

**THE PRACTICE OF STRATEGY FORMATION  
– OPENING THE GREEN BOX**

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This thesis reports the results from an in-depth longitudinal study of how a new strategy actually forms in practice. The focus is on a Swedish multinational firm called the “MECH Group” and its efforts to combine environmental and business concerns in the new strategy called “Positive Impact.” Detailed examinations of people and their activities and practices uncover the dynamic and firm-wide aspects of strategy formation in general, and the greening of business in particular.

The study shows how the combination of the strategy-as-practice and strategy process traditions can yield new insights. It contributes to the theorizing about strategy formation in three ways. First, it provides detailed real-time activity-level descriptive accounts about this phenomenon. Four kinds of activities that have strategic outcomes are identified and analyzed: *visionary*, *prescribed*, *evaluative*, and *unrecognized*. Second, it broadens the focus from top management and their intended activities to include other people in the organization and their activities, which can emerge with little or no involvement from top management. Six types of internal strategy practitioners are shown to be influential in the strategy formation process, either consciously or unconsciously, directly or indirectly: *top management*, *strategy task force*, *corporate staff management*, *temporary governance*, *operational middle management*, and *operational-level employees*. Third, it connects activity- and firm-level findings. More specifically, it lets a rich understanding about an actual practice inform the theorizing about the convergence of deliberate and emergent strategies. Three different kinds of integrating functions are identified: i. *downward implementation*, ii. *upward recognition*, and iii. *horizontal facilitation*.

The findings also contribute to the knowledge about the greening of business. By developing a detailed empirical account about the practice of integrating environmental issues into business strategy, the study provides a descriptive view as a complement to the many normative ideas that are found in the existing literature. It also connects the greening of business to general strategic management theorizing.

Furthermore, this study provides a methodological contribution in terms of how the richness of strategy formation can be researched, especially concerning the capturing of relevant empirical material in real time. It demonstrates the importance of having significant access to, and knowledge about, the organization under scrutiny. Moreover, it shows how a focus on the practitioners and their doing in the *intermediate* micro-context can enable the study of multiple people involved in various activities that have strategic outcomes.

Finally, the improved understanding of both how a new strategy actually forms in general, and of how environmental issues are integrated into business strategy in particular, provides more realistic grounds upon which implications for practicing managers can be derived.

*Key words:* strategic management, strategy formation, strategy-as-practice, strategy process, strategy as an emergent process, environmental management, greening of business, sustainability.