1996). Consequently, it is important to understand how the strategy process is affected by individual interpretations and the organisational paradigm. This to increase rationality in the strategy process and utilise strategy to its full potential. Human interactions and interpretations do affect the strategy process. If researchers and strategy users wish to understand and optimise strategy as a tool, they should account for the possible ambiguity interpretations can create in the strategy process.
7.1. Possible Future Research

While working with the thesis several themes were recognised, which could be interesting to explore further:

► How can organisational and/or stakeholder structure affect how strategy is perceived, formulated and operationalised?

► Internal motivational factors of working towards a purpose of common or societal good.

► Is there a critical point, size wise, for a collaborative platform to be efficient and still be able to unify stakeholders?

► Do a similar study, but with other kinds of organisations, e.g. public/private.

► Add an external focus. How to get all external actors to cooperate or explore how do they perceive the strategy? Is strategy perceived similarly between stakeholders?

► Research how the board perceives strategy and interacts with the organisation.

► How if possible can a multi-stakeholder/project organisation standardise learning processes?

► Further research on the effects of path dependency on perceptions of strategy.

► Study new actors in a project and how they are socialised into the ‘culture’ and strategy.

► Compare two projects and see if and how perceptions and frames are the same? Do they change as the project evolves?
8. References

Articles


**Books**


**Other**
