

Strategic clarity

Organisational coherence and trajectory of a multinational company across two continents and four market segments

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What the dissertation is about?

The **purpose** of the dissertation is to analyse an organisation in the context of strategic clarity, that is, the state of knowing what is, will be and might be affecting the vision, mission and long-term objectives of an organisation. Two research questions are pursued:

- 1) Which processes influence the emergence of strategic clarity within an organisation?**
- 2) How do management and staff assess these processes?**

For this, a mixed-**method** case study design is applied, involving both qualitative (field notes, interviews, etc.) and quantitative (questionnaires, share price, etc.) sources for data generation. The study is cross-sectional, that is, takes part at specific points in time.

The **research object** itself is an international service firm with four separate business lines and offices on all continents. The dissertation is embedded as an in-house consulting project and supported by the company's global strategy department.

From the data analysis the author expect **insights** into (1) contrasting value perceptions and differences in aspects such as resource requirements, market dynamics, learning orientation, action orientation, etc. (2) insights into the organisation's capabilities and art of management that can be used to generate strategic clarity.

The **original of the dissertation** is the adaption of a cybernetic approach for analysing organisational processes and ensuring the stability of a system in the long-term. This will lead to a better understanding of organisational pathologies and shall contribute to future research on organisational phenomena.

State of the field

Strategic clarity

A literature review by means of Harzing's Publish or Perish and the EBSCO database reveals the following:

- The term originally comes from military strategic studies (early 1990ties) and was later adopted by a number of scholars for various research purposes
- The term is used rather ambiguously and does not have a generally accepted definition
- A coherent definition can be created by merging overarching strategy concepts, schools of thought and underlying fundamentals (see table below)

Defining the term			
Overarching concepts	Resource-based view (e.g. Wernerfelt 1984)	Market-based view (e.g. Porter 1979)	
Schools of thought	Linear strategy E.g.: Chandler (1962), Gilmore (1971) Drucker (1973)	Adaptive strategy E.g. Hofer (1973), Mintzberg (1978), McCann (1982)	Interpretive strategy E.g. Pettigrew (1977), Chaffee (1984)
Consolidation	Knowing what is	Knowing what will be and might affect the organisation	
Underlying fundamentals	Organisational vision, mission and long-term objectives		

State of the field

Strategic clarity

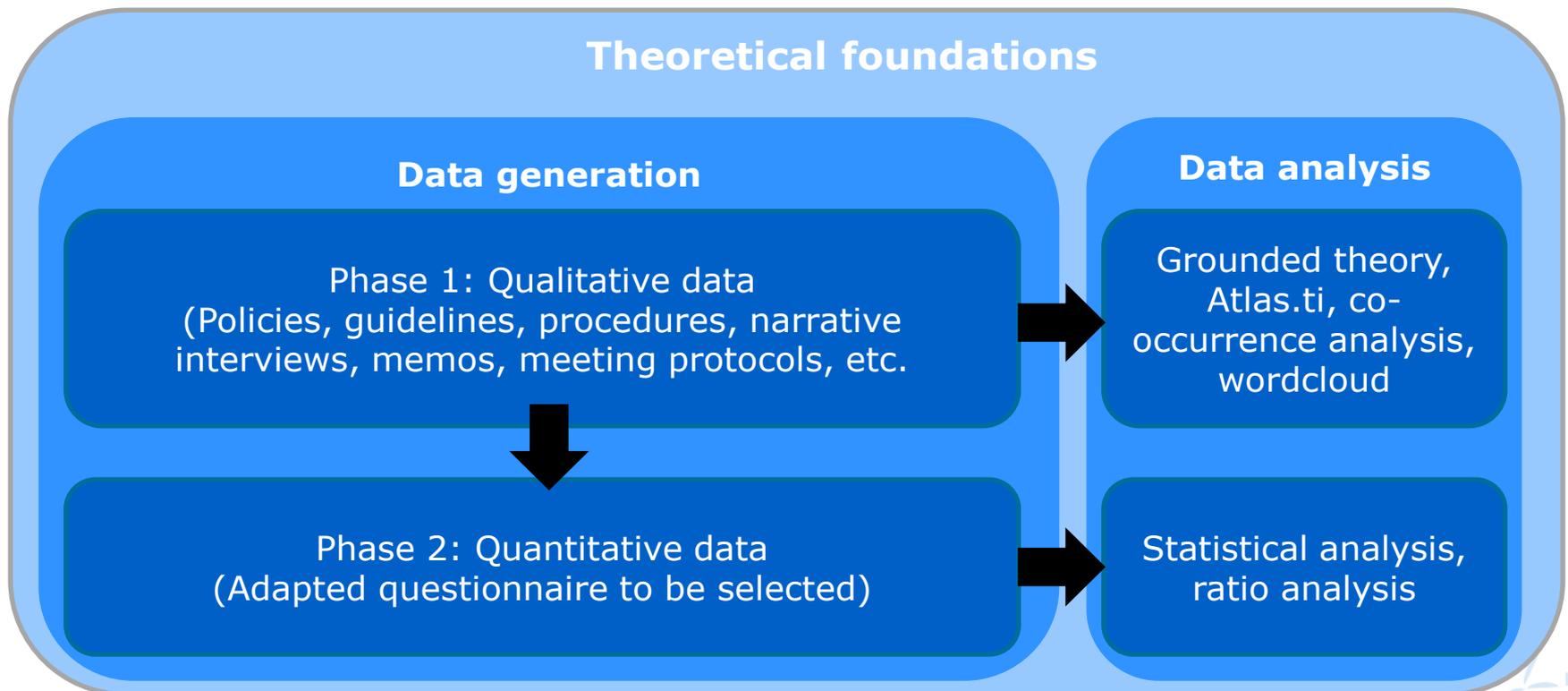
Leading to: “strategic clarity is the state of knowing what is, will be and might be affecting the vision, mission and long-term objectives of an organisation”, the following conditions are satisfied:

1. Being a state; rather than an abstract phenomena shall emphasise that it is something that is measurable.
2. Being bi-polar; thus rejecting a hypothetical “ideal state” but accepting that strategic clarity is determined by a balanced state between two extremes (RBV vs MBV, learning vs action orientation, coherence vs trajectory, etc.) (Jung 1921, Eisenhardt 2000)
3. Being derived from general accepted strategy concepts; therefore compatible with existing schools of thought.
4. Being linked to fundamentals of organisations; that is vision, mission and long-term objectives.

With this in mind, RQ 1 can be answered by drawing from existing literature and RQ 2 can be answered by an exploratory mixed-method research design.

Research design

The chosen research design combines qualitative and quantitative methods in order to minimise systemic errors in data generation and analysis (Mayring 2002, p. 147). The phases are explained in more detail below:



Research design – Sampling

The research object is an international service firm that has clustered its operations into five regions. Two of them (Europe/Africa and Middle East) were selected because of:

- Comparable size
- Similar management and staffing headcount
- Presence of all four business lines

The total available sample is **# 535** (see details below)

Region	Sr. management	Jun. management & staff
Europe/Africa	21	275
Middle East	16	223
Total	37	498

Research design – Data generation and analysis

19 narrative interviews (~50% of total senior management sample through snowball sampling) and 7 field-documents issued by the research object were analysed by means of grounded theory:

- 1) Open coding: "The analytical process through which concepts are identified and their properties and dimensions are discovered in data." (Strauss & Corbin 1998, p. 101)
- 2) Axial coding: "The process of relating categories to their subcategories, termed 'axial' because coding occurs around the axis of a category, linking categories at the level of properties and dimensions." (Strauss & Corbin 1998, p. 123)
- 3) Selective coding: "The process of integrating and refining the theory." (Strauss & Corbin 1998, p. 143)

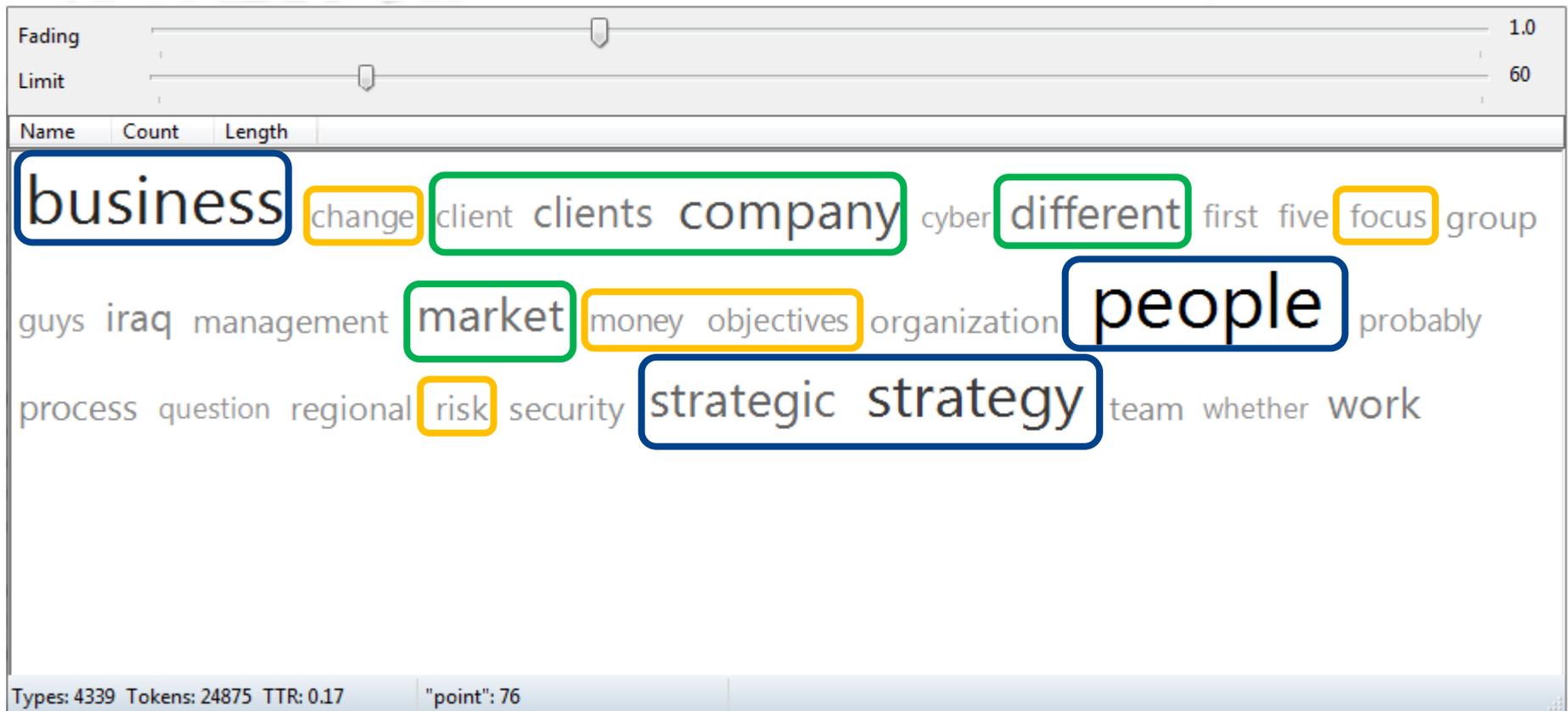
From this result 543 individual codes with 17 codes having a density of ≥ 20

In case processes were assessed by individuals during the interview four distinct assessment codes were used to capture information:

- Positive assessment
- Negative assessment
- Important
- Not important

Initial findings – World cloud analysis

The word cloud analysis provides insights into the meta-story of all interview partners:



Initial findings – (qualitative) Groundedness and density

Name	Grounded
 Market-based view	65
 Self-identification~	64
 Resource-based view	58
 Important	46
 Self-regulation	40
 Management level 1~	37
 Strategy~	37
 Self-organisation	35
 Strategic initiative Iraq~	31

Name	Density
 Focus of attention	13
 Self-regulation	12
 Structure	11
 Self-organisation	10
 Self-identification~	6
 Strategy~	5
 Market performance	5
 Market-based view	5
 Vision	4

Initial findings – Co-occurrence analysis

Calculating co-occurrences between assessment codes (positive/negative) and open codes reveals that some processes are perceived to be problematic. This hints the existence of pathologies within the research object.

Codes	Positive assessment	Negative assessment	Total assessment
Self-regulation	0	0.11	-0.11
Strategic decision(s)	0.01	0.08	-0.07
Strategic initiative A	0	0.06	-0.06
Double-loop learning	0.01	0.05	-0.04
Management level 1	0	0.04	-0.04

The selection of co-occurrences ≤ -0.04 is based on applying the elbow criteria to a calculated distribution.

Next steps will be:

- Selecting and adapting qualitative questionnaires for phase 2
- Testing questionnaires with a limited amount of management personnel
- Conducting quantitative data generation (minimum 25% of the total sample)
- Analysing quantitative data and comparison with qualitative results to answer RQ 2

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Questions?