Strathclyde Business School

The Role of Stakeholders in Emergent Strategy and Emergent Strategizing

By

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A thesis in fulfilment of the requirements for the degree of Doctor of Business Administration

2011

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ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to my two supervisors, Professor Colin Eden and Professor Fran Ackermann, for their constant support and encouragement over the years.

I am thankful to have had the opportunity to benefit from their knowledge and expertise.

TABLE OF CONTENTS

FIGURES

TABLES

ABSTRACT

Emergent strategy is, at first glance, a comprehensible concept encompassing the view that the emergent strategy of an organisation is the strategic consequence of the organisation's antecedent decisions and actions. Every organisation has an emergent strategy. Even organisations claiming not to follow any strategy have an emergent strategy. The concept of emergent strategizing takes into account the procedural aspect of how decisions and actions form in organisations. However the concepts of emergent strategy and emergent strategizing have hardly been taken beyond this basic idea. This study seeks to operationalize the concepts of emergent strategy and emergent strategizing in a real world organisational setting. The researcher collected, as a participant observer, ethnographical field notes and narratives. Six cycles of data collection and data analysis during 11 months of field work were undertaken in an evolving experiment. The researcher developed a conceptual framework describing how to monitor the evolution of the emergent strategy, emergent strategizing, and of the emergent strategic future over the research period. The main finding is that important stakeholders matter significantly for emergent strategy and emergent strategizing. The detection of this major role of stakeholders for emergent strategy and emergent strategizing is new and is the main contribution of this research. Based on the research, a "how to do guide" to detecting emergent strategy, emergent strategizing, and the emergent strategic future of an organisation was developed and is presented in a closing chapter.

1   Introduction and Summary

This dissertation is about strategic management and about the role powerful players take in determining strategy. In particular it is about how changing players at the top of an organisation influence the strategic future of an organisation. It is also about seeking to make practical use of the notions of "emergent strategy" and "emergent strategizing".

Emergent strategy and emergent strategizing are fascinating concepts. When people hear about the notion of emergent strategy and emergent strategizing for the first time, many of them agree spontaneously to the idea. In many organisations, strategy is still seen as something elitist: "Yes, the strategy is done by the bosses, by the smart guys in our organisation." However as soon as the official strategy is formulated many people immediately start to say: "This will never be realized." Or people say: "Yes, that is the official strategy; the organisation needs to say that however it has no meaning for us, we continue our business as before." Very interesting is then the question, if the official strategy is not the real strategy, what is then the real strategy? The concepts of emergent strategy and emergent strategizing provide here on a first glance a very comprehensive answer and that may be why many people sympathize with these concepts. On the other hand, it is an existing gap that these fascinating concepts have hardly been operationalized. This research aims to operationalize the concepts of emergent strategy and emergent strategizing (see chapter "The definition of emergent strategy", page 72 and chapter "The definition of emergent strategizing", page 74 for the distinction between emergent strategy and emergent strategizing).

This research uses a real world example to develop an understanding of the concepts of emergent strategy and emergent strategizing. It takes the two concepts beyond their idea and makes them tangible and shows a way to research them in order to establish what they are.

The basic idea of the concept of emergent strategy is that the emergent strategy of an organisation reflects the strategic consequence of previous decisions and actions of

that organisation. It takes an organisation towards this or towards that direction. The emergent strategy is the "real" strategy. It shows the direction towards which an organisation is going. It is not the strategy that an organisation may claim to have. By implication this means that every organisation has an emergent strategy independently whether an organisation is aware of that or not, and independently of whether an organisation claims to have a strategy or not, or whether an organisation cares about strategy at all or not.

This implies as well that the emergent strategy of an organisation may be detected and may be written for an organisation. If every organisation has an emergent strategy then it should be possible to write down this emergent strategy. The difficulty may be how to detect the emergent strategy. The emergent strategy of an organisation may be detected by looking on the way the organisation is acting. By looking at how an organisation is doing what it does. This can be done by somebody from within the organisation or by somebody from outside of the organisation. For detecting emergent strategy there is no need that the organisation itself needs to be aware and familiar with strategy related themes. The emergent strategy does exist for every organisation. That means that the emergent strategy of an organisation may be detected and may be written for an organisation even if the organisation does not know and does not care what its emergent strategy is.

That is what is done in this research based on the use of ethnography in a developing experiment of six cycles over a time of eleven months of data collection at a site under stress of a multinational logistics company. Through the six cycles it became possible to see the evolution of the emergent strategy and emergent strategizing over time from cycle to cycle and how the emergent strategy and emergent strategizing changed. Strategy in general is something that is expected to be valid over a longer period of time. At least, a strategy is supposed to remain constant longer than a few months. This research used the term "strategy document" for the written down emergent strategy, emergent strategizing and the emergent strategic future of the researched organisation (see chapter "The elements of the strategy document", page 129 for a complete view about the elements of the strategy document as used in this

research). Thus in this research the strategy document and hence the written down emergent strategy and emergent strategizing were expected to remain constant over a long period. But it turned out that this was not the case in this research because stakeholders dominated the emergent strategy and emergent strategizing and as the stakeholders changed, the emergent strategy and emergent strategizing changed significantly as well.

Out of that follows the insight that the emergent strategy and emergent strategizing actually change remarkably over time *because* of the changing stakeholders - this is a main contribution of this research. Thus, stakeholders matter a lot in determining the actual emergent strategic future of an organisation under stress.

In organisations under stress it may be more likely that stakeholders keep changing and that thus emergent strategy and emergent strategizing keep changing. Emergent strategy and emergent strategizing are temporary as the stakeholders change but emergent strategy and emergent strategizing can be detected as long as the stakeholders remain relatively constant. In organisations under stress the detection of the emergent strategy and emergent strategizing are much more complete if stakeholders are explicitly considered.

This research adds stakeholders as another dimension to the theories of emergent strategy and emergent strategizing that have appeared in the literature. This research demonstrates that within the theory of emergent strategy and emergent strategizing, stakeholders are not just a peripheral taken for granted but are focuses of attention. This enhances the explanation of emergent strategy and emergent strategizing.

UNDERSTANDING THE CONCEPTS OF EMERGENT STRATEGY AND EMERGENT STRATEGIZING

The term "strategy" has an enormous appeal in the business and managerial world. The word strategy itself derives from the Greek word "strategos". "Strategos" is composed of "stratos" (army) and "ago" (leading). The term has a long tradition of

being used within military. It meant to lead and to guide a powerful entity (in the military sense the army) into a situation where it had an advantage over its counterparts. The idea of leading into a situation of advantage is as well very attractive for business organisations. That is what managers want to achieve. They want to drive their organisations into a situation where the organisation has an advantage. There has been an ongoing emphasis over the past decades in the business organisation and management literature on the need for organisations to find ways to get competitive advantage. Thus the strategy of an organisation is supposed to show the way to follow in order to get future competitive advantage for the organisation. Defining a strategy is expected to make the strategy vital and of crucial interest for everybody within an organisation.

How do the strategies that are actually delivered form in organisations? This question is of crucial importance for organisations as the answer to this question is said to determine the direction into which an organisation is heading and thus to determine the organisation's future. Mintzberg and Waters (1985) categorized the ways of strategy formation in organisations into a continuum between pure deliberate and pure emergent. They have suggested that a pure deliberate strategy implies that the organisation had articulated precise intentions in a relatively concrete level of detail *and* that the organisation has exactly realized the intentions as planned on beforehand.

A deliberate strategy has clear objectives and clear goals to realize within a defined time frame. The objectives and goals are unambiguously measureable. However the notion of a pure deliberate strategy is a problematic concept. The deliberate strategy statement might be interpreted differently throughout the organisation. It is not possible that a deliberate strategy is exactly to the same extent understood and clear for everybody in the organisation. The pure deliberate strategy statement is likely to be interpreted differently from all people to which it is communicated. Different interpretations might already start when more than one person formulate the pure deliberate statement. Even when a group of people think that it has reached consensus about the wording, it may happen that the same words mean something

different for each actor in the group. A pure deliberate strategy statement embeds as well the feasibility question. Is the strategy realistically feasible for the particular organisation? Did the editors of the deliberate strategy know the organisation enough and did they understand the organisation well enough in order to formulate a strategy exactly fitting to the organisation? Is the strategy one that is feasible and which does neither overburden nor under challenge the organisation? It may be not be very likely that a pure deliberate strategy becomes exactly realized.

What about the other end of Mintzberg and Waters' continuum? What about the notion of pure emergent? It may be interesting to explore the notion of pure emergent. Pure emergent means consistent patterns in action over time in the absence of intention about it (Mintzberg & Waters, 1985). It is the opposite of pure deliberate. There is no formulated strategy at all and no explicitly defined intention, objective or goal to strive for. In the pure emergent way the direction towards the organisation is going, is the logical result of its antecedent activities. It is a direct consequence of all the past actions which were undertaken by an organisation.

The concepts of emergent strategy and emergent strategizing are potentially very powerful ideas, perhaps, partly because we presume that many of the deliberate strategies fail.

Emergent strategy

Mintzberg first defined that an emergent strategy is the result of a pattern in a stream of decisions (Mintzberg, 1972). Later Mintzberg and Waters changed this definition and defined an emergent strategy as the result of a pattern in a stream of actions (Mintzberg & Waters, 1985).

Mintzberg can be seen as the "father" of the concept of emergent strategy because he first introduced the term emergent strategy in 1972.

The earlier definition of the concept of emergent strategy (emergent strategy is a pattern in a stream of decisions) as well as the later definition (emergent strategy is a pattern in a stream of actions), on a first glance, sound reasonable and seem to make the concept of emergent strategy or strategy in general tangible as the concepts suggest that one just has to look on the decisions respectively on the actions to know about the strategy. An organisation that does not want to define explicitly a strategy is following its emergent strategy, as the emergent strategy is the result of the organisation's previous decisions, respectively actions.

All organisations that have no deliberate strategy are following an emergent strategy. The emergent strategy in Mintzberg and Waters' sense is the direction into which an organisation goes as a result of patterns in the decisions and of the actions of the organisation. It is important to know that there is a need to understand thoroughly the concept of emergent strategy, as it is difficult to stop or to change an emergent strategy. An existing deliberate strategy can be stopped or changed by just defining and communicating within the organisation a new deliberate strategy. In contrast, as the emergent strategy is the consequence of antecedent multiple activities, multiple activities would need to be changed in order to stop or to change the emergent strategy.

Emergent strategizing

Eden and van der Heijden (1995) argued: "The expression 'emergent strategy' (Mintzberg & Waters, 1985) is linguistically consistent only if strategy is understood as 'the art of using plans' (Collins Dictionary). Thus the expression signifies an active process (which might be better named 'emergent strategizing')…" (Eden & van der Heijden, 1995: 331). Note by: The Collins Dictionaries Online define strategy as: "1. a long-term plan for success, such as in politics or business 2. the art of the planning and conduct of a war" (http://www-collinslanguage.com).

Eden and van der Heijden emphasize the procedural aspect of emergent strategy, which Mintzberg and Waters do not do. Mintzberg and Waters do not explicitly focus on process.

The linguistical consistency and the distinction between emergent strategy and emergent strategizing may appear on a first glance to be of minor importance however it is important for this research. The researcher used both terms, emergent strategy and emergent strategizing during data analysis and defined for this research that the term emergent strategy is more related with the outcome itself, with the outcome in the sense of a concrete strategic plan and that the term emergent strategizing is more related with the way to come to the outcome thus about the process how the outcome formed in the sense of the way how things are done (see chapter "The elements of the strategy document", page 129).

DETECTING EMERGENT STRATEGY AND EMERGENT STRATEGIZING

Mintzberg formulated explicitly that his early definition of emergent strategy as a pattern in a stream of decisions was developed to operationalize the concept of strategy: "This definition was developed to operationalize the concept of strategy, namely to provide a tangible basis on which to conduct research into how it forms in organisations" (Mintzberg & Waters, 1985: 257). Nevertheless, the difficulty to uncover and to detect the emergent strategy in practice remains. Because by looking on the emergent strategy definitions of Mintzberg and Waters word by word it turns out that this definition is *not* much tangible and *not* easy to operationalize.

Mintzberg's (1972) early definition was that emergent strategy is a pattern in a stream of decision. Later Mintzberg and Waters (1985) defined that emergent strategy is a pattern in a stream of actions. Both definitions of emergent strategy of Mintzberg (1972) and Mintzberg and Waters' (1985) suggest that the nature of the concept of emergent strategy is properly and precisely defined as a tangible concept. But by looking closer to the two definitions and by thinking about how exactly to operationalize and to research them, the two definitions appear to be very vague. The

nature of the concept of emergent strategy appear to be difficult to operationalize and difficult to research in practice. In the following the issues that turn out by looking closer on Mintzberg's (1972) and Mintzberg and Waters' (1985) emergent strategy definitions are listed under below headlines.

Patterns

What is a pattern? Has a pattern to do with something that is repeated in a similar way several times? How often then has something to be repeated until it becomes a pattern? And which spread is allowed in order that different ways can still be called "similar"? What does it mean when certain behaviour has become a pattern? Does it for example mean that this behaviour will show up again and again in a predictive way in similar situations? Is foresee ability of crucial importance? Can it be said that one characteristic of a pattern is that once a pattern is detected then this pattern becomes foreseeable? What about pattern*s*, the plural of pattern? Does one single pattern qualify for Mintzberg's (1972) respectively for Mintzberg and Waters' (1985) definition? Or is there a need to identify more than one pattern, thus several patterns?

Stream

What is a stream? The first idea might be that a stream is something moving, a flow. Consider for example moving water or moving air or electric current with moving electrons. But what does it mean in the figurative sense? What does "stream" mean in the Mintzberg (1972) and in the Mintzberg and Waters (1985) definition? Can "stream" in the two definitions be interpreted in a similar way than "patterns"? In the sense that both patterns of decisions and actions and a stream of decisions and actions determine respectively move an organisation into this or into that direction? Is a stream just another word, a synonym for a pattern? Does it then make sense that Mintzberg (1972) and Mintzberg and Waters (1985) use this word in their two statements? Or is the distinction between pattern and stream that a pattern is something specific, recurring and perceptible and a stream is just quantity (a quantity

of decisions or a quantity of actions but without a recurring and perceptible relation between the decisions or the actions)? Do they use the words pattern and stream in order that their statements sound more sophisticated, more meaningful but in the end either pattern or stream could be omitted as they mean the same?

Let us make a small experiment and look on the two definitions of emergent strategy how they would be when either the term "patterns" or "stream" would be omitted: i) "Emergent strategy is a pattern of decisions." ii) "Emergent strategy is a pattern of actions." iii) "Emergent strategy is a stream of decisions." iv) Emergent strategy is a stream of actions." All four versions may make sense in order to define emergent strategy and may not change significantly the meaning of the original definition. This small experiment provides an example how weakly defined the definitions of Mintzberg (1972) and Mintzberg and Waters (1985) are.

Decisions

What are decisions? What can be called a decision that matters for emergent strategy? What is a decision within an organisation? It sounds reasonable that employees working in an organisation take during every working day many decisions. However, each employee takes decisions individually. Other decisions are taken jointly after discussing, bargaining and compromising with others. A decision may has taken into account the constraints of the situation in which a decision has to be taken by choosing one decision out of a range of possible decisions which are assumed to be possible in a specific decision making situation by a decision maker. Maybe a decision maker had the choice between several (totally) different decisions. Or maybe the decision taker felt the need to take a decision even he thought that none of the possible decisions would be the optimal decision. Is the point of time when a decision was taken of importance? Can a decision be too early or too late? When is the optimal point in time to take a decision?

There are a number of specific issues that arise in seeking to operationalize and to research the significance of decisions within the attempt to operationalize the concept

of emergent strategy. Which decisions count for strategy making? Does it matter who the decision maker is? Do only the decisions taken by a specific group of people, for example of the board, matter for strategy making? Is it a question of hierarchy or power and influence? Or have the decisions taken by middle management to be added? Or do the decisions of all employees count? Is the range of people whose decisions count for the emergent strategy of an organisation limited to its employees? Or has that range to be enlarged with external people from outside of the organisation?

Which decisions of whom count for the emergent strategy in the sense of Mintzberg's (1972) and Mintzberg and Waters' (1985) definition of emergent strategy?

Actions

Very similarly to the issues related with "decisions" just mentioned above, the significance of "actions" is as well very problematic. "Actions" seem to be very difficult to operationalize and to research. What is an action? What is the nature of an action? What are actions? Most of what was said previously about decisions applies as well for actions. Is an action somebody doing something? Is action the process of influencing something or somebody with the direct or subtle use of power? Who are the people whose actions matter for the emergent strategy of an organisation? All employees of an organisation are working every day for the organisation. Every employee may undertake every day many actions for his organisation. Is this meant by "actions"? Does each and every action of each and every employee count? Is there a distinction between actions? Do some actions count more than others? Are some actions more important, more relevant than others? If yes, what are the judgement criteria? How can the relevant actions for emergent strategy be identified?

Which actions of whom count for the emergent strategy in the sense of Mintzberg's (1972) and Mintzberg and Waters' (1985) definition of emergent strategy?

Beyond Mintzberg and Waters – other considerations how to detect emergent strategy and emergent strategizing

There are several authors who have written about emergent strategy (a comprehensive review of the relevant emergent strategy literature is provided in chapter "Literature Review", page 68). However the researcher did only identify a few authors who have written in more detail and more precisely about the way on how to *detect* emergent strategy or emergent strategizing.

Eden and van der Heijden (1995) suggested techniques for detecting emergent strategy and focussed on means for exploring people's assumptions, mental models and taken for granted. For Eden and van der Heijden the emergent strategy is the strategic consequence out of the relevant people's assumptions, mental models and taken for granted. The larger an organisation is the more different people's assumptions, mental models and taken for granted do exist, which then need to be reconciled in order to allow to think about the strategic consequence and thus to *detect* the emergent strategy (see chapter "Issues in methodological choice, page 99 for more details about the suggestions how to detect emergent strategy of Eden and van der Heijden (1995)).

It is therefore of importance how the power structure in an organisation is. People with more power might be able to impact to a larger extent. As one can imagine such a reconciliation of different people's assumptions with different power bases, mental models and taken for granted is a process over time which is non static, which can shift over time as people's assumptions, power bases, mental models, and taken for granted shift. In addition, within an organisation existing people are leaving and new people are joining. This makes it clear that there is a story behind "decisions" or "actions" in the Mintzberg (1972) and Mintzberg and Waters' (1985) definitions of the concept of emergent strategy.

Later Eden and Ackermann (1998) suggested that: "Emerging strategizing …addresses the way in which most organisations demonstrate patterns of decision

making, thinking, and action, often 'taken for granted' ways of working and problem solving coming from the habits, history and 'hand-me-downs' of the organisation's culture. Whether the organisation members are aware of this or not, even if they define themselves as 'muddling through' rather than acting strategically, such enacted pattern inevitably take the organisation in one strategic direction rather than another" (Eden & Ackermann, 1998: 4).

Ackermann and Eden also propose a method for detecting emergent strategizing. The methods starts with the collection of people's issues, with what they worry about, what 'keeps them awake at night' and then Ackermann and Eden look on these people's issues and identify out of the people's issues the people's emergent goals. Then all goals are put together and are reconciled in order to get then the emergent strategic *goals system* (Ackermann & Eden, 2005). This emergent strategic goal system tells them then what an organisation is up to, in which long term direction an organisation is evolving.

Please note that there is as well other relevant emergent strategy literature beyond Mintzberg and Waters. Please see chapter "Emergent Strategy Literature", page 71 for a full review of the emergent strategy literature.

In this chapter, "Beyond Mintzberg and Waters – other considerations how to *detect* emergent strategy or emergent strategizing", the authors Eden and van der Heijden, Eden and Ackermann, Ackermann and Eden are mentioned here because they are the only authors who provide concrete and precise suggestions how to *detect* emergent strategy and emergent strategizing. The contributions of these authors are of significance for this research.

For example, Eden and van der Heijden's (1995) suggestions how to detect emergent strategy influenced the research methodology of this research (see chapter "Issues in methodological choice", page 99) and the researcher used Eden and Ackermann's (1998) definition of emergent strategizing as conceptual framework for his first

attempt at data analyses (see chapter "Cycle one – first attempt at data analysis", page 124).

THIS RESEARCH

As discussed above, the definitions of Mintzberg (1972) and of Mintzberg and Waters (1985) and of Eden and van der Heijden (1995) and of Eden and Ackermann (1998) and of Ackermann and Eden (2005) of the concepts of emergent strategy and emergent strategizing do not appear to be very tangible. In contrast, the concepts of emergent strategy and emergent strategizing appear to be vague and weakly defined and difficult to operationalize.

And this is where this research starts. Nevertheless the concepts of emergent strategy and emergent strategizing remain fascinating concepts for the researcher. This research aims to make a contribution by making these concepts to become more tangible and so useful in the practice of strategic management. This research aims to operationalize the concepts of emergent strategy and emergent strategizing and to take the two concepts beyond the idea in order to advance the knowledge about and to advance the knowledge about how to find out about them and to detect emergent strategy and emergent strategizing.

The researcher was from the beginning interested to research emergent strategy. This interest grew over years while working in different positions for different large multinational companies. The researcher experienced more than once that the official deliberate strategy did not match with the "real" strategy, which Mintzberg and Waters (1985) called emergent strategy; that there was a gap between what was officially declared as strategy for an organisation from the top management and how the organisation behaved and what was perceived by the employees of that organisation.

THE RESEARCH

Where the research has been conducted

This research has been conducted on a Swiss site of a large multinational logistics company. For confidentiality reasons all names and places have been anonymized in this write up. Thus the company names mentioned in this write up are not real company names but they are imaginary names. The chosen anonymized name and place of the company in which the research was done is *Elbro* located in *A-town*. The same applies for the name of people. No real people's names are mentioned but only initials and the initials which are used in this write up are not the initials of real people's names. The site had just one customer who has in this write up the imaginary name *Horizon* located in *M-town*.

The site in A-town represents a warehouse with raw material which has to be delivered just in time to a Horizon's production site in M-town (M-town is 30 km away from A-town), as well as with finished goods which have to be picked up at the Horizon's production site in M-town, put into the warehouse and later to be distributed all over the country to the customers of Horizon. At the time when the research was started the Elbro site in A-town and its employees had been outsourced from Horizon to Elbro since about one year. The site was under stress. The site had become under pressure. The pressure came from different sources and is discussed in greater detail below.

The trigger for starting the research at that Elbro site

The idea for this research came up at the moment when this site was facing pressure. This site was supposed to change. Organisations under change reveal more interesting data than at any other time. An ideal opportunity to study arises when an organisation is operating in an unstable environment with the need to change (Eden & Huxham, 2004). During the eleven months period when the data collection for this research was done, the site did not have an explicit formulated and written down

strategy. The site was one year after the outsourcing from Horizon to Elbro still in the situation of wanting to demonstrate that it is able to fulfil the service after the outsourcing. The way of working was a reactive way. The people at the site were satisfied when they were able to provide the service that they were asked to provide. But little was done proactively. No initiatives were undertaken to offer something to the customer Horizon without having being asked by Horizon to do so on beforehand.

In this situation, the site seemed to be a fruitful place for researching the concepts of emergent strategy and emergent strategizing. Because the site had no deliberate strategy and the site did not even think about strategic themes. As was argued earlier, every organisation has per definition an emergent strategy, whether the organisation is aware of its emergent strategy or not. The Elbro site did not know its emergent strategy nor was the Elbro site interested in its emergent strategy. And it was very likely that the site might change towards this or towards that direction due to the pressure situation. Besides the more financially orientated annual budget cycle, where simply the figures of the past twelve months were projected for the next twelve months, and the wish to survive by striving to fulfil what was asked to do from the customer Horizon, no planning or further strategic management activity was done at that site.

It appeared to be interesting to try during this research to uncover the emergent strategy and emergent strategizing of this site. The concepts of emergent strategy and emergent strategizing seemed to be researchable in practice at this site. And as the site was supposed to change due to the pressure situation to do research at that site looked promising with respect to the possibility for data collection and with regard to research the evolution of this site. This site was in a situation that the probability was high that this site would reveal a lot of interesting research data.

Pressure from the customer Horizon on Elbro management

Warehouse management and the distribution of goods is a logistics activity. Elbro is said to be an international leading expert in the logistics industry. Horizon did the outsourcing of the warehouse in A-town to the logistics company Elbro and was expecting added value from Elbro, meaning more than just to take over the site and the activity and the employees and to run the site in the same way as Horizon did before. Horizon ran the warehouse in A-town by itself since the construction of the warehouse some 35 years ago before outsourcing it to Elbro. Within Horizon, the outsourcing to Elbro had been disputed. There were supporters and opponents. Elbro did take over the warehouse on January 1st, 2007. The take-over was in terms of service quality stable. In the first half of 2007, Horizon was content that the take-over of Elbro had happened more or less smooth. Elbro was able to maintain the service level of the warehouse. Horizon was satisfied that the warehouse was able to continue to provide the logistical service after the outsourcing.

However in the second half of 2007, Horizon started to ask for the added value of Elbro as the logistics expert in managing logistical warehouses. Horizon expected from Elbro a better service at lower costs compared to the time when the warehouse was run by Horizon. In October 2007, Horizon ran a warehouse assessment at the site in A-town that had been outsourced to Elbro. The assessment was done with the help of an external consultancy company. The outcome of the assessment was not very positive for Elbro. The overall performance rating was below 50% in the draft version. Elbro management was not happy at all with that result and put pressure on the writers of the assessment report and managed that the report, before it became officially, was changed. Most important for Elbro management, the overall performance rating below 50% disappeared.

Nevertheless for Horizon the assessment report meant that Elbro was underperforming. This was a threat for the Elbro local warehouse management of the A-town warehouse. Because their warehouse management performance after the outsourcing was in question and thus their competence and their ability to manage a

warehouse was in question. And it was a threat for the whole Elbro Company because this outsourcing was seen as a pilot outsourcing with potentially more Horizon warehouses in other countries being outsourced from Horizon to Elbro. The outsourcing of the warehouse in A-town was seen as a pilot outsourcing which potentially could be followed by other warehousing sites all over the world as at that point of time Horizon ran all other existing twenty-five warehouses all over the world by their own but was seriously thinking about to outsource more warehouses to Elbro, depending on the experiences made with the first outsourcing of the warehouse in A-town to Elbro.

Thus Elbro needed to demonstrate and to proof and convince the Horizon management that Elbro could run logistical warehouses better than Horizon could do. If Elbro was judged to be underperforming in the pilot outsourcing in A-town, it was not very likely that Horizon would outsource more warehouses in other countries to Elbro. Elbro had hoped to get more business in the form of more warehouses being outsourced from Horizon to Elbro. A bad performance of the first warehouse outsourcing from Horizon to Elbro in A-town meant to be a significant disadvantage for Elbro regarding the probability to get more warehouses outsourced from Horizon to Elbro.

In that situation Elbro faced even the threat that Horizon could have stopped the outsourcing of the warehouse in A-town and could have the warehouse reintegrated back into Horizon or could have given the warehouse to a competitor of Elbro.

Pressure from the follow up of the assessment - pressure driven by Elbro central management on Elbro local management

As reaction from Elbro and as an answer from Elbro to Horizon and in order to counter the Horizon driven assessment, which had been done in October 2007, Elbro announced to Horizon to do an own, Elbro internal assessment performed by Elbro internal warehousing experts. In fact, an Elbro expert, SI, said to have the experience and to have seen over 400 different Elbro warehouses, arrived in November 2007 on

the Elbro site in A-town together with the Elbro European key account manager for Horizon, KT. A formal two-day assessment of the site was done followed by a few weeks of further investigations.

The outcome and actions to be done in January 2008 were presented to Horizon on December 21st, 2007. The presented actions for January 2008 were among others:

i)   To start a project to investigate the effectiveness of the use of the existing material handling equipment and potentially to identify not used surplus equipment.

ii)   To implement on the site several various new additional key performance indicators (KPIs).

iii)   The development of general optimization potential including a potential headcount reduction.

iv)   The presentation of a 2008 cost reduction plan.

Elbro committed towards Horizon to provide feedback on the status of the implementation of the action plan by the end of January 2008. The intention of that Elbro internal assessment was to appease Horizon regarding the bad outcome of the warehouse assessment, which had been done by Horizon and to demonstrate towards Horizon logistical warehousing know-how and management ability and management strength.

But this raised additional pressure from Elbro central management to Elbro local management in the A-town warehouse. The Elbro local management of the warehouse was asked to implement as soon as possible all actions from the action plan which had been presented to Horizon on December 21st, 2007.

Pressure from the own warehouse employees on Elbro local management

Part of the outsourcing contract between Elbro and Horizon was that Elbro takes over all warehouse employees from Horizon working at the site at the time when the outsourcing started (January 1st, 2007). Overall 75 employees were taken over by

Elbro from Horizon. Only three employees were new at the site: the site manager, the deputy site manager and the human resource manager. The new site manager and the new deputy site manager joined the warehouse from other Elbro sites and the new human resource manager was freshly employed.

A lot of employees who had been transferred from Horizon to Elbro had worked many years for Horizon at the location. These employees had long time established working routines.

With the transfer from Horizon to Elbro several disadvantages for the employees came along. Elbro increased the working hours from 40 hours per week to 42 hours per week however the salaries remained the same. Elbro even announced that the weekly working time might be increased to 45 hours (without salary rise). The employees had received regularly free Horizon products. This was completely stopped. Horizon employees had the possibility to use several leisure facilities. This was entirely stopped too. Elbro told the former Horizon employees that their salaries were overall approximately 20% too high compared to the Elbro standard level for similar work at other Elbro warehouse sites and that only the outsourcing contract, in which Elbro had agreed that the salaries would not be cut during the first two years, would prevent them from salary reductions.

And so the Elbro warehouse employees at the site who had been formerly Horizon employees and who lost considerable advantages compared to the situation before when they had been Horizon employees were not satisfied with the new situation as Elbro employees. They suffered from the outsourcing. Being outsourced signified for them that Horizon did not value them anymore. Especially the employees who had been working for Horizon for more than 20 years interpreted the outsourcing as breach of trust. Then the employees had to work longer, they lost several advantages, they were told that their salaries were too high and finally they were told after the Horizon assessment and after the Elbro internal assessment that their established working routines were inefficient and that costs were too high.

The former Horizon and new Elbro employees felt as being badly treated. They expected from the Elbro local site management to be protected. This put pressure on the Elbro local management.

On one hand the Elbro local management had to keep up the motivation of the employees on site in order to ensure to continue to run the business, to continue the daily work and the daily service delivery and on the other hand there was the expectation from the customer Horizon and from Elbro central management towards the Elbro local management to reduce headcount and costs and to improve efficiency.

> *Pressure from Elbro central management on Elbro local management for the need to integrate the site into Elbro's ISO 9000 quality management system*

Elbro is an ISO 9000 quality management system certificated company. A recertification audit was pending. The site in A-town had to be integrated into the ISO 9000 quality management system of the country for this recertification. The work to do was to establish and to document the procedures needed in order to become certified. To introduce an ISO 9000 quality management system at a site is a huge task to do. This requires a lot of management attention, a good and intense collaboration with internal and external people and a good project management in order to achieve the objectives and to maintain the timelines.

The need to prepare the site for the ISO 9000 certification put considerable pressure on the Elbro local management as this meant to start an additional project with demanding timeline for which the required expert resources on site were rare.

***Pressure from Elbro central management on Elbro local management for
the need to integrate the site into Elbro's Best program***

The Best (please note that Best is an imaginary name) program is an initiative of
Elbro central management. Basically it is an improvement program. After having
grown with several acquisitions over a period of more than a decade, Elbro central
management felt the need to start a performance improvement program. Best is based
on Six Sigma. The aim of Elbro was to be not only big but as well the best in class.
Best had a lot of Elbro central management attention. Each and every Elbro site was
forced to participate in the Best program. The Best program was launched in 2007.
The participation on that program was pending for the Elbro warehouse site in A-
town. Best has developed its own toolkit and project management methodology and
way of documenting the improvement projects. Dedicated training courses about the
Best methodology were held and employees were encouraged to participate.

In order to participate on the Best program it was needed that first several employees
of the site participate on the Best training sessions. A project manager running a Best
improvement project needed to be Best certificated. In order to become Best
certificated it was required to attend training courses of at least one week and to pass
the examination at the end.

For the Elbro local site management this meant pressure. The pressure came from the
obligation to participate in the Best program and from the need to organize the
participation. Time and expert resources were rare at the site.

***Pressure from Horizon on Elbro to introduce new warehouse management
system software***

At the beginning of the outsourcing of the warehouse from Horizon to Elbro, the
warehouse continued to use Horizon's software. The existing warehouse
management system software at the site was Horizon's SAP software. This software
needed be exchanged for several reasons.

First, because Horizon did not want in the long run that an external supplier like Elbro was working in Horizon's own system SAP. Second, because the existing SAP system in place at the site was said to be not properly configured as warehouse management system software. Horizon wanted that Elbro would introduce its own warehouse management software as soon as possible after the outsourcing had started at January 1st, 2007.

Within Elbro there was a big discussion on going about which software to implement as new warehouse management system software at the site. The dispute was whether a globally used program shall be implemented or another program which was local at country level but which was already successfully installed at another Elbro warehouse site not far away from A-town.

There is always a high risk of failure within a software introduction project. Processes may need to be redesigned, as program functionalities may be different from one program to another program. What was possible in the old program may not be possible anymore in the new program and in addition the new program may have additional features that could be used. At the time when the research was started, the introduction of the new warehouse management system software had been postponed already several times. For several reasons the installation of the new software was delayed.

The demand of Horizon to introduce a new warehouse management system put pressure on Elbro as Elbro needed to cope with the Elbro internal dispute about which software to chose and this dispute required management attention and rare Elbro expert resources and Elbro wanted to meet Horizon's expectations.

Horizon's expectations were that Elbro as the leading warehousing expert may know which state of the art warehouse management system would best fit to the site and that Elbro may have the know-how, expertise and capacity to implement this warehouse management system software.

SUMMARY

This chapter has introduced the concept of emergent strategy and the concept of emergent strategizing as being significant to organisations and has also discussed why the two concepts are problematic concepts. It has as well introduced the difficulties of detecting emergent strategy and emergent strategizing.

This chapter introduced what this research is about and provided a summary of the outcome of the research. It introduced into the specific research setting and described the research opportunity at the beginning of the research. The main part of the research was done at a site of a large multinational company. This site was under stress. This site was under pressure and was supposed to change when this research started. The trigger to start this research was the specific pressure situation that the researched site faced and the expectation of the researcher that this specific research situation may reveal much interesting data in order to research the concepts of emergent strategy and emergent strategizing.

COMPOSITION OF THE THESIS

This chapter has introduced into the object of the research, into the research setting and into the trigger why this research was started. The introduction includes the outline of the purpose of the research, and the significance of the research and a summary of the main outcome of this research.

It will be followed by chapter 2 providing an overview of the pilot project that the researcher did before starting the main research project. The researcher gained during the pilot project important experience in researching the concept of emergent strategy and the concept of emergent strategizing in an organisation under stress and about detecting emergent strategy and emergent strategizing in an organisation. The pilot project paved the way for the later insight on the significance of stakeholders for emergent strategy.

Chapter 3 provides a review of the relevant literature related to the research. Two bodies of literature are important for this research: the emergent strategy literature and the stakeholder literature. The emergent strategy literature reviews the roots of the concept of emergent strategy and of the concept of emergent strategizing and what others have done out of Mintzberg's (1972) and Mintzberg and Waters' (1985) initial definitions of emergent strategy.

Chapter 4 is dedicated to the research methodology used in this research. It starts with a part about issues in methodological choice followed by the research methodology that was applied by the researcher for this research: the researcher used a combination of ethnography and grounded theory with the researcher as participant observer.

Chapter 5 is about the data collection and the data analysis of this research. And about how the researcher found his conceptual framework for the data analysis. The elapsed time for data collection was eleven months. The researcher did six cycles of data collection and data analysis. He alternated between data collection and data analysis.

The results of the research are shown in chapter 6. The results out of the six research cycles of data collection and data analysis are shown in six strategy documents, in five stakeholders' characterization tables and in five stakeholders' power and interest grids.

In chapter 7 are the results discussed. The discussion starts with the way the emergent strategy, emergent strategizing, and the emergent strategic future became detected by writing the strategy document. The discussion continues with the way the strategy document evolved over time and how stakeholders became identified as being of crucial importance regarding the evolution of the strategy document and thus for the emergent strategy.

Chapter 8 is about the implications of the results of the research. The chapter starts with a revisit of the emergent strategy literature in the search for relations to stakeholders followed by the implications for stakeholder management and the short run and long run implications.

Chapter 9 translates the results of the research and the experiences made during the research into a practical "how to do" guide to detect emergent strategy, emergent strategizing and the emergent strategic future of an organisation. Four versions of the how to do guide are provided: the long version, the short version, the virtual version, and a version for organisational consultants.

Chapter 10 is granted to the conclusion of the research. It starts with a review of the findings followed by highlighting the contribution to knowledge and the limitations of the research. The chapter ends with indications about potential future research, which follows out of this research.

All references used are listed in chapter 11.

Chapter 11 appendices show some of the material which was used during data collection and data analysis.

2 Pilot Project

INTRODUCTION

Before the researcher started the main research project he did a pilot project with the title: "A Qualitative Study to Detect Emergent Strategy within Information Systems *or* A Qualitative Study on the Impact of Uncertainty during Organisational Change."

The experiences made during this pilot project and the insights gained out of that pilot project were very important for the researcher and relate to the main research project. Basically the pilot project provided first hints to the researcher that stakeholders clearly matter significantly for emergent strategy and emergent strategizing and that stakeholders are not mentioned anywhere in the literature in relation to emergent strategy and emergent strategizing and that this may be a potential gap in the existing literature and thus potentially a major insight.

Doing a pilot project was of significance methodologically. The researcher gained valuable experience with certain research methods, with data collection and with data analyzing. The researcher learned during the pilot project about the nature of appropriate data collection and about the nature of valid data with respect to the research question.

The researcher acted in both the pilot project and in the main project as participant observer. The collection of ethnographical field notes was done in the pilot project and in the main project.

Data collection in the pilot project was done with two data collection methods: interviews and writing ethnographical field notes. In the main project data collection was done solely by writing ethnographical field notes (see chapter 4 "Research Methodology", page 99 for more details about the research methodology used in the main project).

And that is why the pilot project is mentioned here in the write up of the main research project.

RESEARCH SETTING OF THE PILOT PROJECT

The researcher did the pilot project in the Information Systems (IS) department of the same company where the main project was undertaken, in the company Elbro. However the Elbro IS department is located at a different site than the Elbro warehouse, where later the main project was done. The Elbro IS department is located at the same site where the country's Elbro central management is located.

The pilot project took place from August 2006 to May 2007. At the time when the pilot project was done the researcher was working within the Elbro IS department. Within the IS department the researcher worked in the IS Service Management sub-department. IS Service Management is an interface function and roughly speaking manages that dedicated IS service is provided by the IS department to fulfil the needs of the Elbro "business". With "business" the IS service recipients within the several Elbro business units are meant such as Operations, Marketing & Sales (M&S), Finance & Accounting (F&A), etc.

Just a few months before the researcher started the pilot project, the Elbro IS department had become reorganized. Elbro IS was facing ongoing change. In 2004 and 2005, due to the integration of two former independent companies into Elbro, having had all their own IS department, one Elbro IS department was created out of former three IS departments. At the same time some IS services went to the newly created European data centre in P-town in Eastern Europe (today approximately 1500 people are working in that European data centre) and some services (IS helpdesk, desktop & field support) were outsourced to the external company Daytexer. The outsourcing to Daytexer reduced Elbro's IS department headcount from approximately 60 people to approximately 40 people.

2006 had been hoped to become the year of consolidation and quality of service improvement, though that was only more or less the case during the first six months of 2006. During the second half of 2006, the next reorganisation initiative reached Elbro's IS department: The split of IS into "IS Demand" and "IS Supply". This reorganisation initiative was an Elbro global initiative. This initiative was first started in 2003 in other countries. In 2006 it reached Switzerland. Neither the Swiss Elbro business nor the Swiss Elbro IS department thought that the split of IS into IS Demand and IS Supply was good for the Swiss Elbro country organisation however the Swiss Elbro country organisation had to follow this reorganisation initiative.

IS Demand was supposed to represent the Elbro business and to translate the IS needs of the Elbro business to IS Supply who was then supposed to provide dedicated services to the Elbro business. Generally speaking IS Demand organizes Information Technology (IT), for example the sub-departments like Service Management, Program Management, Customer Integration Management are within IS Demand and IS Supply has "its hands directly on the bits and bytes", for example the IS sub-departments like Development/Programming, Solution/Application Support are within IS Supply). The 40 Elbro IS people became separated into an Elbro IS Demand department (approximately one third of the people of the former IS department) and into an IS Supply department (approximately two third of the people of the former IS department).

The separation into IS Demand and IS Supply had during 2006 on a first glance no impact as IS Demand and IS Supply were jointly led by the same Swiss Elbro CIO. However as of January 1st, 2007 this changed. The Swiss Elbro CIO who had been until January 1st, 2007 head of all Elbro IS people became head of the smaller IS Demand team and IS Supply became led by a newly employed head who was already nominated and present since summer 2006, although not acting in his role as IS Supply manager before January 1st, 2007.

RESEARCH QUESTION OF THE PILOT PROJECT

At the beginning of the pilot project the expectation of the researcher was that the Swiss Elbro CIO who led the IS department would be very keen to work on strategy. At that time when the integration of the three former independent companies was ongoing and the CIO was busy to integrate the three IS departments into one IS department, the researcher saw a strong need for the CIO and the Elbro IS department to work on strategy and to think about where the IS department wants to be in the future and how to get there. But the CIO was not at all interested in strategy. The CIO stated that he would have no need for own strategizing as others were doing strategy for him.

The CIO claimed that Elbro's IS strategy was said to be developed exclusively at corporate, headquarter and/or regional and/or global level. The CIO claimed that he has little, respectively no own impact on the definition of the strategy and that the only useful strategy for him can be to provide and maintain the IS services to the several Elbro business units and from an organisational point of view to survive as Swiss Elbro IS department the numerous and partly contradictious strategic initiatives, such as reorganisations, mergers, outsourcing and in sourcing activities.

This claim of the CIO was the starting point for the pilot project.

Although the CIO would not have labelled it as "strategy" but in the sense of Mintzberg's definition of emergent strategy as a pattern in a stream of decisions (Mintzberg, 1972) and Mintzberg and Waters' definition of emergent strategy as a pattern in a stream of actions (Mintzberg & Waters, 1985), the Elbro IS department strategy was following an emergent strategy and was not at all following a deliberate strategy because it had no defined deliberate strategy. The Elbro IS department was just taking decisions and undertaking actions every day and these decisions and actions pushed the Elbro IS department into a specific direction. This was the emergent strategy of Elbro's Swiss IS department.

And that was the point when the researcher became interested. The researcher defined the research question for the pilot project very openly: The researcher intended with the pilot project to have a closer look on the decisions and actions that happened within Elbro's Swiss IS department in order to uncover the emergent strategy of Elbro's Swiss IS department.

DATA COLLECTION AND DATA ANALYSIS OF THE PILOT PROJECT

Origin of data

The data collected for the pilot project originated from two sources: interviews and ethnographical field notes. Nine interviews with people from Elbro's Swiss IS department were held between November 2006 and January 2007. 82 ethnographical field notes were taken between August 2006 and April 2007.The ethnographical field notes were defined as occurrences which happened during the daily working life of Elbro's Swiss IS department and which were observed and identified and interpreted by the researcher as being interesting and relevant in relation to the research question and worth to note.

Interviews

The intention of the interviews was to gather data in order to examine the issues and aspirations and how each interviewee makes sense of his work situation. The interviews were conducted with "key staff" of the Elbro IS department. "Key staff" was defined as all IS sub-department heads and the CIO. The IS department is composed of eight sub-departments: Management, Service Management, Program Management, Customer Integration Service, Solution Support, Development, Operations and Network & Telecommunication.

In order to test the interview run, two non-IS sub-department heads (out of the IS staff) were selected and interviews were conducted with them. The results out of these two interviews showed up to be useful and were as well analyzed.

The interviews were unstructured, however guided through open questions. The intention was not to led the interviewee answer all interview questions one after the other but to bring the interviewee to talk and to have a rough structure about the areas to cover and not to get lost in one area.

The interviews were recorded with the help of PC software and the researcher took real time notes of the issues. The issues were taken as concepts directly into the software Decision Explorer. The interviewee was able to see what the researcher took as issues.

Interview questions

The following 13 questions were used for the interviews number three to number nine.

1. How do you see the Elbro group?
2. How do you see the IS organisation in these days?
3. How do see the working relationship between the IS people?
4. How do you see the different cultural background of IS people (for example Swiss, French, German…)?
5. How do you see your own (sub) department?
6. Where do you see your strengths?
7. Are there areas in which you want to improve?
8. What motivates you?
9. What discourages you?
10. What are your aspirations (short, medium, long term)?
11. What are your major concerns?
12. When asked for example during a private dinner about what you are doing at work, what do you say?
13. What questions would you ask someone who is able to foretell the future?

The interview questions had been adapted after the first and after the second interview. I started the first interview with these questions:

1. How do you see our IS organisation in these days?
2. How do you see your own (sub) department?
3. How do you see the Elbro group?
4. What are your aspirations (short, medium, long term)?
5. What are your major concerns?
6. What motivates you?
7. What demotivates you?
8. When asked for example during a private dinner about your work, you start with "I am in IT" or "I am working for Elbro" or….?

The researcher changed the interview questions due to the experiences made during the first two interviews. The researcher experienced that it is for the flow of the interview better to start with the Elbro group in general and then to switch from the Elbro group view to the Elbro IS organisation and then to the Elbro IS (sub) department, than the other way around.

Similar is the reason why the researcher changed the next questions. After warming up and having talked about Elbro in general and about the IS department the researcher found it suitable to switch to more personal questions about own strengths respectively about areas to improve and then to motivation respectively discouragement and then to aspirations respectively to concerns as it showed up in the first two interviews that the question about aspiration respectively concerns already provoked statement about strengths respectively about areas to improve and motivation respectively discouragement.

The researcher added in addition question 13. "What questions would you ask someone who is able to foretell the future?" as a sort of test question and last chance to state something as the researcher assumed that the interviewee would tell as response the things in which he really is interested in the case he did not tell it before

while responding to the other questions. Ackermann and Eden (2005: 45) named this type of question „oracle question" as the answers to this question might tell something about the key uncertainties that are important to the interviewee.

Interview run

The researcher interviewed nine people. When the researcher had asked these people whether they would do the interview, the researcher approached them individually, describing the situation that the researcher was doing a doctorate, and that the researcher intends to find something out about how everyone makes sense of his work situation. The researcher asked the potential interviewees whether they would allow him to interview them for one to one and a half hours and to record the interview.

The manager of the Elbro IS department, the Elbro CIO gave his authorization to the researcher to do the interviews however the researcher had no permission from the CIO to run the interviews during working hours. Therefore, the interviews had to take place either during the lunch break or in the late afternoon.

The researcher did inform on beforehand the CIO that he was going to run interviews with several IS people. At that time the CIO stated that the interviews had to take place outside of the normal working hours as he does not want that the interviews take IS working time away. It was interesting to see the reaction of the interviewees when the researcher explained why the interviews had to take place during the lunch break or in the late afternoon. The majority of the interviewees did not understand this condition of the CIO as it is common within IS to work longer than the normal contractual working hours foresee without getting additional payment.

It was interesting too that the interview that was done with the CIO did happen during the normal working hours. The researcher proposed to the CIO to do the interview with him during a lunch break but he said that he was the boss and that the interview with him could be done at 10:00 a.m. in the morning.

Everybody who had been asked agreed to the interview, except the Head of Network & Telecommunication. He did not actively refuse, however several attempts to schedule an interview date with him failed.

The researcher did not hand out the interview questions on beforehand although several interviewees had asked for it. Generally, the researcher reserved a meeting room away from the IS department in order to remain undisturbed. At the beginning of the interview, the researcher put the thirteen interview questions, as print out on one paper on the table. The researcher started on his laptop the recording and opened the software Decision Explorer. The researcher captured concepts in Decision Explorer while the interviewee was talking. The researcher decided about what was an important concept to capture. The interviewee was able to see and to read what the researcher took as concept.

In the first two interviews, the researcher tried in addition to structure the concepts and to link them with arrows. As linking needed too much of the researcher's attention and reduced the researcher's ability to listen and to judge and to decide what to take next as concept, the researcher stopped during both of the first two interviews after a while to try to structure and to link concepts at the same time. However the researcher continued to only take concepts and to write them down into the software Decision Explorer. From the third interview onwards, the researcher only wrote concepts into the software Decision Explorer without structuring or linking the concepts.

The interviewees were at the beginning curious about the way of note taking in the software Decision Explorer. In general the concepts taken at the beginning of the interview became directly validated by the interviewees. It is of advantage when the interviewee directly validates what is captured. But after a while the interviewees normally became used to this form of note taking and paid less attention to what the researcher took as concept. The researcher did ask the interviewee to read and to check the concepts at the end of the interview or as well in between when the

researcher was unsure whether the researcher captured a concept correctly in order to validate the captured concepts with the interviewee during the interview.

Interview data analysis

The interviews were run in German, French or English. A total of 562 concepts were captured (see table 1). The number of concepts per interviewee varied from 39 to 87 concepts. The lowest number of concepts captured is with interviewee number 1. This might be the case due to the point that the researcher had to get experience with interviewing and that the researcher tried to group and to link the concepts in the first two interviews. By being busy with getting used to the interview situation and grouping and linking, the researcher might have missed some concepts. After the peak with 87 concepts captured during interview number four, the number of concepts captured tendentiously decreased, with interview number six with 80 concepts as an outliner. The explanation may be that after having captured too less concepts in the first interviews, the researcher might then has captured too many concepts and in the last interviews the researcher may have found the appropriate level. The low number of concepts in the last interview, interview number nine, might be due to the fact that interviewee number nine was recently employed and did not know much about Elbro at the time when the interview was done.

Generally speaking the number of concepts depended on these factors: know-how and experience of the interviewer, personality and professional working experience of the interviewee, motivation of the interviewee, willingness of the interviewee to tell something, good or bad communication between interviewer and interviewee.

Interview order	Interviewee	Number of concepts
1	TX	39
2	WF	56
3	DF	50
4	SL	87
5	KW	67
6	DN	80
7	QC	72
8	CN	65
9	SC	46
	total	**562**

Table 1: Number of concepts per interviewee

The researcher's decision to take or not to take a statement of an interviewee and to declare it as concept is the first potential source of inaccuracy. The second potential source of inaccuracy is due to languages and potential issues with the translation from one language to another language. The concepts were noted in the interview language. The first step of the data analysis of the interviews was to translate all concepts out of the interviews that were not done in English into English.

Then the concepts became coded. The researcher used a trial and error method for coding. The codes that the researcher used emerged during the reading and the rereading and the grouping of the concepts. The researcher discarded a code and thought of a new one when the researcher could not group enough concepts around a certain code. Or when the researcher thought that there were too many similar codes, the researcher then merged one or several codes.

The following codes were the final codes used for data analysis of the pilot project:

1. Elbro group organisation
2. IS organisation and processes
3. Company culture
4. Collaboration
5. Leadership
6. People management
7. Know-how and expertise
8. Motivation
9. Frustration

Table 2 shows the total number of concepts per code category. The numbers are the sum of the number of concepts allocated to the particular code category as sum for all interviewees. Overall 562 concepts of all interviewees were allocated to the nine code categories.

Code	Number of concepts
Elbro group organisation	58
IS organisation and processes	103
Company culture	69
Collaboration	39
Leadership	51
People management	62
Know-how and expertise	70
Motivation	57
Frustration	53
total	**562**

Table 2: Number of concepts per code

The attribution to a certain code category is mutually exclusive. Although there were some doubts for some concepts whether to classify them to this or to that code, the researcher decided to keep it mutually exclusive. This seemed appropriate, as the researcher's intention then was to create out of the concepts per code category new codes in order to try to get an essence per code category.

The researcher had a look to all concepts grouped to one code category. By creating one to three new concepts per code category, the researcher tried to summarize the concepts per code categories (see figure 1, page 39). The concepts in the green boxes are the codes of the nine coded categories used for the data analysis and the concepts in the yellow boxes are the one to three new summarized concepts. The new one to three summarized codes represent thus the concepts out table 1: 58 concepts of the code "Elbro group organisation", the 103 concepts of the code "IS organisation and processes", the 69 concepts of the code "Company culture", the 39 concepts of the code "Collaboration", the 51 concepts of the code "Leadership", the 62 concepts of the code "People management" and the 70 concepts of the code "Know-how and expertise".
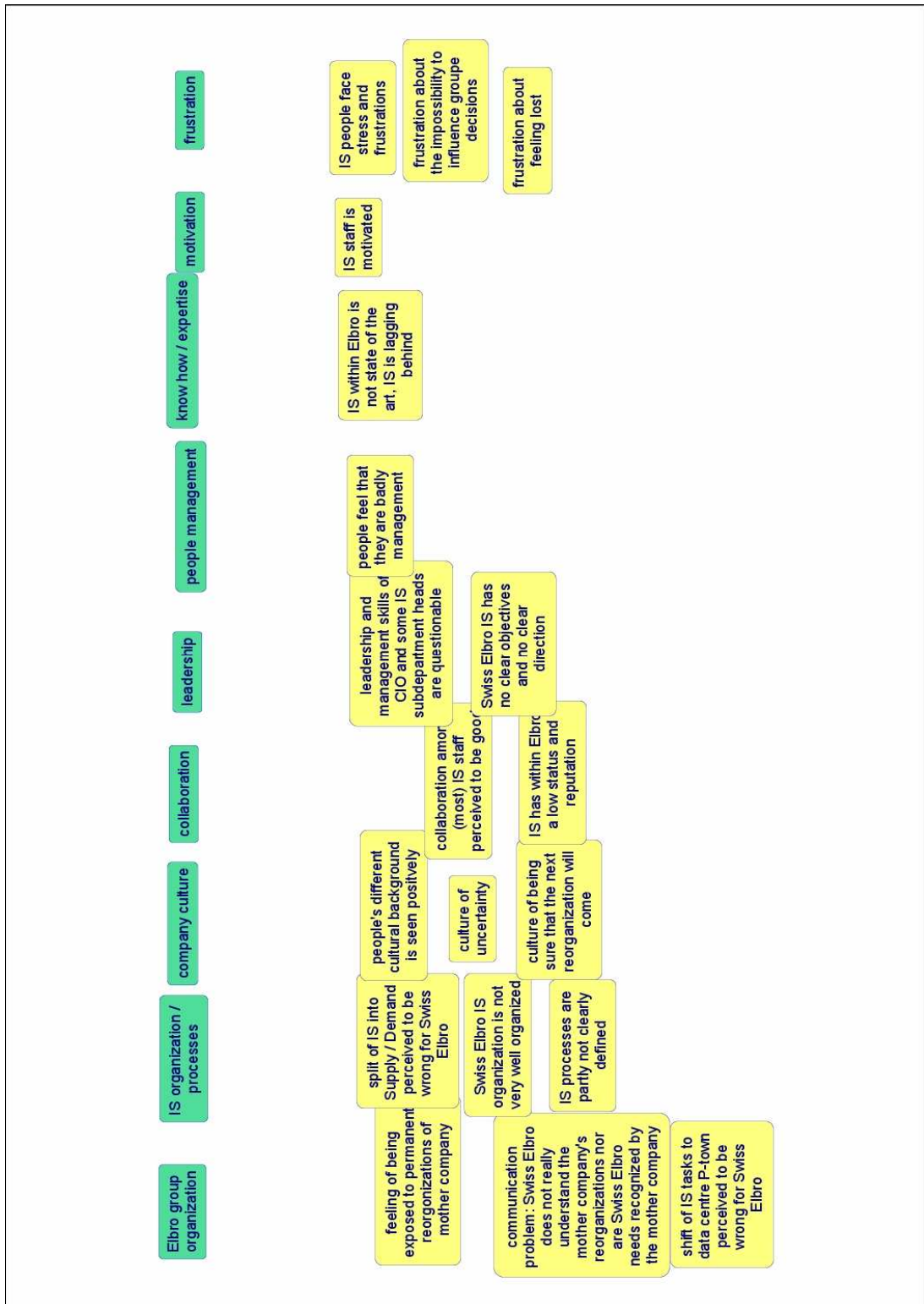
Figure 1: Summarized concepts per code category

Then the researcher linked the summarized concepts with arrows in order to see the interrelations and dependences and came to the map of interview concepts (see figure

2, page 41). The map of interview concepts is the researcher's interpretation and conclusion of how the concepts relate to each other.

These links were not validated with the interviewees. The researcher had thought of running a workshop together with all the interviewees in order to elaborate the map of concepts together with all the interviewees and by that to validate at the same time the map that the researcher found together with the interviewees however the researcher assumed that the CIO would not be ready to participate in such a workshop and that such a workshop without the participation of the CIO would not be of much help as the researcher judged that the CIO had most influence and power within Elbro's IS department.

The concepts in the yellow boxes are the summarized concepts of figure 1. The concepts in the orange boxes and the concepts in the red boxes are new concepts out of this step of data analysis. They came up by "laddering up" and "laddering down" the summarized concepts in the yellow boxes of figure 1. Ackermann and Eden (2005) are describing in detail the "laddering up" and "laddering down" technique. The concepts in the orange boxes are sub-header and the concepts in the red boxes are main-header.
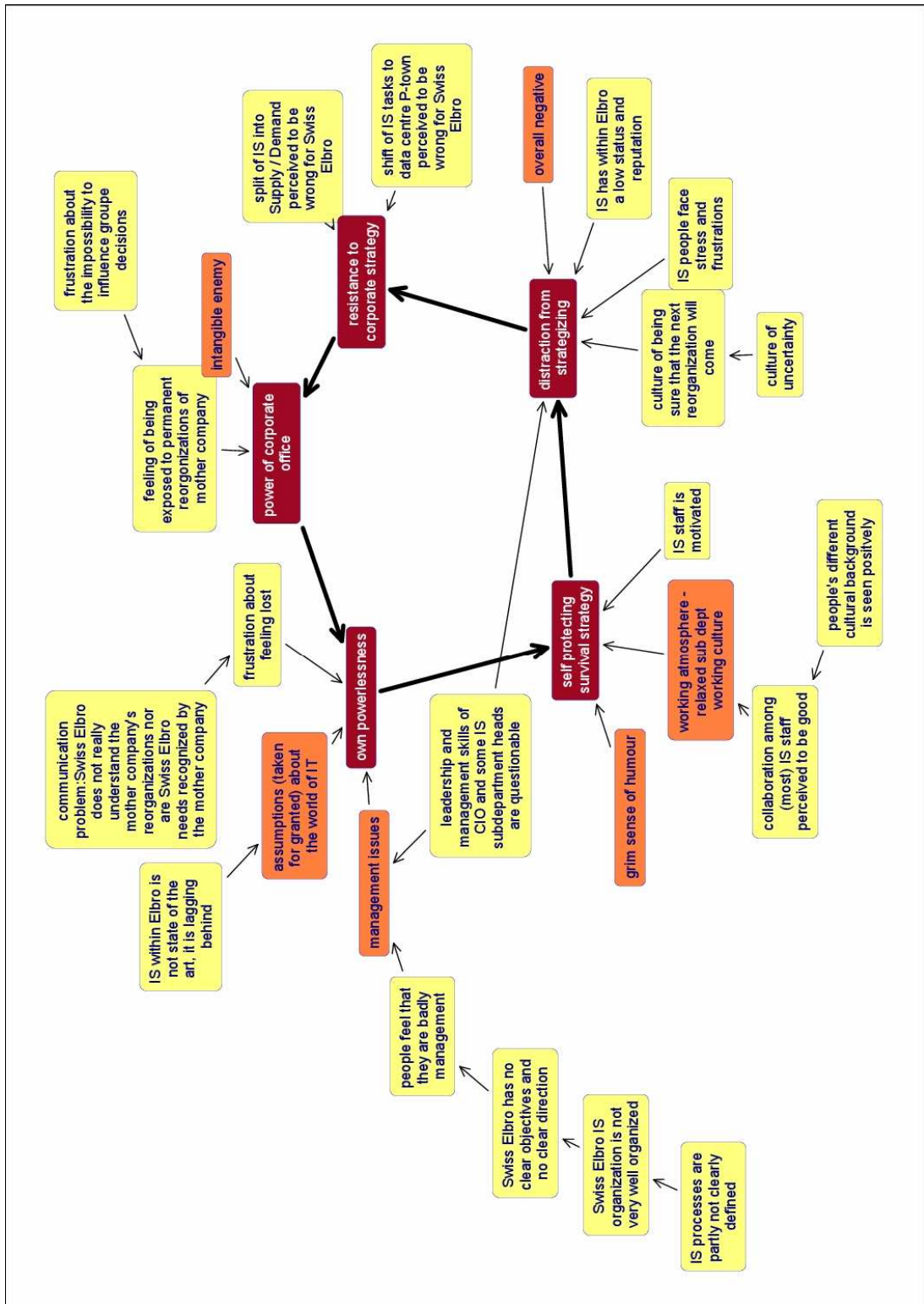
Figure 2: Map of interview concepts

Predominant is the **power of the corporate office**. The corporate office really can easily change Elbro's Swiss IS organisation, as happened with the split of IS into IS

Supply and IS Demand. Even the fact, that almost everyone within Elbro Switzerland (not only the IS people but as well people of the business departments) were against this split and had the opinion that this split was wrong for the specific situation of Elbro Switzerland, even this did not prevent the split of Elbro's IS Switzerland department into IS Supply and IS Demand.

So this example showed that it seems to be impossible for IS Elbro Switzerland to skip Elbro group decisions of Elbro's corporate office. This was not the first time that a major reorganisation initiated by the Elbro corporate office occurred although IS Elbro Switzerland was against that reorganisation: Another example is the creation of the European data centre in P-town and the move of several IS tasks from Switzerland to P-town. The IS Elbro Switzerland organisation feels that it is exposed to frequent reorganisations of the Elbro group with mainly negative implications for IS Elbro Switzerland.

This feeling of being exposed to the corporate office leads to the perception of **own powerlessness**. This applies especially for the Elbro Swiss CIO. Normally a country CIO has the power to decide about reorganisations within his country. If this cannot or only to a minor extent be done by the local CIO it might have the consequence that both become irritated: The Swiss CIO and the Swiss IS staff. The IS staff perceives this as weakness of the CIO and claims that the CIO is not doing his job. An example for this is the expression which was stated during the interviews that IS processes were not defined, that the IS organisation was not very well organized and that IS Elbro Switzerland has no clear objectives and no clear direction.

The feeling of own powerlessness leads to a behaviour that can be named **self-protecting survival strategy** among Elbro's IS employees; self-protecting in the sense that the feeling of powerlessness is hard to stand for everyone's ego. It is human that everybody wants to make sense of his own professional situation. If the professional situation does not make sense for an employee then ways out of the depressing state of powerlessness are searched. A grim sense of humour can make working life more supportable. Or being motivated in order to look for some

acknowledgement for having delivered a good piece of work or by creating a more or less relaxed sub departmental working atmosphere among IS colleagues, with a good collaboration among each other and profiting from the different cultural backgrounds of the employees by learning from one another. All these things can contribute towards that the employees feel better although they may be deeply frustrated about their own powerlessness and the feeling that their destiny is not in their own hands but in the hands of Elbro's corporate office and their next reorganisation initiative.

The sequence of the power of the corporate office, the own powerlessness and the self protecting survival strategy lead to a **distraction from own strategizing**. In an overall negative environment with stress and frustration and the expectation that the next reorganisation initiated and organized by the corporate office will come, IS Elbro Switzerland is not keen to do own strategizing.

There are two major reorganisations organized by the corporate office with which IS Elbro Switzerland was not happy and which were perceived as mistake and failure by IS Elbro Switzerland, no matter whether by the Swiss CIO or by the Swiss IS staff: the shift of IS tasks from away from IS Elbro Switzerland to the European data centre in P-town and the split of IS Elbro Switzerland into IS Demand and IS Supply. Both reorganisations received resistance and enforced the general **resistance towards any corporate strategy**.

Field notes

The field notes were intended to represent significant, meaningful occurrences out of the everyday working life of IS Elbro Switzerland. The subject of the field notes are occurrences which happened during the daily working life of IS Elbro Switzerland.

The researcher called them "catches" as the researcher "catched" them at several occasions: meetings, informal talks at the coffee machine, on the floor, 1:1 talks or group discussions and observations. The expressions "field notes" and "catches" are simultaneously used in this write up. Most of the catches are verbally expressed

statements of IS staff. The catches were written on small papers of the size of approximately 10 x 5 cm which fit perfectly into a shirt's small breast pocket. Thus, it was convenient for the researcher to always have blank catches with him and to note catches. The researcher noted the catches secretly without showing to others.

This way of collecting data is an ethnographical data collection method. As Singh and Dickson (2002) stated: "…ethnography is the direct observation of a particular phenomenon of interest within an organisation or business context…" (Singh & Dickson, 2002: 117).

Easterby-Smith, Thorpe, and Lowe (1991) state: "One of the distinctive research styles ... is ethnography. Here the researcher tries to immerse himself or herself in a setting and to become part of the group under study in order to understand the meaning and significances that people put upon their own behaviour and that of others" (Easterby-Smith, Thorpe, & Lowe 1991: 38). This is exactly what the researcher did.

Field notes data analysis

Generally, the researcher analyzed the field notes in a very similar way as the interviews (see chapter "Interview data analysis", page 35). Therefore the procedure and the analyzing methods of the data analysis of the interviews apply as well to the data analysis of the field notes.

Similar to the interviews, the field notes (catches) were taken in German, French or English, depending on the language used and spoken in the situation to which the respective catch relies.

The first step of analysing the catches was to translate the catches into English. Then they were coded. The first intention was to use the same or similar codes as used to analyze the interview concepts. However, after some trials, it turned out that the

interview codes were not appropriate to code the catches. With trial and error, the researcher came to the following codes for catches:

1. Unfairness
2. Fear
3. Insane behaviour
4. Insult
5. Opportunistic
6. Create own reality
7. Rationality
8. Conspirative
9. Control / power
10. Uncertainty

The codes emerged during rereading the catches. The following numbers of catches were coded with the respective category:

Code	Number of catches
Conspirative	6
Control / power	9
Create own reality	8
Fear	8
Insane behaviour	18
Insult	8
Opportunistic	3
Rationality	8
Uncertainty	6
Unfairness	8
Total	82

Table 3: Number of catches per code

Then, the researcher created one to four new summarized concepts per code category in order to get the essence per category (see figure 3, page 47). The concepts in the green boxes are the codes and the concepts in the yellow boxes are the one to four summarized concepts.
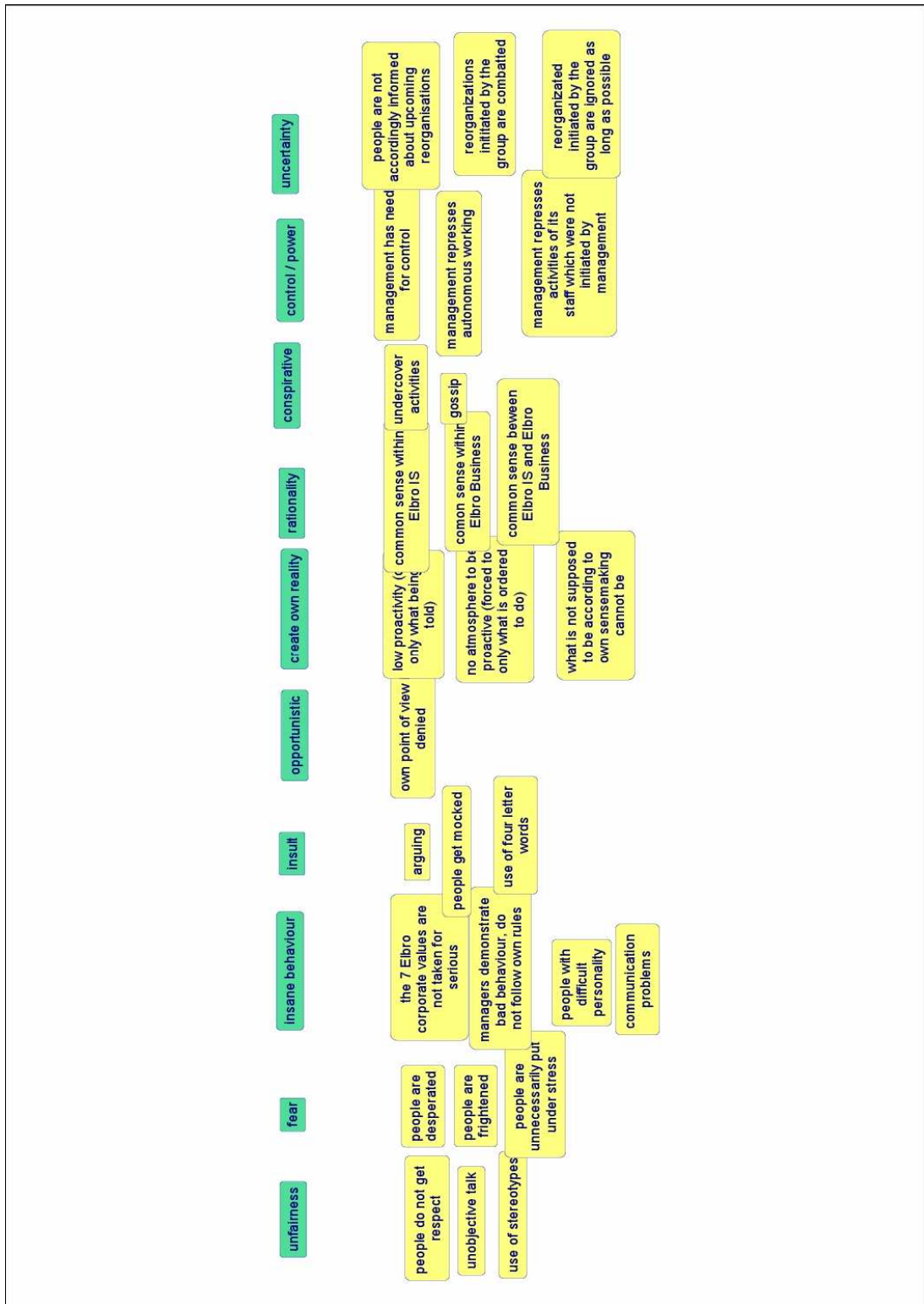
Figure 3: Summarized catches per code category

Then the researcher linked the summarized concepts with arrows in order to see the interrelations and dependences and then the researcher came to the map of catches

(see figure 4, page 49). The map of catches is the researcher's interpretation and conclusion of how the concepts relate to each other. The map of catches was not validated with the people from whom the catches originated.

The concepts in the green boxes are the codes; the concepts in the yellow boxes are the summarized concepts of figure 3, page 47. The concepts in the orange boxes and the concepts in the red boxes and the concepts in the turquoise boxes are new concepts out of this step of data analysis. They came up by laddering up and laddering down the summarized concepts in the yellow box of figure 3. The concepts in the turquoise boxes are positive concepts. That is exceptional in the map of catches and that is why these concepts got an own colour. Most concepts in the map of catches are negative concepts. The concepts in the orange boxes are sub-header and the concepts in the red boxes are main-header.
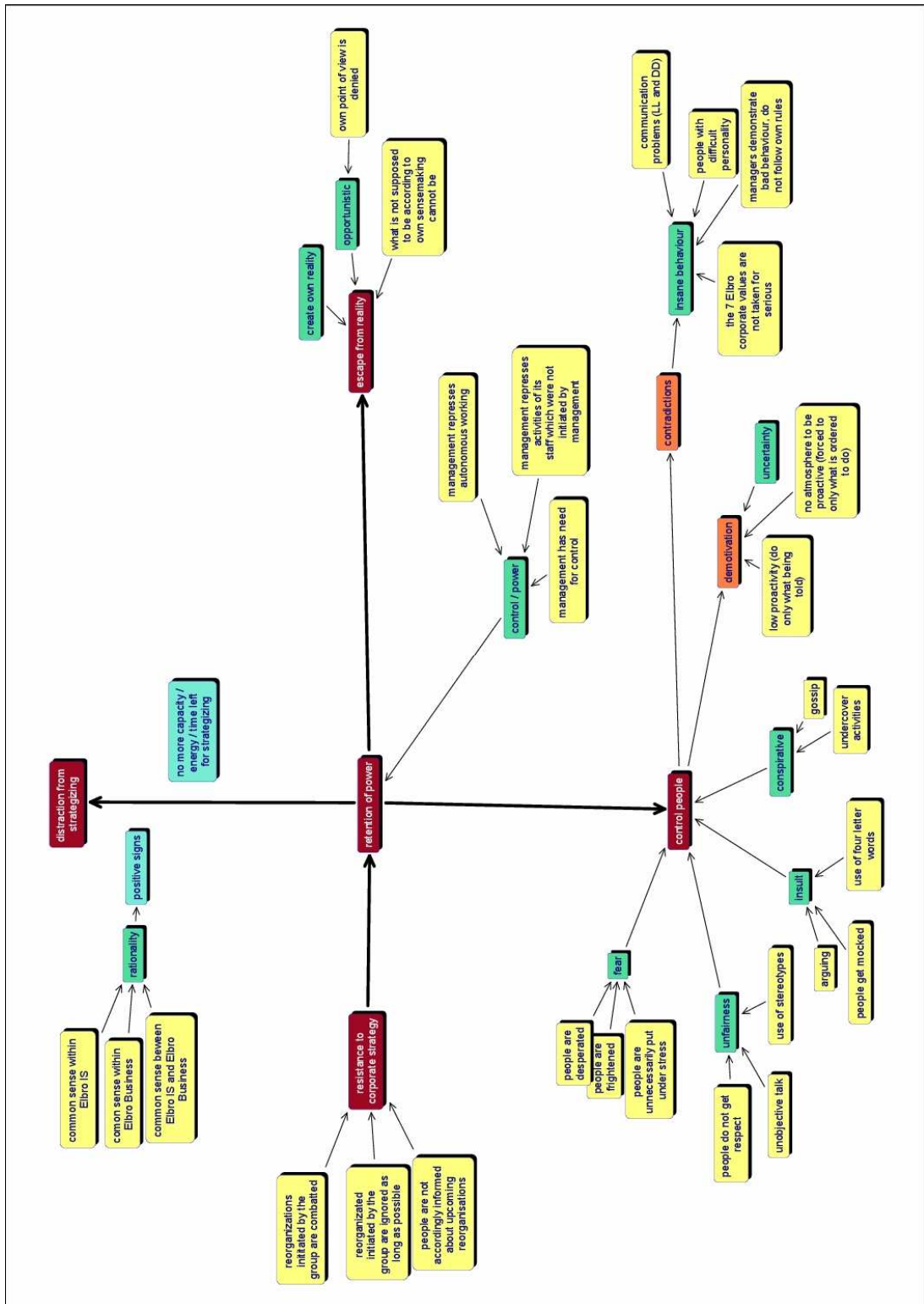
Figure 4: Map of catches

In distinction to the concepts that came out of the analysis of the interviews, the concepts coming out of the analyses of the field notes are much more on the

behavioural side. And they deal mainly with the IS management and thus with the CIO and the way of working and the way of managing of the Swiss IS Elbro CIO.

The **retention of power** is central to all activities. This is the major concern of the Swiss IS Elbro CIO. Every reorganisation initiated by corporate office means change and a potential weakening of the CIO as experienced in the past (for example the transfer of IS services out of Switzerland and to the European data centre in P-town and thus a loss of power for the Swiss CIO).

Therefore reorganisations initiated by the group are combated and ignored by the Swiss CIO as long as possible in **resistance to corporate strategy**. This explains as well why the IS staff is not accordingly informed about upcoming reorganisations because the CIO himself does not want it and has no interest at all in promoting changes and becoming a change agent for the corporate office and thus is not informing properly IS staff about upcoming changes.

By trying to ignore the reorganisation plans of the corporate office and by ignoring the power of the corporate office, the CIO intends to **escape from reality** and intends to maintain a status that cannot be longer maintained. The CIO creates his own reality in accordance with his own sense making. If appropriate, the own point of view is denied showing an opportunistic behaviour intended to avoid potential conflicts and not to stand out. The objective of the CIO is to continue as long as possible in the old way of the past.

The own power position is the overall focus of the CIO. This implies that the CIO has a strong need for control. This let the CIO suppressing activities of his staff not initiated by him. This behaviour of the CIO means he is suppressing that the IS staff is working autonomously.

The **people of the IS staff are controlled** by the CIO. Among IS staff, there are signs of fear, of the feeling to be unfair treated, of being insulted, behaviour of

demotivation, conspiracy and of contradictions. A lot of concepts deal with these overall negative items.

As the CIO is busy with all the items above, it may be concluded that the CIO indeed has no more capacity, energy and time left for any formal strategizing. In contrast, this might be the explanation why the CIO is distracted from strategizing.

There are however within the overall negative picture as well a few positive signs. Positive signs in terms of rational behaviour are to find at all levels: within IS management, within IS staff and within the Elbro departments outside of the IS department and even for the CIO.

DISCUSSION

The large organisation's service trap

The synthesis of the map of interview concepts (figure 2, page 41) developed out of the interviews and the map of catches (figure 4, page 49) developed out of the field notes lead to a map which the researcher called: "The large organisation's service department trap". Figure 5, page52 shows the example of Elbro's Swiss IS department.
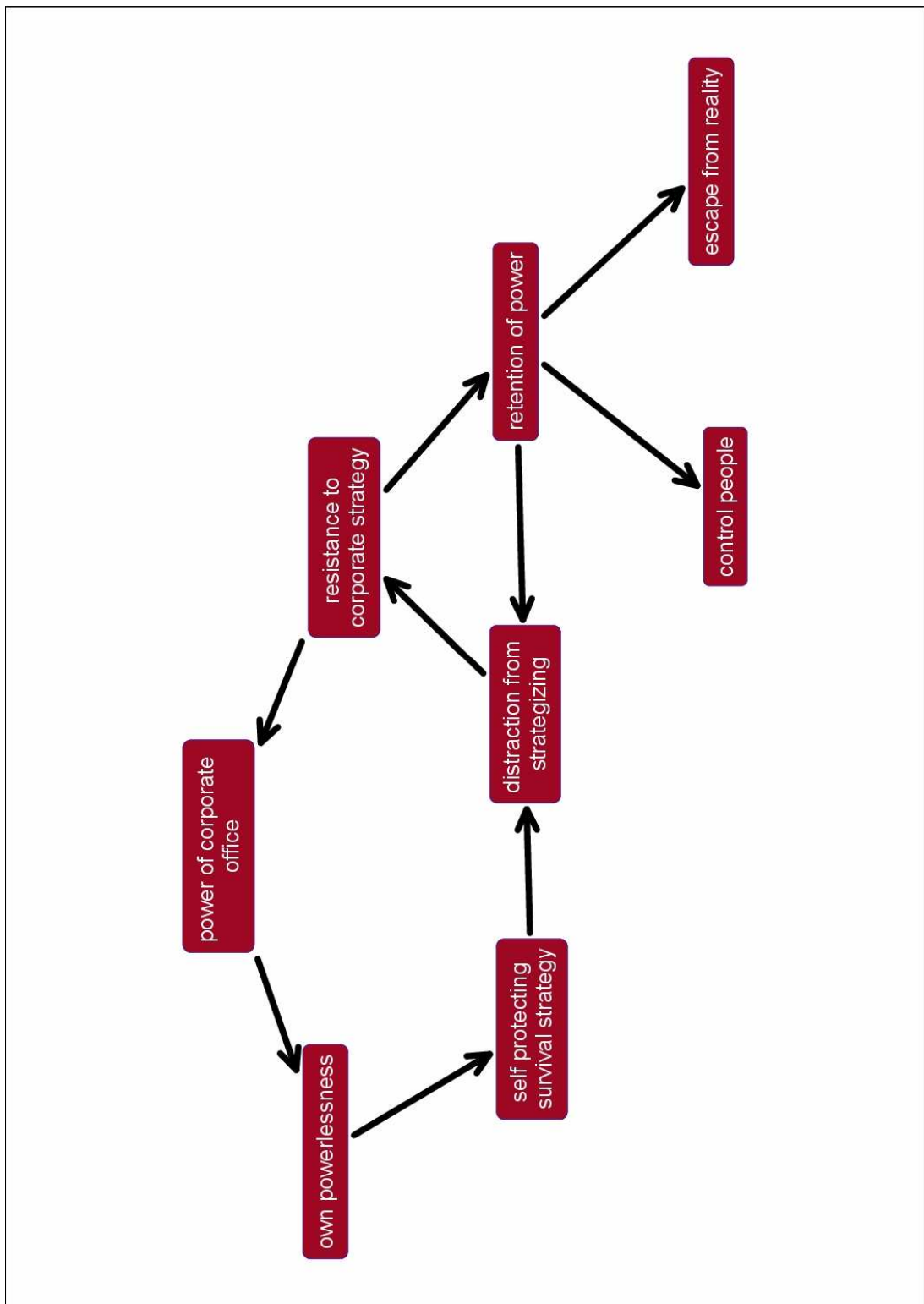
Figure 5: The large organisation's service department trap

Elbro itself is part of a large multinational company (Elbro's mother company) with worldwide approximately 500'000 employees. The mother company and Elbro are

present in many countries all over the world and spread into several distinctive business units. So it really is a **large organisation**. Elbro's Swiss IS department is a **service department** serving several different Elbro business units in Switzerland. The current situation of the IS department can be called a **trap** as it is overall in an uncomfortable situation with an unhappy CIO and an unhappy staff and unhappy discontent customers (the customers of the Elbro IS department are the several Elbro business units).

Several determining factors that came out of the data analyses of the interviews and out of the data analyses of the field notes are influencing one another. The situation in which Elbro's Swiss IS department is reminds to a vicious circle.

The CIO is focussing on his own retention of power and is busy with maintaining his own system of power and control in relation with his own IS staff and in relation with his internal clients, the Elbro business units. This shows up in a system to control the IS staff and in an attempt to escape from reality by continuing in the old way and by ignoring as long as possible the reorganisations initiated by Elbro's corporate office.

To retain power by maintaining the own system of power and control by controlling the IS staff and to escape from reality by ignoring as long as possible reorganisations initiated by the corporate office leads to a general resistance to corporate strategy and to distraction from strategizing as to maintain the own power position demands a lot of capacity, energy and time from the CIO. Thus, there is not much time and capacity left for other activities.

The strategy coming from the corporate office generates resistance of the CIO. The CIO usually fears that new strategy coming from the corporate office might further weaken his status as CIO as experienced in the past (for example the shift of responsibility for certain IS services from IS Switzerland to the European data centre in P-town) and secondly the term "strategy" itself gets to a term non grata for the CIO as the CIO associates with the term "strategy" only negative things. This leads

to the conclusion that the CIO is generally distracted from strategy and from strategizing.

Although there is resistance from IS Switzerland against the corporate strategy, the corporate office has nevertheless the power to push corporate strategy forward and for example to pursue reorganisations which impact IS Switzerland. If necessary, the corporate office is able to pursue such reorganisations without the active support of the CIO. As IS Switzerland and the CIO in the end has to admit that, IS Switzerland realises its own powerlessness and establishes, in order to bear every day's working life, an emergent self protecting survival strategy which unfortunately leads as well to distraction from strategy and from formal strategizing.

The emergent strategy of Elbro's Swiss IS department is the strategic consequence of the pattern of action as summarized in the large organisation's service department trap (figure 5, page 52). It is rather a defensive mode than an active mode. The IS department will not improve that way. It is far away of being a highly innovative, ahead of the state of the art, leading IS department.

The IS department could be a driving force and a means to bring real competitive advantage to the company. However in its current state, it is not surprising that the IS department hardly can keep the existing IS systems (hardware and software) running and that it hardly can drive forward own new initiatives and make own proposals to the Elbro business units how to improve the Elbro business with the use of IS systems.

Instead, the IS department is pushed around by the corporate office. The corporate office and the several other Elbro business units perceive the IS department as underperforming. Thus the corporate office and the Elbro business units aim to change the IS department in order that the performance of the IS department increases and the IS service becomes better.

And the IS department is pushed around by its own people who feel and see that the IS department is not on track and not moving into the right direction and there is the real fear among IS staff that the outsourcing of IS services will continue and that they themselves will be affected, that their job will be outsourced. Parts of Elbro's Swiss IS department have already been outsourced to external companies or IS tasks and services which formerly had been done locally from the Swiss IS department have already been relocated to Elbro's European data centre in P-town. So the fear of the IS staff that this might happen again is real.

In its current state, the IS department is not more than a low performing maintenance department which badly is providing its IS service and the longer this situation continues the more the three key players (the corporate office, the several Elbro business units and IS staff) will increase their pressure for change.

At the same time, the possibilities for Elbro's Swiss IS department to act deliberately will decrease as each activity that Elbro's Swiss IS department is doing is carefully watched and monitored by the three key players named above. Thus the strategic future of Elbro's Swiss IS department is at high risk.

Mintzberg and Waters (1985) say: "Emergent strategy itself implies learning what works – taking one action at a time in search for that viable pattern or consistency. It is important to remember that emergent strategy means, not chaos, but, in essence, unintended order" (Mintzberg & Waters, 1985: 271). Elbro's Swiss IS department currently has no order at all, neither intended order nor unintended order. It would need to recognize and to realise that the current way of working and acting is not working and to learn about it and to start the search to find out what works.

Outcome in relation to emergent strategy:

The large organisation's service department trap provides for Elbro insight into the relation between Elbro's Swiss IS department, the Elbro corporate office and the several Elbro business units. And furthermore it provides insight into the inner structures of Elbro's Swiss IS department. It shows that the current situation is unpleasant, inefficient and ineffective for all parties involved.

For the CIO the situation is uncomfortable as his power basis is slightly going down despite all attempts to maintain a rigorous power and control system and to deny the initiatives of the corporate office and corporate strategy.

For the corporate office is the situation uncomfortable as its initiatives do not get the active support of the local Swiss CIO and are even combated by the CIO. For the several Elbro business units is the situation uncomfortable as they perceive the IS department as a department which is mainly busy with itself and which appears not to care sufficiently for them.

For IS staff is the situation uncomfortable as they are in between the CIO, the corporate office and the several Elbro business units. The IS staff perceives the CIO as initiator of the rigorous system of power and control which is in place in their department. And the IS staff perceives the corporate office as initiator of half-baked strategies which are badly communicated and which gradually take piece by piece the IS tasks away from Switzerland and thus will led the jobs of IS staff in Switzerland disappear in the future.

The IS staff deals in addition directly with the several Elbro business units as the IS staff is providing IS services directly to the business and is thus directly in daily contact with people from the several Elbro business units. As the several Elbro business units are hearing about the initiatives of the corporate office, they ask IS staff about it during their daily contact. But as IS staff is not accordingly informed, IS staff cannot respond properly. The business units perceive this as dissonance

within the IS department. The business units perceive as well that there is a rigorous power and control system in place within the IS department. Out of that the business units interpret and conclude that the IS department is not well organized, inefficiently working and not really working on the burning needs of the business units but instead busy with itself.

Furthermore, it turns out that there is a vicious circle in place which hinders the IS department in providing good IS service and which cannot be easily broken and which leads to a system of mutual blockage.

How could this vicious cycle be broken?

To explore on this subject the researcher uses the insider information the researcher has from working for and being part of the Elbro organisation. The history and the company's recent evolution are important too.

From a first glance, by looking at the map of interview concepts (figure 2, page 41) and at the large organisation's service department trap (figure 5, page 52), it appears that a big improvement and a major breakthrough might be possible by simply by replacing the CIO. The management issues seem to be numerous and obvious: IS processes are not clearly defined, there are no clear objectives for the IS department and IS staff and instead there are instruments in place to control people with a system of command and control.

In order to understand the situation it is important to know and to understand the history of Elbro's Swiss IS department.

The predecessor of the CIO was already fired and had to leave Elbro. This was in summer 2004. At that time, the integration of two former independent companies into Elbro took place. The two former independent companies did have their own IS department. Thus there was the need to create one single Elbro IS department out of former three different IS departments of three different companies.

This integration was ongoing plus another outsourcing project to outsource the IS helpdesk function and the IS desktop and field support function to a third party provider was ongoing. In relation with this outsourcing to a third party provider, approximately one third of the staff of Elbro's Swiss IS department had to be laid off. This had been one of the first tasks of the current CIO. To lay off one third of the IS staff had not been an easy task for the CIO and made the CIO unpopular among IS staff.

The CIO merits tribute that he had been thrown in 2004 right into trouble and that he took over the IS department during a difficult situation. He had to outsource one third of his IS staff and to make one IS department out of former three IS departments. And the CIO was able to manage to keep the IS systems running during that difficult times and no major IS disasters occurred during that time.

With this merits, the CIO had within Elbro still a good reputation for that he did a good trouble-shooting in 2004 / 2005. Seen from that perspective it is understandable that the several Elbro business units have tolerated that in 2006 (the data collection for this pilot study occurred mainly in the last four months of 2006) not everything in relation with the IS service which was delivered from the IS department was fine. The CIO himself claimed that "knowing from where we come from, the IS department improved a lot and is in a much better shape than it was in 2004".

The recent evolution in 2007 is that the IS department became first separated into an IS Supply department and in an IS Demand department and second the IS Demand department became further separated into three IS Demand departments, serving three independent Elbro business entities which too were newly created.

To have one IS Demand department for each of the three Swiss Elbro business entities but one Swiss Elbro IS Supply department is the core idea of the corporate office. The IS Demand departments are meant to understand and care for the IS needs of the Elbro business units. The IS Supply department is meant to be the

department "who has its hands on the digits", for example doing software programming.

All departments within Elbro are linked together with service level agreements. To negotiate and to agree these service level agreements between all involved parties however causes major problems as it is a huge bureaucratic and administrative task and not all eventualities can be discussed, and agreement be reached about the procedure to deal with, on beforehand.

As far as the CIO is concerned who had been in the past responsible for the whole Swiss IS function with approximately 60 employees, he is today head of one of the three IS Demand departments with 5 employees. Thus he lost the major part of his 2006 responsibilities and staff.

It was a big disappointment for the CIO that he did not became head of the IS Supply department, which is now the largest of the Swiss IS departments. The CIO strived for becoming head of the IS Supply department however an external guy was recruited. It might be that Elbro is considering the CIO to be a good trouble shooter but that he is lacking strategic competencies and skills to build up a team and IS know how in the long run and that for these reasons he was not appointed as head of the IS Supply department.

A word needs to be said as well regarding the corporate office. Elbro is a large multinational company with global activities and with a staff of approximately 500'000 people. There is ongoing change within such a large company. People are coming and going. New business units within Elbro are created, merged and disintegrated. There is not "the one and only corporate office", for example a team of a few highly skilled and experienced smart people who have the overview about Elbro, the markets, the customers and so on and who guide and lead Elbro. Instead, there are several "corporate offices" at several levels, representing both geographical clusters and / or business line clusters. And as change is omnipresent within Elbro, there is as well change within "the several corporate offices".

For example, in 2006 the Swiss CIO had to report in a matrix structure to the Swiss CEO and to the regional CIO. At that time, the regional CIO was responsible for the IS function of a region composed out of seven countries. In 2007 this changed as Switzerland faced out of this region of seven countries and formed together with another country a new region. This other country had not been part of the seven countries belonging to one region in 2006. This evolution had an impact too, as the former regional CIO was a strong charismatic leader who had a big impact on Elbro's Swiss IS department. And after the split of the Swiss IS department into four departments with all four new departments belonging now to different new regional IS organisations, there is for the time being a kind of vacuum in both the four new IS departments and in the four new IS corporate offices. This vacuum will stay until the new way of working with partly new people and managers in a new organisation will have taken some ground.

What does the recent evolution mean in relation to the break of the vicious cycle?

The pilot project reflects the situation of end 2006. Since that time, two important parts of the vicious cycle had become reorganized: the corporate office and the IS department. The corporate office as of 2006 was reorganized into four corporate offices. The IS department as of 2006 was reorganized and split into four departments. This does not mean that the findings of the pilot study have become irrelevant. Still a lot of issues raised by the pilot study have remained the same and should be addressed. But indeed it means that the vicious cycle as shown in the large organisation's service department trap (figure 5, page 52), does not exist anymore in that specific form.

Did the pilot project study find out something about the emergent strategy of Elbro's Swiss IS department?

The researcher did not take Mintzberg and Waters' famous statement of emergent strategy as a "pattern in a stream of actions" (Mintzberg & Waters, 1985: 257) as judgement criteria to answer this question as "pattern in a stream of actions" alone as

judgement criteria appeared to the researcher for the outcome of this specific pilot study not tangible enough because what really is a "pattern" and what are "actions" in the Mintzberg and Waters' sense? (See chapter "Detecting Emergent Strategy and Emergent Strategizing", page 7 for more details about the issues related to "pattern" and "actions" in the Mintzberg and Waters' statement.)

The researcher took Eden and Ackermann's (1998) definition of emergent strategizing as judgement criteria: "Emerging strategizing **...**addresses the way in which most organisations demonstrate patterns of decision making, thinking, and action, often "taken for granted" ways of working and problem solving coming from the habits, history and "hand-me-downs" of the organisation's culture. Whether the organisation members are aware of this or not, even if they define themselves as "muddling through" rather than acting strategically, such enacted pattern inevitably take the organisation in one strategic direction rather than another" (Eden & Ackermann, 1998: 4). This definition of Eden and Ackermann can be seen as extension of Mintzberg and Waters' (1985) definition of emergent strategy as a "pattern in a stream of actions" (Mintzberg & Waters, 1985: 257).

In the following, the researcher takes the large organisation's service department trap (figure 5, page 52), the map of interview concepts (figure 2, page 41), and the map of catches (figure 4, page 49) and validates them against Eden and Ackermann's definition of emerging strategizing:

"patterns of decision making":
The study uncovered some criteria on which the decisions of the Swiss CIO are based. For example a main criteria for decision making is the impact in relation to what helps to maintain the own power position of the CIO.

"patterns of thinking":
An example for a pattern of thinking of the CIO is that he sees the corporate office as his intangible enemy. The thinking behind this could be interpreted as making somebody responsible (the corporate office) for all sort of negative things without

having the need to discuss and to argue with the corporate office. Thus the corporate office serves as ideal scapegoat.

"patterns of actions":

For example the CIO actively combats corporate strategy, for example the initiative of the corporate office to split the IS department into an IS Demand department and an IS Supply department.

"often taken for granted ways of working and problem solving":

For example for the CIO and for the IS staff it has almost become a habit to ignore or even to combat initiatives and reorganisations of the corporate office and thus to combat corporate strategy. Several times Elbro's corporate office launched already the next reorganisation before having properly implemented and finished the reorganisation before.

For the CIO it had become convenient to solve the problem of implementing properly the first reorganisation by just waiting for the next reorganisation. For example the integration into one IS department of the former three independent IS departments out of the former three independent companies was followed by the outsourcing of IS tasks and responsibilities to Elbro's European data centre in P-town. This was followed by an outsourcing project of the IS desktop and field support and of the IS helpdesk to a third party provider. This was followed by the split of the IS department into an IS Demand department and an IS Supply department.

"comes from habits and hand-me downs of the organisation's culture":

An example for that is the culture of uncertainty and of being sure that the next reorganisation will come within the IS department.

"even if they define themselves as "muddling through" rather than acting strategically":

The CIO is "muddling through" (see chapter "Research Question of the Pilot Project", page 29). The CIO claimed that he has little, respectively no own impact on the definition of the strategy and that the only useful strategy for him can be to provide and maintain the IS services to the "Business" and from an organisational point of view to survive as Swiss Elbro IS department the numerous and partly contradictious strategic initiatives, such as reorganisations, mergers, outsourcing and in sourcing activities.

This behaviour of the CIO can be seen as "muddling through" rather than acting strategically.

"such enacted pattern…take the organisation in one strategic direction rather than another…which we call emergent strategizing":

The implications of the large organisation's service department trap as described above can be seen as "enacted pattern" which leads to a system of mutual blockage.

Hence, the emergent strategy of Elbro's Swiss IS department is the large organisation's service department trap (see figure 5, page 52) leading Elbro's Swiss IS department into the strategic direction of a system of mutual blockage.

As the researcher found examples for all sub-criteria, it can be stated that there is evidence to all sub-criteria. Therefore, by taking Eden and Ackermann's definition of emergent strategizing as judgement criteria, this study did find out something about the emergent strategy of Elbro's Swiss IS department.

The **large organisation's service department trap** is the major outcome of the pilot project study. It is based on the data analysis of the interviews and on the data analysis of the field notes. It is grounded in data and showed up by putting the results of the data analysis together. The intention of the pilot project was to uncover the emergent strategy of Elbro's Swiss IS department. The emergent strategy of Elbro's

Swiss IS department was uncovered. The emergent strategy of Elbro's Swiss IS department is the large organisation's service department trap leading Elbro's Swiss IS department into the strategic direction of a system of mutual blockage. The large organisation's service department trap contributes to the understanding of the character of Elbro's Swiss IS department way of strategizing.

In addition, the study revealed the following characteristics of Elbro's Swiss IS department way of strategizing:

- It provides an understanding about the nature and the climate within the staff of the IS department.
- It provides an understanding about the behaviour of the CIO and gives an explanation why the term "strategy" is a term non grata for the CIO.
- Additional insights are provided about the relation between the corporate office and Elbro's Swiss IS department. It looks like there is no mutual understanding and poor communication about the mutual intentions and driving forces each one has. Thus the corporate office and IS Switzerland are not really working efficiently together but rather against each other.

However, the researcher intended to have a closer look on the decisions and actions that happened within an IS department. The main outcome, the large organisation's service department trap, may not be specific for only an IS service department but might apply for any other service department. The outcome can thus be described as having not much found that is explicitly IS specific but as having found something out about a service department of a large company.

IMPACT OF THE PILOT PROJECT ON THE MAIN RESEARCH PROJECT

At the time when the pilot project was done the researcher did not have the main conclusion that stakeholders matter significantly for emergent strategy. During the pilot project the researcher was basically interested in the concept of emergent strategy and thought about a way to operationalize it and how to research emergent

strategy in practice. Exploring ways of data collection like doing interviews and collecting ethnographical field notes were in the focus during the pilot project.

From a later point of view, the pilot project paved the way for the later insight during the main research project that stakeholders are of major importance for emergent strategy. The role of the CIO in the pilot project made transparent that stakeholders matter for emergent strategy. The CIO was for Elbro's Swiss IS department a major stakeholder. It was during the pilot project very significant that the CIO had a very dominant role within Elbro's Swiss IS department. The CIO determined to a large extent through his actions, way of working and behaviour the emergent strategy of Elbro's Swiss IS department.

The IS sub department heads had only very limited power and impact as all major decisions were taken by the CIO. On the map of interview concepts (figure 2, page 41) there are many hints towards the major role and the major impact that the major stakeholder CIO had. The evidence for that comes either because the CIO did something that heavily impacted Elbro's Swiss IS department or either because the CIO did not something that he should have done (for example not to manage that the IS processes are clearly defined).

For example, here are some statements out of the interviews:
- "IS processes are partly not clearly defined"
- "CH IS organisation is not very well organized"
- "IS CH has no clear objectives and no clear direction"
- "people feel that they are badly managed"
- "leadership and management skills of CIO and some IS sub department heads are questionable"

The same applies for the map of catches (figure 4, page 49) which is composed out of concepts collected as ethnographical field notes. There are even more hints to find within the ethnographical field notes than within the concepts out of the interviews towards the role and impact of the major stakeholder CIO.

For example:

- "people are desperate"
- "people are frightened"
- "people are unnecessarily put under stress"
- "people do not get respect"
- "unobjective talk"
- "fear"
- "insult"
- "demotivation"
- "insane behaviour"
- "the 7 Elbro corporate values are not taken for serious"
- "people are not accordingly informed about upcoming reorganisations"

As said in chapter "Outcome in relation to emergent strategy", page 56, by looking at figure 2, page 41 and figure 5, page 52 it appears that a major breakthrough might be possible by improving the IS management, simply by replacing the CIO. The management issues for which the CIO has the responsibility seem to be numerous and obvious: for example the IS processes are not clearly defined, there are no clear objectives set for the IS department and for the IS staff and several instruments are in place in order to control people.

This illustrates as well how significant and dominant the role of one single important stakeholder, the CIO, was.

SUMMARY

This chapter provided an overview about the pilot project the researcher did before starting the main research project. In the pilot project it turned out that the emergent strategy of Elbro's Swiss IS department was to a large extent determined by one stakeholder, by the CIO.

Only based on this pilot study the researcher could not make a strong research conclusion that stakeholders matter significantly for emergent strategy. But what the pilot project had done was to change the focus of the researcher's interest. It had paved the way for the later insight that stakeholder matter *significantly* for emergent strategy and that this is nowhere mentioned in the existing literature.

In the main research project the researcher then focused much harder on the significance of stakeholder in order to see whether stakeholder are actually as important for emergent strategy as they seemed to be.

The other purpose of the pilot project had been to learn and to gain experience with research methods. The researcher learned about the nature of appropriate data collection and about the nature of valid data with respect to the research question.

The researcher felt especially comfortable with collecting ethnographical field notes as participant observer. An early learning point during the pilot project was that the field notes needed to be written down immediately when something occurred that the researcher judged to be worth noted. If the field notes were not written down immediately, then there was the big risk that they became forgotten.

Collecting not only data but collecting *valid* data with respect to the research question is another serious topic. It is a serious topic especially for ethnographical data collection. The researcher learned during the pilot project about collecting ethnographical data which relies to the research question. The art of ethnographical data collection and the challenge of ethnographical data collection are not to collect everything but to collect valid data with respect to the research question.

3 Literature Review

INTRODUCTION AND OVERVIEW ABOUT EMERGENT STRATEGY AND STAKEHOLDER LITERATURE

Two bodies of literature are important for this research: The body of literature for emergent strategy and the body of literature of stakeholder theory. The literature review is grouped into two parts. The first part reviews the emergent strategy literature including making the link to institutional theory and the second part reviews the stakeholder literature. As an introduction, the literature review starts with an overview of the two bodies of literature.

The intention of the researcher is to give with the literature review a general overview about the emergent strategy literature and about the stakeholder literature. The aim is to show in a comprehensive way the origins of the concepts of emergent strategy and stakeholder.

In order to establish the significance of the emergent strategy and of the stakeholder literature for this research it may be important to consider the chronological historical context where the terms came first up and what other authors made out of the concepts of emergent strategy and stakeholder.

The researcher introduced in chapter 1 "Introduction and Summary" and in chapter 2 "Pilot Project" already the main emergent strategy literature authors Mintzberg (1972), Mintzberg and Waters (1985), Eden and van der Heijden (1995), Eden and Ackermann (1998), and Ackermann and Eden (2005). These authors are once again mentioned in this chapter 3 "Literature Review". This leads partly to repetition what had been already mentioned in chapter 1 and in chapter 2. However the researcher's aim was to provide in chapter 1 an introduction into the concepts of emergent strategy and emergent strategizing, and thus needed to quote already in chapter 1 these main authors. And as the intention of chapter 3 "Literature Review" is to

provide the chronological historical context of the concepts of emergent strategy and emergent strategizing, the researcher needed to repeat in chapter 3 these main authors which had been already mentioned in chapter 1 and in chapter 2. But the researcher elaborated and expanded on what had been said already in chapter 1 and in chapter 2.

The literature review is to a large extent done in the form of quotes of other authors about emergent strategy and stakeholder. Only a few interpretations are done by the researcher. The researcher's aim is to demonstrate that no other author highlighted the importance of stakeholders for emergent strategy in a similar way as the researcher detected it in this research.

Here is an overview of the first part of the literature review, the review of the emergent strategy literature (the researcher elaborates on these authors in the chapter "Emergent Strategy Literature", page 71):

Mintzberg (1971) can be named as the father of emergent strategy. Emergent strategy roots back to Lindblom (1958, 1959) and Baybrook (1964) and to their concepts of muddling through, policy-making and incrementalism. Quinn (1977, 1978, and 1980) developed incrementalism further to logical incrementalism.

Eden and van der Heijden (1995) introduced the term emergent strategizing in order to emphasize on the process how a strategy emerges. Emergent strategizing was further developed by Eden and Ackermann (1998).

Other authors build up on the concepts of emergent strategy and emergent strategizing. Idenburg (1993) names emergent strategy as one style out of four styles of strategy development. Inkpen and Choudhury (1995) as well as Eisenhardt (2002) see similarities between strategy absence and emergent strategy. Bauerschmidt (1996) as well as Barry and Elmes (1997) see emergent strategy in a way that fictional future is concluded from ex post interpretations from the past.

Stacey (1995), Mihata (1997) and Lichtenstein (2000) make the link from complexity theory to emergent strategy. Smircich and Stubbart (1985) argued that organisations should adapt to their environment, thus that organisations should not define deliberate strategies but led strategy emerge. Pettigrew (1992) stresses the importance of history for the emergent future as the past was alive in the presence and may shape the emergent future.

Fuller-Love and Cooper (2000) say that many companies arrive at a strategy accidentally without having a formal plan and conclude that emergent strategies are an indication for the flexibility to react to changed conditions. Spence (2003) says that emergent strategies develop as natural evolution. Downs, Durant, and Carr (2003) and Robertson (2003) link emergent strategy to a learning model.

Here is an overview of the second part of the literature review, the review of the stakeholder literature (the researcher elaborates on these authors in the chapter "Stakeholder Literature", page 85):

Freeman (1984) is the first author who significantly developed the stakeholder theory. The early definition of stakeholders was groups who have a stake in the organisation, basically shareowners, employees, customers, suppliers, lenders and society. Freeman argues that stakeholder theory was for a long time seen as contrary to stockholder theory and shareholder value. Freeman and Reed (1983) distinguish between the wide sense of stakeholders, which is any group or individual who can affect or who is affected by the organisation's objectives, and the narrow sense of stakeholders, which is any individual or group on which an organisation is dependent on for its survival.

Donaldson and Preston (1995) formulate three aspects of stakeholder theory: its descriptive accuracy, its instrumental power and its normative validity. For Clarkson (1995) are stakeholders persons or groups that have or claim ownership, rights or interests in a corporation and its past, present or future activities. Clarkson distinguishes between primary and secondary stakeholders. Jones (1995) sees

stakeholder theory as capable to link ethics and economics together. Mitchell et al (1997) developed a typology of eight different types of stakeholders based on the three attributes power, legitimacy and urgency.

Heath and Norman (2004) categorize stakeholder theory into nine different types. Agle et al. (2008) link stakeholder theory to corporate social responsibility and stress that corporations are accountable for meeting their economic goals in socially responsible ways. Agle et al. (2008) build the bridge from stakeholder theory to shareholder value and conclude that taking care of stakeholders leads to good management and to a well-managed company which leads to value creation and to shareholder value. Agle et al. (2008) argue further that value maximization and good stakeholder management go inline.

EMERGENT STRATEGY LITERATURE

The emergent strategy literature review is grouped into the roots of the concepts of emergent strategy and emergent strategizing, the definition of emergent strategy, the definition of emergent strategizing and then shows what other authors have written related to emergent strategy and to emergent strategizing.

The roots of the concepts of emergent strategy and emergent strategizing

The concepts of emergent strategy and emergent strategizing can be traced back to Lindblom. "Note that with a little rearrangement of the ideas, Lindblom (1959) got there first with his treatise on 'the science of muddling through' "(Eden & van der Heijden, 1995: 332). "Muddling through" is a concept which was introduced in 1959 by Lindblom. Muddling through is a "succession of incremental changes" (Lindblom, 1959: 86). "Policy is not made once and for all; it is made and re-made endlessly. Policy-making is a process of successive approximation to some desired objectives in which what is desired itself continues to change under reconsideration" (Lindblom, 1959: 86). Note by that Lindblom treats the terms of decision-making and policy-making as synonymous. Lindblom (1958) developed and advocated as

well the concept of incrementalism in policy and decision making where changes occur in small steps rather evolutionary than revolutionary with the absence of central planning.

The concept of incrementalism was further developed by Quinn (1977, 1978, and 1980) to a method for strategy formulation and strategy implementation called "logical incrementalism". "Executives managing strategic change in large organisations should…artfully blend formal analysis, behavioural techniques, and power politics to bring about cohesive, step-by-step movement towards ends which initially are broadly conceived, but which are then constantly refined and reshaped as new information appear. Their integrating methodology can best be described as 'logical incrementalism' " (Quinn, 1980: 3).

Although Quinn did not use exactly the term emergent strategy, he is in his writing very close to the term emergent strategy. For example, Quinn writes: "A strategy emerges" (Quinn, 1978: 17). Or he writes: "…most major strategic issues first emerged in vague or undefined terms…" (Quinn, 1980: 4).

The definition of emergent strategy

As was argued earlier, Mintzberg is the father of the concept of emergent strategy. Mintzberg (1971) studied in his own doctoral dissertation in an empirical study the work of five managers with a method called "structured observation" (Mintzberg, 1970). During this work, Mintzberg (1971) may have observed what he later developed further and what he later expressed in his first definition of emergent strategy: that managers take decisions every day and that the sum of all decisions taken lead to the emergent strategy.

While Mintzberg looked on what managers really do every day he came across decision making and policy making. Mintzberg was inspired by the work of Lindblom (1958, 1959) and Braybrooke (1964) about policy making, decision making and "muddling through". Mintzberg became excited about an unusual

definition of strategy: "In 1971, I became intrigued by an unusual definition of strategy as a pattern in a stream of decisions (later changed to actions)" (Mintzberg 1987: 75).

Mintzberg introduced the term emergent strategy for the first time in 1972. In his paper "Research on strategy-making" he first linked strategy in general and decisions: "...we define strategy as a pattern in a stream of significant decision" (Mintzberg, 1972: 90). And in this paper, one page after, Mintzberg used for the first time the term emergent strategy: "To study strategy-making, we analyze streams of significant decisions in organisations...the chronology of decisions is then analyzed to infer consistent patterns, or strategies...the emergent strategy of each period is then described..." (Mintzberg, 1972: 91).

Close to the meaning of the concept of emergent strategy were Mintzberg's description of the "adaptive mode of strategy-making" (Mintzberg, 1973) and Mintzberg, Raisinghani, and Théorêt's suggested framework that described "…unstructured, strategic decision processes" (Mintzberg, Raisinghani, & Théorêt, 1976: 246).

Mintzberg argued in 1978 that patterns develop in interplay between intended strategies and realized strategies. Realized strategies which were intended are deliberate strategies and not realized strategies which were intended are unrealized strategies and realized strategies which were not intended are emergent strategies. "Realized strategies that were never intended, perhaps because no strategy was intended at the outset or perhaps because,…, these may be called emergent strategy" (Mintzberg, 1978: 945).

When the concept of emergent strategy is cited, reference is often made to Mintzberg and Waters' (1985) paper "Of Strategies, Deliberate and Emergent". In that paper, Mintzberg and Waters define emergent strategy and deliberate strategy as two ends of a continuum in between real world strategies are. Mintzberg and Waters define some other strategies along this continuum. They label these strategies planned

strategy, entrepreneurial strategy, ideological strategy, umbrella strategy, process strategy, unconnected strategy, consensus strategy and imposed strategy. Bourgeois (1984) states that strategy (outcomes) and process (decision behaviour) shall be examined simultaneously and that "…much of Mintzberg's historical research is of this type: he traces both decisions and decision processes over time" (Bourgeois III, 1984: 593-594).

The definition of emergent strategizing

The expression "emergent strategizing" was first introduced 1995 by Eden and van der Heijden. They argued that the expression "emergent strategy" was linguistically only correct if strategy was understood as using plans. By following that line of argument this would mean that it is an active process for which the expression "emergent strategizing" would be more appropriate.

Eden and van der Heijden (1995) relate emergent strategizing to institutional theory: "This interpretation means that emergent strategizing is located primarily in the institutional language, as it categorizes and provides a wider meaning to the pattern of events as they unfold" (Eden & van der Heijden, 1995: 331).

Eden and Ackermann formulated then 1998: "Emerging strategizing **…**addresses the way in which most organisations demonstrate patterns of decision making, thinking, and action, often 'taken for granted' ways of working and problem solving coming from the habits, history and 'hand-me-downs' of the organisation's culture. Whether the organisation members are aware of this or not, even if they define themselves as 'muddling through' rather than acting strategically, such enacted pattern inevitably take the organisation in one strategic direction rather than another." (Eden & Ackermann: 4).

Eden and Ackermann confirmed 1998 what Eden and van der Heijden 1995 said, that emergent strategizing refers to a process: "By emergent strategizing we refer to a process (verb, rather than the noun used by Mintzberg and Waters (1985)), a *stream of actions* that are not random but form a pattern – a pattern which is, as Mintzberg

points out, usually becomes evident as such after the event rather than before." (Eden & van der Heijden: 22).

The definition of emergent strategizing of Eden and Ackermann appears to be more comprehensive than Mintzberg and Waters' definitions of emergent strategy (emergent strategy as a pattern in a stream of decisions, respectively emergent strategy as a pattern in a stream of actions).

Nevertheless, Eden and Ackermann's definition raises also a lot of questions. Note by that Eden and Ackermann use as well the term "stream of actions" for describing emergent strategizing. Mintzberg used the same term for the definition of strategy: "In 1971, I became intrigued by an unusual definition of strategy as a pattern in a stream of decisions (later changed to actions)" (Mintzberg, 1978: 75).

Eden and Ackermann talk in a similar fashion as Mintzberg and Waters about "patterns of decision making" and "patterns of actions". The same as stated earlier about Mintzberg and Waters' "pattern in a stream of decisions" respectively "pattern in a stream of action" applies for the use of these terms in Eden and Ackermann's definition. These terms appear again to be not very tangible and not easy to operationalize.

And the other components of Eden and Ackermann's definition are also very vague: What is "a pattern of thinking"? What is a taken for granted way of working and problem solving? What are habits, history and hand-me-downs of the organisation culture? What is "muddling through"?

In practice, this is difficult to understand. And as stated earlier in the introduction chapter (chapter "This Research", page 13) this is where this research starts. The concepts of emergent strategy and emergent strategizing are weakly defined and the researcher aims to operationalize these concepts more and wants to advance the knowledge about these concepts.

Other authors

Idenburg (1993) defines four styles of strategy development whereas emergent strategy formation is one of it. He distinguishes between rational planning, guided learning process, logical incrementalism and emergent strategy formation. In his elaboration what emergent strategy formation is, he uses Lindblom's (1959) "muddle through" term: "According to this view, it is not possible to develop a perspective of the future and to formulate explicit objectives in an unpredictable environment; instead, it is necessary to react in a flexible, opportunistic and accidental manner to new, unpredictable developments, and 'muddle through'." (Idenburg, 1993: 136).

Inkpen and Choudhury (1995) see affinities between emergent strategy and strategy absence: "Mintzberg introduced the concept of the emergent strategy to capture the strategy that although not intended by a firm's leaders, nevertheless evolved. … Mintzberg stopped short of making explicit reference to strategy absence. His view was that every firm will have a strategy that is either realized or emergent. One can only speculate as to why Mintzberg chose not to have a strategy-less category" (Inkpen & Choudhury: 315).

Inkpen states in a different paper, which reflects on the Inkpen and Choudhury (1995) paper cited above: "We clearly anchored the paper in the existing strategy literature, and in particular, in Mintzberg's (1978) view of strategy as a pattern in a stream of decisions. …given our belief that strategy evolves over time and that Mintzberg's perspective of strategy is the most powerful conceptualization of this evolutionary process…" (Inkpen, 1996: 669). This statement of Inkpen can be interpreted that Inkpen believes that Mintzberg's view of strategy as a pattern in a stream of decisions is a reasonable view.

Bauerschmidt (1996) says: "Emergent thinking suggests that strategy is never conscious and only gains presence on its reflection" (Bauerschmidt, 1996: 666). With "reflection" Bauerschmidt means that past actions are analyzed and ex post labelled

as "strategic." This view is similar to Barry and Elmes' (1997) view of strategists making "creative interpretations from the past" (Barry & Elmes, 1997: 433).

Stacey (1995) provides a framework of complex adaptive systems for strategic change processes based on complexity theory. At the beginning of his paper he raises the "intention vs. emergence" issue: "The 'intention vs. emergence' issue raised by three questions: are new organisational states the outcome of prior shared intentions of the agents operating within them? Or do such states emerge from complex interactions between agents in the absence of prior shared intention? In other words: is it possible to determine the long-term future outcomes of a changeable system?" (Stacey, 1995: 478).

At the end of his paper, Stacey concludes regarding the 'intention vs. emergence' issue that his framework "…focuses on processes of evolution and transformation taking the form of self-organizing network activities provoked by disorder, conflict and disagreement. These processes produce emergent rather than intentional outcomes." (Stacey, 1995: 490).

Stacey (1996) criticizes that "the dominant schools of management thinking assume that managers can choose successful mutations in advance of environmental change and thus stand ready with a strategy that will succeed." (Stacey, 1996a: 8) and further argues that "dominant thinking yields business strategies that will inevitably fail wherever the nonlinearity of organisational life is at all important." (Stacey, 1996a: 9). Stacy argues that organisations should establish conditions in which creativity can unfold and that the price for that creativity may be the inability to deliberately plan the future: "The price we pay for creativity and free will is an inability to foresee and intend future outcomes." (Stacey, 1996b).

Stacey's pledge to allow creativity and to give up to try to exactly plan future outcomes can be seen as being in line with Eisenhardt's (2002) statement that a strategy can be to bring the right people together and let their moves emerge.

Mihata (1997) says: "The concept of emergence is most often used today to refer to the process by which patterns or global-level structures arise from interactive local-level processes. This 'structure' or 'pattern' cannot be understood or predicted from the behaviour or properties of the component unit alone" (Mihata, 1997: 31). Mihata comes like Stacey from the complexity theory side.

Barry and Elmes (1997) say that "strategists working from an emergent perspective enact fictional futures from creative interpretations of the past" (Barry & Elmes, 1997: 433). Barry and Elmes precise that "…emergent strategy can also be considered fictional: to identify an emergent strategy requires labelling specific organisational actions as 'strategic'…highlighting, juxtaposing, and linking them in certain ways: convincing others that this is the way things have happened; and prescribing that this account should be the template from which new actions should be considered" (Barry & Elmes, 1997: 433).

Barry and Elmes base their statement on the work of Smircich and Stubbart (1985) and Weick (1995). Smircich and Stubbart addressed strategic management and organisational environments and they explored, among other, the prescription that organisations should adapt to their environments and the question whether organisational environments are objective, perceived, or both (Smircich & Stubbart, 1985).

Linked to Smircich and Stubbart's term of "perceived environments" is Weick's work about sensemaking in organisations. Weick (1995) formulates: "…people created their own environments and these environments then constrained their actions" (Weick, 1995: 31). This links into institutional theory, see the separate chapter "Institutional theory" below on page 83 regarding institutional theory.

Slevin and Covin (1997) distinguish between "planned strategies" and "emergent strategies" and describe emergent strategy, based on Mintzberg's description of strategy, as a pattern in a stream of decisions, as follows: "… strategy becomes known through actions which were not necessarily intended. Rather, strategy

emerges over time as the most appropriate tactics and managerial decisions become apparent to the strategist. Thus, strategy is not formulated per se but forms in a manner that blurs the traditional conceptual distinctions between formulation and implementation processes" (Slevin & Covin, 1997: 189).

Eisenhardt (1999) advocates the emergent strategy development and highlights similar to Mintzberg the way decisions are taken: "Successful strategy emerges from a decision process in which executives develop collective intuition, accelerate constructive conflict, maintain decision pacing, and avoid politics." (Eisenhardt, 1999: 65). In line with that understanding of emergent strategy development Eisenhardt (2002) states that an organisation itself can be the strategy: "…strategy consists of choosing an excellent team, picking the right roles for the team members and then letting their moves emerge…the organisation itself is the strategy" (Eisenhardt, 2002: 90).

Hench (1999) writes about emergent self-organisation and argues that emergent self-organisation may embrace a new organizing paradigm based on the argument that in times of continuous change, the principles of emergent self-organisation provide a better way for organizing than do top down planning and control approaches to change. Hench names six characteristics of emergent self-organisation (ESO): "1 ESO systems comprise a network of autonomous agents interacting in parallel. 2 Control in ESO systems is highly dispersed. There is no central controller. 3 Order in ESO systems 'emerges.' It is learned more than imposed or planned. 4 ESO systems exist in a world of flux and change; in a world of perpetual novelty and creativity. 5 Nonlinearity is fundamental in ESO systems. 6 History matters. Evolution in emergent systems is path-dependent. Yesterday and today constrain tomorrow" (Hench, 1999: 363).

Harris, Forbes, and Fletcher (2000) compare the planned strategy process and the emergent strategy process. They claim that the "emergent approach" was based on substantive research evidence from Mintzberg and Pettigrew who saw strategies as emerging from the firm over time, rather than being planned for.

Pettigrew (1992) claims that: "History is crucial. Antecedent conditions shape the present and the emerging future. …the past is alive in the present and may shape the emerging future" (Pettigrew, 1992: 10).

Harris, Forbes, and Fletcher (2000) describe an "emergent process" and associate with it: "1. Business plans. Strategic thinking and action is undertaken without a written business plan. 2. Choices of decisions? Strategy formation is characterized by visions and actions emerging without marked decision points. 3. Process of analysis. Decisions and actions evolve as a result of continual interplay between thinking, analysis and decision. 4. Formality of discourse. Strategy discussions are within ad hoc, unplanned and unstructured occurrences. 5. Organisational boundaries. Those involved in strategic discussions can be from anywhere within the organisation or without it. 6. Use of objectives. Setting of objectives is not implemented or referred to. 7. Outcome review. The review of outcomes is against visions, is unstructured, subjective and continual. 8. Outside advisers, in general, are used for a 'sounding board' to help the ongoing evolution of thinking, strategy and action." (Harris, Forbes, & Fletcher, 2000: 127).

Harris, Forbes, and Fletcher (2000) examined the enacted strategy approaches of 26 entrepreneurs. Harris, Forbes and Fletcher found out that despite that the 26 entrepreneurs had been taught in formal business planning rather than in emergent techniques of strategy development that the emergent approach was more overall used: "This study highlighted the importance for the entrepreneurs to retain some elements of the planning approach that they were taught, and of learning from experience elements of the emergent approach to strategy formation. The emergent approach was used more overall" (Harris, Forbes, & Fletcher, 2000: 141).

Fuller-Love and Cooper (2000) state that "…many companies arrive at a strategy accidentally or without a formal plan of any sort" (Fuller-Love & Cooper, 2000: 210) and similar as Inkpen and Choudhury (1995), Fuller-Love and Cooper say: "…emergent strategies may simply be an indication of the flexibility of the management to react to circumstances" (Fuller-Love & Cooper, 2000: 211).

Lichtenstein (2000) comes like Stacey (1995) and Mihata (1997) from complexity theory to the notion of emergence. Lichtenstein develops a three-stage model of complex adaptive systems change (CASC): the first stage is increased dynamic ordering, the second stage is tension and a threshold and the third stage is the emergence of new organizing structures. Lichtenstein applies his model on "two entrepreneurial firms undergoing transformative shifts in their development" (Lichtenstein, 2000: 526). He stated for one firm: "In the case of … what emerged was a new dominant logic – a new set of values, structures and strategy that would propel the organisation into its next stage of development. Over the next six weeks there emerged a new organisational design, strategy, control system, and long-term goals" (Lichtenstein, 2000: 538).

Broadhurst, Paterson, and Ledgerwood (2001) describe emergent strategy as the best suitable strategy, out of a set of on beforehand developed strategic options, that shows up during a trial-and-error strategy implementation: "The second approach, termed 'emergent strategy,' is one in which the final objective is unclear and the options are developed and tried during the implementation of the strategy…With their emphasis on experimentation to find the most productive route forward, emergent strategies are based in survival, uncertainty and human resources…They are often seen an trial-and-error approaches" (Broadhurst, Paterson, & Ledgerwood, 2001: 70).

Macbeth (2002) emphasizes on strategy implementation in improvement projects and says: "…there is no alternative to an emergent strategy…no prescription of a correct implementation path is possible…it has to emerge through the interactions in and between the organisational groupings tasked with making the improvement agenda projects deliver their desired results" (Macbeth, 2002: 738).

Spence (2003) states that: "Emergent strategies develop as a natural evolution of the business with no preconception of them" (Spence, 2003: 282).

Downs, Durant, and Carr (2003) highlight the distinction between the rational planning school and the emergent school. They quote Lynch to characterize the emergent approach: "The emergent approach to strategy formulation has been characterized by trial, experimentation, and discussion; that is, by a series of experimental approaches rather than a final objective. Emergent strategy is undertaken by an organisation that analyzes its environment constantly and implements its strategy simultaneously" (Lynch as cited by Downs, Durant, & Carr, 2003: 5).

Downs, Durant, and Carr (2003) propose a model of learning in emergent strategy. "Our model of learning in emergent strategy through the use of oracle posits that both emergent strategy and oracle engage in the following steps: 1 Sense a possible threat or opportunity. 2 Choose a symbol system. 3 Decide on a model. 4 Draw out the symbols. 5 Reflect on the symbols. 6 Interpret the message. 7 Decide on an action. 8 Act. 9 Repeat cycle after acting" (Downs, Durant, & Carr, 2003: 17).

Robertson (2003) equalizes emergent strategy with learning strategies in a bank study: "The first strategy ('stay still') reflects a deliberate strategy on the part of the banks; the latter strategies ('follow the leader' and 'customer-centric') represent more 'emergent' ... strategies, the positioning of banks being influenced from learning about their environment" (Robertson, 2003: 66-67).

Grundy (2004) worked out a framework called "strategic option grid" which according to him brings clarity for all who "are deemed to be 'lost-souls', forever destined to be the victims of 'logical incrementalism' (Quinn, 1980), 'muddling through' (Braybrooke and Lindblom, 1963) and 'emergent strategies' (Mintzberg, 1978, 1994)" (Grundy, 2004: 111).

Grundy's (1994) strategic option grid is a technique to help to make decisions out of various strategic options by scoring each option. This grid "seeks to help promote clarity, imagination and insight into the process of strategic decision-making" (Grundy, 2004: 111).

Interestingly, Grundy's starting point is that readers of Braybrooke and Lindblom (1963), Quinn (1980) and Mintzberg (1978, 1994) may have become puzzled and may not be able to fully understand and to make use of these contributions.

Nevertheless Grundy uses Mintzberg's term of emergent strategy in order to promote his strategic option grid and states: " The Strategic Option Grid…offers an interesting self-contained system for strategic decision-making which is consistent with and copes well with both the 'design' and 'process' schools of strategy and can be used for both 'deliberate' and 'emergent' strategies" (Grundy, 2004: 122).

Institutional theory

Institutional theory is relevant for emergent strategy because in a way institutional theory and emergent strategy are of the same sort. Institutional theory and emergent strategy concepts are in a way similar. Both are saying that institutions or organisations go in this or that direction as a consequence of their specific situation and that it is difficult to change the direction towards institutions or organisations are going.

Very generally it can be said that in institutional theory the focus is more on people's group behaviour, on collective behaviour over a longer period. In emergent strategy the focus is in Mintzberg's sense more on people's decisions and actions.

In the following a short overview of the institutional theory literature is provided:

As Scott (1987) stated, there are several very different definitions of the concepts of institution and institutionalization: "The many faces of institutional theory – the concepts of institution and institutionalization have been defined in diverse ways, with substantial variation among approaches" (Scott, 1987: 493).

An early contribution comes from the social theorist Max Weber who wrote in the nineteenth century on the role of bureaucracy in institutions and its impact on

society. Weber used the image of the "iron cage" to describe that based on a rationalist spirit bureaucracy has gained momentum of its own (Weber as cited by DiMaggio & Powell, 1983: 147).

"DiMaggio and Powell…see organisations as dramatic enactments of rationalized myths" (Townley, 2002: 163). Meyer and Rowan (1977) argue in the same sense that organisations adapt their organisational structure according to what they think that the environment is expecting from them to have as organisational structure, without questioning or controlling this organisational structure: "Many formal organisational structures arise as reflections of rationalized institutional rules…Organisations whose structures become isomorphic with the myths of the institutional environment – in contrast with those primarily structured by the demands of technical production and exchange – decrease internal coordination and control on order to maintain legitimacy…Organisations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the acquired practices and procedures" (Meyer & Rowan, 1977: 340).

Institutional theory looks on the social structure and the processes by which routines become authoritative guidelines for social behaviour. Scott (1995) states that organisations must adapt and conform to the rules and belief systems which are prevailing in the environment in which they exist in order to survive.

Weerakkody, Dwivedi, and Irani, (2009) state in the same sense: "Organisations in different socio-economic and political contexts may often react differently to similar internal and external challenges due to constraints imposed by the environment they exist in" (Weerakkody, Dwivedi, & Irani, 2009: 354).

For Johnson, Melin, and Whittington (2003) the concern of institutional theory "…has been to understand organisations in terms of norms and rules: and the emphasis has been on how individuals are captured within these..." (Johnson, Melin, & Whittington, 2003: 8). Johnson, Melin, and Whittington (2003) stress the importance of individuals and of groups for institutional theory: "…the acceptance

by institutional theorists of a socially constructed world suggests that individual actors and groups of actors play a significant part in institutional processes" (Johnson, Melin, & Whittington, 2003: 7-8).

Earlier Johnson, Smith, and Codling (2000) defined: "Institutions are defined by their rules. This is so both in terms of what we mean by institutionalization and in terms of how individuals identify with those institutions…" (Johnson, Smith, & Codling, 2000: 574).

Weick (1995) argues that: "It is this institutionalizing of social constructions into the way things are done, and the transmission of these products that links ideas about sensemaking with those of institutional theory. Sensemaking is the feedstock for institutionalisation" (Weick, 1995: 36). According to Johnson, Melin, and Whittington (2003), Weick means with this statement that if a group of people share the same sensemaking they are then both influenced by organisational rules and norms and they influence organisational rules and norms. Easterby-Smith, Thorpe, and Holman (1996) generally confirm that one may want to understand one's own and other's view of the world: "In our everyday lives we continually attempt to understand how we and others view the world in order to make meaningful decisions and undertake sensible actions" (Easterby-Smith, Thorpe, and Holman 1996: 4).

STAKEHOLDER LITERATURE

The pilot project revealed the possible significance of stakeholders for emergent strategy. The researcher explored the stakeholder literature because after having completed the pilot study it was clear that stakeholders were beginning to emerge as something of significance for emergent strategy.

Preston and Sapienza (1990) trace the origins of the stakeholder approach back to the 1930s when General Electric identified four major stakeholder groups: shareholders, employees, customers, and the general public. In 1947 the company Johnson & Johnson listed the company's "strictly business" stakeholders as: customers,

employees, managers, and shareholders. In 1950 Robert E. Wood, CEO of the company Sears, listed the "four parties to any business in the order of their importance" as "customers, employees, community, and stockholders" (Preston & Sapienza, 1990: 362).

Preston and Sapienza attribute the formal introduction of the stakeholder concept, to William R. Dill whose 1958 field study identified four major sectors of the "task environment…relevant to goal setting and goal attainment": customers, suppliers, competitors for both markets and resources, and regulatory groups, including governmental agencies, unions, and inter-firm associations. Dill described the "task environment" as: "The task environment of management consisted of inputs of information from external sources. These inputs did not represent "tasks" for the organisation; by task I mean a cognitive formulation consisting of a goal and usually also of constraints on behaviours appropriate for reaching the goal. When we study the task environment, we are focusing on the stimuli to which an organisation is exposed; but when we study tasks, we are studying the organisation's interpretations of what environmental inputs mean for behaviour (Dill, 1958: 411).

Freeman and Reed (1983) state that the stakeholder concept is said to be first articulated at the Stanford Research Institute in 1963: "The word stakeholder, coined in an internal memorandum at the Stanford Research Institute in 1963, refers to 'those groups without whose support the organisation would cease to exist' " (Freeman & Reed, 1983: 89).

Charan and Freeman (1979) link stakeholders to external organisational groups: "…senior business executives must now negotiate increasingly with a growing number of external groups. These groups can be conceptionalized as 'stakeholders' and include government agencies, environmentalists, consumerists, and other constituencies" (Charan & Freeman, 1979: 8).

Freeman and Reed (1983) provide other definitions of the term stakeholder: "The stakeholder notion is indeed a deceptively simple one. It says that there are other

groups to whom the corporation is responsible in addition to stockholders: those groups who have a stake in the actions of the corporation…the list of stakeholders originally included shareowners, employees, customers, suppliers, lenders, and society" (Freeman & Reed, 1983: 89).

Freeman and Reed (1983) distinguish as well between the wide sense and the narrow sense of stakeholder. "The wide sense of stakeholder: Any identifiable group or individual who can affect the achievement of an organisation's objectives or who is affected by the achievement of an organisation's objectives. (Public interest groups, protest groups, government agencies, trade associations, competitors, unions, as well as employees, customer segments, shareowners, and others are stakeholders, in this sense.) The narrow sense of stakeholders: Any identifiable group or individual on which the organisation is dependent for its continued survival. (Employees, customer segments, certain suppliers, key government agencies, shareowners, certain financial institutions, as well as others are all stakeholders in the narrow sense of the term.)" (Freeman & Reed, 1983: 92).

The stakeholder theory has been used to argue against the stockholder theory: "The temptation has been for a long time to depict the stakeholder concept as a kind of rallying cry against the stockholder theory…and show them that the stakeholder theory is 'better' than the stockholder theory" (Freeman, 1994: 413), "…the now tiresome tirades of 'stockholders vs. stakeholders'...." (Phillips, Freeman, & Wicks, 2003: 496).

Donaldson and Preston (1995) formulate three aspects of the stakeholder theory: its descriptive accuracy, instrumental power, and normative validity. With 'descriptive accuracy' is meant that stakeholder theory present a model which describes what the organisation is and that it describes the organisation as a "constellation of cooperative and competitive interests possessing intrinsic value" (Donaldson & Preston, 1995: 66).

The instrumental power lays in the ability of stakeholder theory to examine the possibly connections between the practice of stakeholder management and the achievement of organisational performance goals. "The principal focus of interest here has been the proposition that corporations practicing stakeholder management will…be relatively successful in conventional performance terms (profitability, stability, growth, etc.)" (Donaldson & Preston, 1995: 67).

Donaldson and Preston (1995) say that the descriptive aspect and the instrumental aspect are significant however that the normative aspect of stakeholder theory was the fundamental aspect of stakeholder theory. The normative aspect of stakeholder theory "involves acceptance of the following ideas:

(a) Stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity. Stakeholders are identified by their interest in the corporation, whether the corporation has any corresponding functional interest in them.

(b) The interests of all stakeholders are of intrinsic value. That is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareowners" (Donaldson & Preston, 1995: 67).

Freeman added to Donaldson and Preston's (1995) three aspects of stakeholder theory (descriptive, instrumental and normative) "metaphorical" as a fourth aspect: "Following Donaldson and Preston, I want to insist that the normative, descriptive, instrumental, and metaphorical (my addition to their framework)…" (Freeman, 1994: 413). Freeman denotes the stakeholder concept as a metaphor: "Thus, our task is to take metaphors like the stakeholder concept and embed it in a story about how human beings create and exchange value" (Freeman, 1994: 418).

Donaldson (1999) defines four years later than Donaldson and Preston (1995) had defined the three aspects of stakeholder theory (descriptive, instrumental and normative), instrumental and normative stakeholder theory still similar to the definitions made in 1995 but stressing more on the "managerial" aspects:

"…instrumental stakeholder theory…refers to any theory asserting some form of the claim that, all other things being equal, if managers view the interests of stakeholders as having intrinsic worth and pursue the interests of multiple stakeholders, then the corporations they manage will achieve higher traditional performance measures, such as return on investment, than had they denied such intrinsic worth and pursued only the interests of a single group. Normative stakeholder theory…refers to any theory asserting some form of the claim that managers ought to view the interests of stakeholders as having intrinsic worth and should pursue the interests of multiple stakeholders" (Donaldson, 1999: 238). Donaldson claims that: "…stakeholder theory is 'managerial' in nature" (Donaldson, 1999:238).

Clarkson (1995) defines: "Stakeholders are persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future. Such claimed rights or interests are the result of transaction with, or actions taken by, the corporation, and may be legal or moral, individual or collective" (Clarkson, 1995: 106).

Clarkson (1995) distinguishes between primary and secondary stakeholders. The distinguishing criterion is the importance of stakeholders to the company's survival. Primary stakeholders are those stakeholders who are important for the company's survival. Primary stakeholders are typically shareholders, investors, employees, customers, and suppliers. But those stakeholders who shape directly the conditions under which the company operates are as well considered to be primary stakeholders. These other primary stakeholders are public stakeholders like government and communities. Secondary stakeholders are those stakeholders that are affected by the company's actions but who are non-crucial for the survival of the company. Secondary stakeholders are typically media and special interest groups.

Clarkson (1995) states about the relation of stakeholders and shareholders and the purpose of a corporation: "The measurement of corporate success has traditionally been limited to the satisfaction of and the creation of wealth for only one stakeholder, the shareholder…Stakeholder is not synonymous with shareholder. The economic

and social purpose of the corporation is to create and distribute increased wealth and value to all its primary stakeholder groups, without favouring one group at the expense of others. Wealth and value are not defined adequately only in terms of increased share price, dividends, or profits" (Clarkson, 1995: 112).

Jones (1995) states that stakeholder theory is central and potentially capable to link ethics and economics together: "… the stakeholder model as a central paradigm for the business and society field. The theory is build on an integration of the stakeholder concept, economic concepts (agency theory, transaction costs economics, and team production theory), insights from behavioural science, and ethics" (Jones, 1995: 432).

Mitchell, Agle, and Wood (1997) developed a typology of stakeholders based on one or more of the three attributes: power (the power of stakeholders to impose their will), legitimacy (whether the behaviour of the stakeholders is socially accepted) and urgency (the degree to which the stakeholders' claims are time critically). Based on the combination of these three attributes, Mitchell, Agle, and Wood (1997) derive further eight types of stakeholders:

	Power	Legitimacy	Urgency
Dormant Stakeholders	X		
Discretionary Stakeholders		X	
Demanding Stakeholders			X
Dominant Stakeholders	X	X	
Dangerous Stakeholders	X		X
Dependent Stakeholders		X	X
Definitive Stakeholders	X	X	X
Non-Stakeholders			

Table 4: Stakeholder typology

(source: derived/adapted from Mitchell, Agle, and Wood (1997: 874)

90

In their summary, Mitchell, Agle, and Wood conclude: "In sum we argue that stakeholder theory must account for power and urgency as well as legitimacy…Managers must know about entities in their environment that hold power and have the intend to impose their will upon the firm. Power and urgency must be attended to if managers are to serve the legal and moral interests of legitimate stakeholders" (Mitchell, Agle, and Wood, 1997: 882).

Jones and Wicks (1999) argue that two aspects (instrumental and normative) of the three aspects (descriptive, instrumental and normative) of stakeholder theory of Donaldson and Preston (1995) do converge. Jones and Wicks name this convergent stakeholder theory. Thus convergent stakeholder theory combines normative and instrumental elements (Jones & Wicks, 1999).

Friedman and Miles (2002) present a model which "combines stakeholder theory with a realist theory of social change and differentiation" (Friedman & Miles, 2002: 1). The model has the intention to highlight the importance to distinguish between different stakeholders and wants to enable to analyze the relationship between the organisation and its stakeholders over time. Friedman and Miles distinguish in the relationship between the organisation and its stakeholders between compatible and incompatible interests as well as between necessary and contingent connections:

	Necessary	**Contingent**
Compatible	Explicit/implicit recognized Defensive	Implicit unrecognized Opportunistic
Incompatible	Explicit/implicit recognized Compromise	No contract Elimination

Table 5: Stakeholder configurations and associated contractual forms and strategic action

(source: Friedman and Miles (2002: 7)

Phillips, Freeman, and Wicks (2003) state that stakeholder theory is "a theory of organisational management and ethics"; "distinct because it addresses morals and values explicitly as a central feature of managing organisations" and further that: "Managing for stakeholders involves attention to more than simply maximizing shareholder wealth. Attention to the interest and well-being of those who can assist or hinder the achievement of the organisation's objectives is the central admonition of the theory." And "…for stakeholder theory, attention to the interests and well-being of some non-shareholders is obligatory for more than the prudential and instrumental purposes of wealth maximization of equity shareholders" (Phillips, Freeman, and Wicks, 2003: 480-481).

Similar as Phillips, Freeman, and Wicks (2003), Freeman, Wicks, and Parman (2004) link stakeholder theory to value creation and to the relation between the organisation and its stakeholders: "The focus of stakeholder theory…asks what is the purpose of the firm? This encourages managers to articulate the shared sense of the value they create, and what brings its core stakeholders together" (Freeman, Wicks, and Parmar, 2004: 364).

"Stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business…" (Freeman, Wicks, and Parmar, 2004: 364), "…stakeholder theory asks, what responsibility does management have to stakeholder?" (Freeman, Wicks, and Parmar, 2004: 362).

"Today's economic realities underscore the fundamental reality we suggest is at the core of stakeholder theory: Economic value is created by people who voluntarily come together and cooperate to improve everyone's circumstance. Managers must develop relationships, inspire their stakeholders, and create communities where everyone strives to give their best to deliver the value the firm promises" (Freeman, Wicks, and Parmar, 2004: 364).

Freeman, Wicks, and Parmar (2004) link shareholder value and stakeholder value. They provide examples of companies who run their business in consistence with

stakeholder theory but who are delivering at the same time value and profitability to its shareholders: "Firms such as J&J, eBay, Google, Lincoln Electric, AES …provide compelling examples of how managers understand the core insights of stakeholder theory and use them to create outstanding businesses. Whereas all these firms value their shareholders and profitability, none of them make profitability the fundamental driver of what they do. These firms also see the import of values and relationship with stakeholders as a critical part of their ongoing success. They have found compelling answers to the two core questions posed by stakeholder theory, which underscore the moral presuppositions of managing – they are about purpose and human relationship" (Freeman, Wicks, and Parmar, 2004: 364).

Heath and Norman (2004) say about stakeholder theory that: "…corporations have more extensive duties to key stakeholder groups like employees, communities, customers, suppliers, and so on, than is strictly required by law" (Heath & Norman, 2004: 249). Heath and Norman categorize stakeholder theory into nine different types:

	Type of Stakeholder Theory (SHT)	Description
1	Ontological SHT	Coordinate stakeholders interests
2	Explanatory SHT	How corporations and their managers behave
3	Strategic SHT	Devotion of sufficient resources and managerial attention leads to positive outcomes for the corporation
4	SHT of Branding and Corporate Culture	Subset of strategic SHT; commitment to pay extraordinary attention to particular stakeholders can be a fundamental aspect of a firm's basic branding and corporate culture
5	Deonic SHT	Determines the legitimate interests and rights of various stakeholders, presumably going above and beyond their legal rights
6	Managerial SHT	Simultaneous attention to the legitimate interests of all appropriate stakeholders
7	SHT of Governance	How specific stakeholder groups should exercise control over management
8	Regulatory SHT	How the interests and rights of specific stakeholders should be protected by regulations
9	SHT of Corporate Law	How corporate law should be amended to protect the corporation e.g. against hostile takeovers

Table 6: Heath and Norman's nine different stakeholder theory types

Agle et al. (2008) link stakeholder theory to the concept of corporate social responsibility and stress that corporations are accountable for meeting their economic goals in socially responsible ethical ways: "Stakeholder theory and corporate social responsibility cannot offer a complete solution for addressing the problems of business in society. They can, however, point to a need for social controls and encourage the beneficial effects of institutional behaviours and to regulate or prevent the harmful effects" (Agle et al., 2008: 162).

Agle et al. (2008) conclude that taking care of stakeholder leads to good management and to a well-managed company; and this leads to value creation and to good financial performance for shareholders: "Does that mean that I believe that

'maximizing profits' is the goal or purpose of the corporation? Absolutely not. I believe that it is an outcome of a well-managed company, and that stakeholder theory is an idea about what it means to be well-managed. Stakeholder theory…is a very simple idea about how people create value for each other…it is a theory about what good management is" (Agle et al., 2008: 165-166).

Agle et al. (2008) put stakeholder theory in context with the economic system of capitalism and consider stakeholder theory as well as a mean to improve capitalism: "Stakeholder theory offers a different set of metaphors and ideas, with hope that we can make capitalism work better for us" (Agle et al., 2008: 166).

Agle et al. (2008) argue that value maximization and good stakeholder management go inline and are pretty much linked to each other: "…value maximization cannot be realized by ignoring or mistreating any corporate stakeholder, be it customer, employee, supplier, or community" (Agle et al., 2008: 168).

LINKS BETWEEN THE LITERATURE REVIEW AND THIS RESEARCH

The literature review above was presented in a chronological way. The researcher intends in the following to summarize the most important more concrete links from the literature presented in the literature review to the research project.

In order just to repeat the setting and the main intention of the research project: This research was done in an organisation and the researcher intended in particular to identify the emergent strategy and emergent strategizing of that organisation.

Emergent strategy literature links

This research project is clearly anchored in Mintzberg's (1972, 1978) and Mintzberg & Waters' (1985) definition of emergent strategy as a pattern in a stream of decisions respectively actions. And it is clearly anchored in Eden and van der Heijden's (1995) and Eden and Ackermann's (1998) definition of emergent strategizing. The

researcher looked in the research project to identify in the researched organisation what these authors say in their definitions of emergent strategy and emergent strategizing. The researcher looked especially onto the decisions and actions that were taken and as well onto the ways *how* decisions and actions were taken

The researched organisation was muddling through in Lindblom's (1959) and in Eden and Ackermann's (1998) sense. Even the CEO of the researched organisation stated that the organisation would muddling through rather that acting strategically (see field note 48, page 310).

The way the researcher looked in the research project on the evolution of the strategy document over time (see chapter "The strategy document from cycle one to cycle six", page 141) can very much be linked to Quinn's (1977, 1978, 1979) work about "logical incrementalism". The strategy document in the research evolved incrementally from cycle to cycle.

Barry and Elmes' (1997) claim that an emergent strategy can also be seen fictional as specific organisational actions of the past are labelled as "strategic" and these actions become then the template for new future actions. Barry and Elmes (1997) state further that in that sense fictional futures are enacted through creative interpretations of past actions.

The researcher was acting in Barry and Elmes' (1997) sense when he looked for existing patterns in the strategy document (see chapter "The elements of the strategy document", page 129) and when he formulated out of the identified patterns of the past to the future, defining the emergent strategic future (see chapter "Conceptual framework second attempt of data analysis cycle one", page 126).

Stakeholder literature links

As far as stakeholder theory is concerned, the researcher looked in this research on stakeholder theory in the context that a few people influenced considerably what was

going on in the organisation. The researcher named these few people stakeholders. The researcher then measured the power and interest of each stakeholder and watched the evolution over time (see chapter "Stakeholders'characterization tables and rating of power and interest", page 132).

How it is looked in this research on stakeholders would within Freeman and Reed's (1983) differentiation between the wide sense and the narrow sense of stakeholders classify for the narrow sense of stakeholders as the researched organisation depends on these stakeholders for its continued survival as these stakeholder influenced considerably what was going on.

Similar as Freeman and Reed's (1983) classification of stakeholders into a wide and a narrow sense but using other terms is Clarkson's (1995) classification of stakeholders into primary and secondary stakeholders. The stakeholders of this research would classify as primary stakeholders as they are important for the organisation's survival.

In Mitchell, Agle, and Wood's (1997) typology of stakeholders based on combinations of the three attributes power, legitimacy, and urgency the stakeholders of this research would be either definitive stakeholders or dangerous stakeholders. Definitive stakeholders account for power, legitimacy, and urgency. Dangerous stakeholders account for power and urgency only, without legitimacy. Legitimacy in Mitchell, Agle, and Wood's (1997) sense means to which extent the behaviour of the stakeholder is socially accepted. Some behaviour of the stakeholders in this research is socially not accepted (see for example field note 46, page 309; field note 54, page 311). Thus some stakeholders out of this research are in Mitchell, Agle, and Wood's (1997) sense dangerous stakeholders.

SUMMARY

This chapter reviewed the literature related to the concepts of emergent strategy and emergent strategizing including making the link to institutional theory as well the

literature related to stakeholder theory. The review was done almost chronologically and showed the roots of these concepts, the main authors and what other authors developed out of these concepts; how other authors developed these concepts further.

Mintzberg is the father of the concept of emergent strategy and he made the first and most significant contributions in the early 1980s. Freeman is said to be the first important author regarding stakeholder theory with first contributions dating as well back to the early 1980s.

The literature review is to a large extent done by quoting what other authors have written. The researcher's aim was to provide an overview about the concepts and to demonstrate that no other author has highlighted the importance of stakeholders for emergent strategy as the researcher detected it in this research.

4   Research Methodology

INTRODUCTION

This chapter describes the research methodology used in this research. The methodological implications as well as alternative methodologies are discussed and reasons are shown why elements of ethnography and elements of grounded theory were chosen as research methodology for this research.

The methodological approach for this research was to uncover and to detect the emergent strategy and emergent strategizing through elements of ethnography and elements of grounded theory.

The data collection of this research is based on elements of ethnography. The data analysis is based on elements of grounded theory. The data collection was done as participant observer and is composed of collecting ethnographical field notes and narratives. The researcher's methodological choice to collect ethnographical field notes and narratives as participant observer is based on the researcher's methodological experiences derived from the pilot project (see chapter "Pilot Project", page 26).

The research is a developing experiment. It iterates between data collection and data analysis. And as such it is a kind of grounded theory.

ISSUES IN METHODOLOGICAL CHOICE

There would have been alternative methodologies to use as the ones applied. These are discussed regarding their appropriateness to be used by the researcher in this specific research situation. Reasons are given why the researcher did not choose these alternative methodologies but why the combination of ethnography and grounded theory was chosen.

Eden and van der Heijden (1995) consider four approaches of detecting emergent strategy: i) analysis of documentation, ii) participant/observer, iii) working with "pain" and iv) interview and feedback.

Each of these approaches is in the following discussed regarding their eligibility to be used in this research.

Analysis of documentation

This approach is meant to collect and to analyze the concrete existing documentation regarding strategic intentions. If this research would have limited itself to these documents, there would not have been much to research as these documents were virtually nonexistent at the researched site.

Participant/observer

This approach means to get involved in the organisation, watch and analyze decision making, listen to stories. "By being immersed in the events in progress, the researcher hopes to be in a position to obtain much more information and a greater depth of knowledge than would be possible from the outside looking in." (Vinten, 1994: 30). The observation of daily behaviour is a common method for collecting data in an ethnographic study.

Participant observation was done in this research. Participant observation is the principal method of data collection within ethnography (Haugh & McKee, 2004; Reeves Sanday, 1979). Both ethnography and grounded theory often rely on participant observations (Arnould & Wallendorf, 1994; Wells, 1995).

The researcher himself is a member of staff of the site where the research was done. That the researcher was a member of staff of the researched site has advantages and disadvantages. An advantage is that the researcher knew the organisation and the staff well as he has been working for this company since several years. This facilitated access to people and data.

A disadvantage that the researcher is a member of staff of the researched site is that the researcher has two roles which might be difficult to properly separate. The first role is his role as employee. He has a daily job to do. He has his objectives, aspirations and constraints. There are as well the grown relationships based on shared experiences with other staff. And then there is the second role as researcher. As researcher he has to be neutral, without bias and fact orientated.

The researcher is aware that it is very difficult to separate the two roles of being an employee and a researcher at one site at the same time. The researcher might be influenced by his past experiences with the people and the organisation. The researcher has as well to research himself in his role as employee. Out of being an employee of the researched organisation there might be a lot which the researcher takes for granted but what in fact occurred before the data collection for the research was started.

Another difficulty might occur during data analysis. The researcher might take data into account he never collected during data collection. Data the researcher has in his head but never wrote down as field note or narrative and which occurred for example two years ago in the past.

Working with "pain"

This approach combines the activity of detecting emergent strategy with solving a real strategic problem for the organisation. This approach depends on having the opportunity that an organisation is in a situation where it has a strategic problem and that its managers feel "pain" out of that situation and that these managers are willing to work with this approach of solving their problems with the mean of uncovering the emergent strategy.

Eden and van der Heijden (1995) say: "Crises are normally not about strategy, but about strategic issues" (Eden & van der Heijden, 1995:338). This means that crises situations are not situations in which strategy making is felt by managers as the most

urgent need in the first place. But in crises situations the issues which the people of the organisations including the managers have, may be easier to reveal than during other times.

People might be frightened about the crisis situation and due to that might be more open to try out the approach of looking for issues in their search how to overcome the crisis situation. And when the issues that worry the people of an organisation are detected then they can then be tackled and potentially influenced and resolved. This then makes the future of an organisation better to foresee and to plan than in a situation where all issues of the people of an organisation are hidden and not expressed nor addressed.

Thus uncovering the people's issues in a crises situation is a way for both detecting emergent strategy and to overcome a crisis.

The researched site was at the beginning of the research in a crisis situation (see chapter "The trigger for starting the research at that Elbro site", page 14). The managers of the site felt "pain". However the criterion that the managers were willing to work with this approach was not given.

Interview and feedback

In this approach cycles of interviews with trigger questions with key actors and feedback are done. During that iterative process, the different views and taken for granted are detected. The first round interviews are done individually in order to ensure to capture a maximum degree of initial range of views. At a later stage, team feedback is done.

This process can uncover people's issues and the team feedback can stimulate the discussion and can lead potentially into actions to overcome issues and to align people towards common future goals.

The interviews can be a powerful mean to reveal data. However, as Charmaz and Mitchell (2001) say: "What people say may differ from what they do" (Charmaz & Mitchell, 2001: 163). Doing interviews may be suitable when there is no crisis however it is not excluded that it can be as well suitable in a crises situation. A disadvantage when using it in a crisis situation might be that in a crisis situation there may be a higher turnover of people than during other times. In addition people may be stressed in a crisis situation and the problem with interviews whether people really do say what they mean might be bigger.

Before starting with the main research project the researcher has done a pilot project (see chapter "Pilot Project", page 26). In the data collection of the pilot project the researcher collected as well ethnographical field notes but in addition he did interviews. The department, in which the data collection for the pilot project was done, Elbro's Swiss IS department, was under pressure and in a crisis situation.

The researcher experienced in his pilot project that people in interviews did not say what they really meant as what was said during the interviews in the pilot project did not match and was inconsistent with the behaviour outside of the interviews. The behaviour outside of the interviews was captured in the ethnographical field notes and these ethnographical field notes showed in the pilot project something different than what was said in the interviews.

The researcher experienced in his pilot study the weakness of interviews when interviews are done in organisations in a crisis situation. In a crisis situation, the employees of that organisation might be biased by the halo effect (Rosenzweig, 2007) as a result of the organisational performance which the employees might perceive as being negative and as such the halo effect might lead towards overall negative statements about the own organisation in interviews (the halo effect is the human tendency to make specific conclusions based on a general impression).

For that reason the researcher decided not to run interviews in the main project. The researched site for the main project belonged to the same multinational company as

the researched entity during the pilot project. There were some similarities between the researched site for the main project and the researched entity for the pilot project. For example, both were under pressure and in a crisis situation and both did not have much confidence into the corporate office.

In addition to Eden and van der Heijden's (1995) four approaches of detecting emergent strategy, other methodologies potentially could have been used by the researcher:

Questionnaires

Doing data collection with questionnaires has with interviews the potential weakness in common whether people really respond what they mean. Questionnaires might be especially appropriate to use when a researcher does not know much about the research object. However this was not the case in this research. The researcher knew the researched site very well as he is an employee of the site.

Action research

The researcher considered the possibility to do an action research. Of advantage would have been that the researcher knew the site and that the researcher is already established in the organisation due to his role as an employee. This would have helped the researcher to get the "thematic concern". The "thematic concern" is one of the major significant problems shared by a real work group, community or organisation (Lewin, as cited by Zuber-Skerrit & Fletcher, 2007: 420).
To find out this "thematic concern" and to align the research topic to it is according to Zuber-Skerrit and Fletcher (2007) crucial for an action research project as the researcher would then tackle and potentially solve a real-world problem of the organisation and would in return obtain from the organisation participation, collaboration and support from the top management of the organisation.

For the researcher, it would have been of importance for the site to uncover its emergent strategy and thus to become aware of its emerging strategic future, which

means researching emergent strategy at this site of the organisation would have qualified to be the "thematic concern."

Unfortunately the top management of the organisation did not share this view. The top management did not consider that to uncover the emergent strategy was of crucial importance. Consequently the top management did not support the researcher in his action research approach. Therefore it was not an option for the researcher to do an action research in the area of emergent strategy at this site of the organisation as a major condition for action research, the support of the top management was not given.

To combine ethnography and grounded theory made most sense

To use a kind of ethnography for data collection and a kind of grounded theory for data analysis made most sense for the researcher for this research. This is due to various reasons which are explained in the following:

Low interest in strategy within the researched organisation

In a similar way as the researcher had experienced it in other companies before, the researched organisation did not show much interest in strategy. An example for low interest in strategy is what the Swiss IS Elbro CIO said regarding strategy. The CIO claimed that Elbro's IS strategy was said to be developed exclusively at corporate, headquarter and/or regional and/or global level. The CIO claimed that he has little, respectively no own impact on the definition of the strategy and that the only useful strategy for him can be to provide and maintain the IS services to the several Elbro business units and from an organisational point of view to survive as Swiss Elbro IS department the numerous and partly contradictious strategic initiatives, such as reorganisations, mergers, outsourcing and in sourcing activities.

Although stated by the CIO, it could have been said in the same way by the site manager of the researched site when talking about his strategy for the site.

And even the Country CEO said that his own company would not act strategically but would take only the opportunities it gets from the market by chance (fn 48).

Thus it seemed to be a part of the company culture and rooted throughout the whole organisation that strategy itself was not very important. And therefore the organisation was not interested at all in supporting a research project about emergent strategy.

No support for research in emergent strategy

The researcher looked twice for support for a research project about emergent strategy in the Elbro organisation where he worked: First before starting the pilot project within Elbro's Swiss IS department located in N-town where the researcher was employed when doing the pilot project, and second before starting the main project in the Elbro warehouse site in A-town where the researcher was employed when doing the main project. In both cases, there was no interest at all by the Elbro organisation in the research project.

The lack of interest in both situations was twofold: on one hand there was no interest in strategy respectively in emergent strategy, and on the other hand there was no general interest in research.

In both situations was the researcher allowed and authorized to conduct his research because the organisation was satisfied with the researcher as an employee and wanted to keep him as an employee for the organisation but the organisation was not interested in the research and consequently the organisation did not actively support the researcher in his research.

This given practical issue was for the researcher one reason to choose ethnography as method for the data collection because ethnography can be done in a way not visible for the researched organisation and thus does not bother the researched organisation at all.

Data collection and data analysis experience from pilot project

The researcher gained substantial data collection and data analysis experience from his pilot project. The point of departure for doing research regarding the setting in the main project was similar than in the pilot project. It was in both projects an entity of the same multinational logistics company with the distinction that in the main project the researched entity was a warehouse site whereas in the pilot project the researched entity was a single department.

In both projects there was an entity under pressure and in a crisis situation with low affinity towards strategy and with low interest in research and who did authorize and allow the researcher to do his research only because the entities wanted to keep the researcher as an employee. But neither Elbro's Swiss IS department nor Elbro's warehouse site in A-town was interested in the researcher's research itself.

This analogy between the pilot project and the main project was important for the decision of the researcher to do the data collection in the main project completely with ethnographical field notes and narratives and not to do additional interviews like the researcher did in the pilot project.

The researcher experienced interviews during the pilot as a very powerful instrument to reveal data. However in a given crisis situation people might during interviews not say what they mean.

A central postulate of ethnography is that people lie about the things that matter most to them and that the ethnographer can uncover the lie (Van Maanen, 1979). This lead in combination with the given situation that the researched organisation and the researched people were not interested in research and in the research topic to the conclusion that in such a situation ethnography might be a more appropriate methodology to detect "what's really going on" than interviews.

THE COMBINATION OF ETHNOGRAPHY AND GROUNDED THEORY

Ethnography and grounded theory do not appear to have been used very often in conjunction (Pettigrew, 2000). One example where this has been done is Haugh and McKee's (2004) study about the cultural paradigm of the smaller firm. Nevertheless the researcher believed that this combination was the right choice for his specific research setting. The ultimate goal of ethnography is to get a thick description (Bamford, 2008; Goulding, 2001; Pettigrew, 2000).

The ultimate goal of grounded theory is to develop theory (Bamford, 2008; Goulding, 2001; Partington, 2000; Pettigrew, 2000, Shah & Corley, 2006). "Grounded theory methods move the research and the researcher toward theory development. In contrast, ethnography relies on developing a full description of a society or group of people and, thus provides the details of their everyday life" (Charmaz & Mitchell, 2001: 160).

For this research both was important: to get with the data collection a thick description in relation to the concept of emergent strategy and then to develop theory out of the data collection in order to enhance the knowledge about the concept of emergent strategy.

For Atkinson and Hammersley (1994), "ethnography usually refers to forms of social research having a substantial number of the following features:

- a strong emphasis on exploring the nature of particular social phenomena, rather than setting out to test hypotheses about them
- a tendency to work primarily with "unstructured" data, that is, data that have not been coded at the point of data collection in terms of a closed set of analytic categories
- investigation of a small number of cases, perhaps just one, in detail
- analysis of data that involves explicit interpretation of the meanings and functions of human actions, the product of which mainly takes the form of verbal descriptions and explanations, with quantification and statistical analysis playing a subordinate role at most" (Atkinson & Hammersley, 1994: 248).

All the above four features of ethnography of Atkinson and Hammersley apply to this research.

First, at the starting point of this research there was no hypothesis that was supposed to be tested. There was just the interest in the concept of emergent strategy and the intention to use the existing research opportunity to explore the concept of emergent strategy in the particular research setting of a company under pressure.

Second, the data collection was done without having defined analytic categories (see chapter "Data Collection and Data Analysis" below, page 118). The data collection was started with the intention to accumulate a rich account of data.

Third, just one single case was investigated in detail. This research was done in one organisation.

And fourth, in the data analysis (see chapter "Data Collection and Data Analysis" below, page 118), quantitative statistical analysis does not play a role at all but the data analysis is entirely based on interpretation of meanings.

For Shah and Corley (2006), grounded theory's distinctiveness is "…its commitment to research and discovery through direct contact with the social world…" (Shah & Corley, 2006: 1827).

For Shah and Corley (2006), grounded theory building is a process: "Its components include identifying a theoretical question of interest, choosing an appropriate research context, sampling within that context in such a way that data collection facilitates the emerging theory, and the making of constant comparisons between the collected data" (Shah & Corley, 2006: 1827).

All the above features of grounded theory of Shah and Corley apply to this research.

This research had direct contact with the social world as the data collection was done in a real word setting in a company as participant observation. The theoretical question of interest was to operationalize the concept of emergent strategy. This was the aim of the research which gave this research a frame however this was not a preconceived construct or hypothesis.

It was vague enough to let "theories emerge". The iterative way of doing simultaneously data collection and data analysis in six cycles facilitated the emergence of theory. In particular, it facilitated during the second cycle the perception that stakeholder matter for emergent strategy (see chapter "Data Collection and Data Analysis" below, page 118).

Researcher's role

The researcher himself is an employee of Elbro, the company where the research was done. He has been working for Elbro for several years in different positions at different locations. Thus he knows the company well. The researcher is member of the management team and deputy site manager of the researched site, Elbro's warehouse in A-town. The researcher served as well as object of study. Data was as

well collected from the researcher in his role as Elbro employee. This setting has several methodological implications on which the researcher now elaborates:

Positive implications

When ethnographers start with data collection in an organisation where they are for the first time they might need some time to get familiar with the organisation. It can take time until they are able to recognize not only the people's formal but also their informal behaviour. The researcher did not need time to get familiar with the Elbro warehouse as he was an Elbro warehouse employee.

Another concern of ethnographers is access. Ethnographers might have permission to undertake research in an organisation. But they might not manage to get access to all people and all situations that might be of interest regarding the research topic. In this study this was not an issue because the researcher knew the people of the organisation under study well and as a member of the site management team was the researcher sufficiently involved in the daily organisational life in a way that access to situations of interest regarding the research topic was given.

Negative implications

However on the downside, the fact that the researcher knew the organisation and the people well in combination with being a member of the management team embedded several issues. Besides acting as researcher, the researcher is as well acting in his role as employee of the organisation. He has two different roles at the same time. As employee and manager he has his working goals that might include for example as well to influence other's mind set and behaviour.

And as researcher and ethnographer he has as well to observe not only the behaviour of other people but also his own behaviour and to collect and to analyze about himself. This may not be an easy task. It may be difficult for a researcher to observe himself.

And then the researcher might have out of experiences made in the past before the research started a certain opinion about the organisation and the people. In this light the researcher might be influenced by his own taken for granted and bias when collecting and analysing data. To know the organisation and the people might impede the ability to make objective judgements.

An effect which occurred during data analysis was that the researcher wanted to make conclusions based on data which was not out of the data collection done for the research but based on data which was in the head of the researcher but which was not written down as field note or narrative in the data collection. To overcome this effect it was helpful that the research was done as developing experiment in six cycles as from cycle to cycle the learning out of the former cycle could be applied in the next cycle (see chapter "Data Collection and Data Analysis" below, page 118).

Natural occurring data

A strength of ethnography and grounded theory is that both are built up relying on natural occurring data or facts (Pettigrew, 2000) rather than on data coming out of artificial settings. "Ethnography is a form of naturalistic inquiry..." (Pettigrew, 2000: 256). "As a naturalistic research method, grounded theory..." (Pettigrew, 2000: 257). The data is collected during the normal everyday life in all kind of situations. In this research, data was collected in all kind of real life organisational situations: in meetings, on the shop floor, during phone calls, from the intranet, from emails, during informal talks at the coffee machine, etc.

The intention was to reflect with this way of data collection the "real life" of the organisation under research. Data collected with other methods, for example questionnaires or interviews may lack partly authenticity, as people for several reasons might not say what they really think. A reason for that might be that people do not trust that their response will be kept confidential and that thus their response might have a negative consequence for them.

Collect the right data

Ethnographers and grounded theorists might tend to collect a lot of data. A limitation of ethnography is that on one hand, the ethnographer might collect a lot of data but on the other hand there is a danger that he does not collect the right data.

To collect a rich account of data (Bamford, 2008; Goulding, 2001; Pettigrew, 2000) might be a good description of what the ethnographer intends to do with the data collection. However the ethnographer does not only look for data quantity but as well for meaningful and useful data.

The researcher is, during data collection, exposed to his own bias and to subjectivity. The first subjectivity might occur when the researcher decides which data he wants to capture and which data he does not want to capture.
The second subjectivity might occur when the data is analyzed. The way the ethnographer makes then sense out of that data might imply the question which data to take into account for analysing and which data not to take into account for analysing.

In that aspect, there is as well the research paradigm to which the researcher tends embedded. Ethnographers might tend to follow more the interpretive research paradigm rather than the positivist research paradigm as ethnography usually relies on qualitative data that is then interpreted rather than on quantitative data.

Saturation

A crucial question within research is: When to stop the data collection and the data analysis? An answer might be that it should be stopped when to continue does not lead to new findings. Saturation is reached when no new insights can be gained anymore out of the data collection and the data analysis (Goulding, 2001; Haugh & McKee, 2004; Shah & Corley, 2006).

This research was built up as developing experience. The researcher started the data collection in cycle one with the intention to collect data of relevance. At the end of cycle one the data was analyzed. With the experience of the data collection of cycle one and the results of the data analysis of cycle one, the data collection of cycle two was started. This continued in the same way for six cycles. In each cycle, data were collected and then analyzed. It could happen that data collection and data analyzing was done simultaneously, for example when the data collection for the next cycle already had begun while the data analysis of the cycle before was still ongoing. The six cycles were done over an elapsed time of 11 months.

In this research it became in the second cycle obvious that stakeholder matter a lot for the emergent strategy and for emergent strategizing and this finding became reflected in the data collection and data analysis of the following cycles. Cycle three and cycle four confirmed the finding.

The researcher intended at that stage to stop the data collection and data analysis but did another two cycles to see whether new insights would come up. As no significant new insights were gained in cycle five and cycle six, the researcher stopped the data collection and the data analysis according to the above definition that it should be stopped when no new findings are gained.

Validity

Are ethnography and grounded theory in general valid methodologies for researching emergent strategy? Ethnography and grounded theory in general are useful for researching emergent strategy. A reason for that proposition is that ethnography and grounded theory are based on observations. These observations are then put together and interpreted by looking for meaning. This meaning is then based on the observed reality.

In that sense ethnography and grounded theory are instruments to make sense of reality. Based on Mintzberg and Waters' (1985) definition is emergent strategy the strategic consequence of past actions. The emergent strategy can thus be detected and

understood if the actions are observed and understood. The emergent strategy thus makes sense of past actions or sense of the past reality. By this way of looking onto ethnography, grounded theory and emergent strategy, there is an affinity between ethnography, grounded theory and emergent strategy.

Is the particular way ethnography as well as grounded theory is applied in this research a valid method for researching emergent strategy? The guiding idea during this research to show evidence regarding validity was to have a plausible research story. That means to be transparent and to describe in detail the starting point for this research and the way of data collection and the way of data analysing in order to make the findings understandable, comprehensible and traceable thus to make it plausible.

Regarding validity and ethnography and grounded theory in general, independently from the research topic, ethnography and grounded theory may embed inaccurateness by the way data is collected and by the way data is analyzed. De Cock (1998) argues that: "In the very act of constructing data out of experience, the researcher singles out some things as worthy of note and relegates others to the background…" (De Cock, 1998: 3).

During data collection there is no guarantee that the researcher collects accurate and useful data no matter how long he collects data (Van Maanen, 1979). During data analysis the results might be misleading because the researcher decides what, out of the collected data account, is more important for data analysis and what out of the collected data account is less important for data analysis. "Instead of discovering enduring facts of organisational life and reporting them through neutral description, the researcher actively creates truth by assigning meaning to the phenomena he or she observes and experiences" (De Cock, 1998: 3).

To overcome these general ethnographical and grounded theory constraints with regard to validity in this research the answer here is as already stated above that the researcher tried to build a compelling, plausible research story.

Reliability

This research was a developing experiment over six cycles of data collection and data analysing. The formal way of data collection and data analysis remained always the same throughout the six cycles. This consistency throughout the data collection and data analysis period over six cycles enforced the reliability of the research.

The data collection was throughout the six cycles done in the form of field notes and narratives. The data analysis was throughout the six cycles done in the same way of writing the strategy document based on the data collection. The strategy document had throughout the six cycles the same categories.

When doing the data analysis of the second cycle it became evident that in particular the stakeholder matter for this research. As a consequence a stakeholder's characterization document was written as part of the data analysis of cycle two. The stakeholder's characterization document was then written always with the same categories as well for cycle three, cycle four, cycle five and cycle six.

The guiding idea during this research to show evidence regarding reliability was the same as with validity, the idea was to have a plausible research story.

The given situation that the company where the research was conducted had little interest in research and in the researched topic had the disadvantage that the company did not actively support the researcher. But on the other hand there was the advantage that the researcher did not have the need to deliver any results of his research to the company.

Hence the researcher was independent and did not face a sponsorship bias respectively a funding bias where the research sponsor may aim for from a sponsor's point of view positive result and where a sponsor might want to neglect a research outcome that is interpreted by him as to be negative. Examples of research studies in organisations where the research outcomes were perceived as negative by the

sponsoring organisation and where the studies became as a consequence invisible are from De Cock (1998) and from Broyce (1995).

SUMMARY

This chapter was about the general research methodology which was chosen. Elements of ethnography were used for data collection and elements of grounded theory were used for data analysis. Reasons were shown for the methodological choice and alternative methodologies were discussed.

For the specific situation of this research it was most appropriate to use a kind of ethnography for data collection and a kind of grounded theory for data analysis. The key reasons for the method choice were:

i)   There was low interest in strategy in the researched organisation and the researched organisation did not actively support the researcher doing research in emergent strategy. Ethnographical data collection can be done in a way not visible for the researched organisation and ethnographical data collection did thus not bother Elbro at all. Doing ethnographical data collection within Elbro was for the researcher the line with the lowest resistance from Elbro.

ii) The researcher felt comfortable to collect in the main project ethnographical field notes and narratives based on the methodological experiences derived from the pilot project.

iii) To us a kind of grounded theory methodology for data analysis was appropriate for this research as the researcher had no clear defined conceptual framework how to analyse the data at the time when the data collection was started. The research was a developing experiment and the conceptual framework how to analyse the data emerged out of the data.

5   Data Collection and Data Analysis

INTRODUCTION

This chapter describes the specific research methodology used for the data collection and for the data analysis. It was a developing experiment in a kind of trial and error way of doing it. The principal way of collecting data remained the same throughout the research: the researcher wrote and collected as participant observer field notes and narratives.

The data collection was done between December 2007 and October 2008, thus the elapsed time period during which the data collection was done was eleven months. The data collection and the data analysis were done partly simultaneously. The research was carried out in six cycles. Six cycles of data collection and six cycles of data analysis were done.

During each cycle, the data collection, the data analysis and the write up of the strategy document was done. The strategy document was composed of the emergent strategy, of emergent strategizing and of the resulting emergent strategic future of the site. The second cycle started with the experience and the insights of the first cycle. The third cycle started with the experience and the insights of cycle one and cycle two, and so on until cycle six.

Over time it was possible to see the evolution of the strategy document thus the evolution of the emergent strategy, emergent strategizing and the emergent strategic future of the site.

The strategy document was written as it would be the real "real" strategy. The strategy document was written out of the data from the data collection and data analysis. It was not any pretended official strategy of the site. The format of the strategy document was the same for each of the six write ups of each cycle.

The emergent strategy comprises a strategic plan with the following categories: strategic goals, strategic programmes, key performance indicators, developing culture, values, mission statement, and vision statement.

Emergent strategizing describes a process. It describes the way things were done at the site in the following categories: the way of defining situations as important, the way of decision making, the way of taking action. The systems and structures are part of the strategy document. The emergent strategic future is a projection into the future. The projection is how the organisation would be if the organisation would continue to act like it did act during the cycle before.

In the second cycle it became evident that stakeholders matter a lot for determining a strategic future and played a crucial role for the strategy document. Therefore, besides the strategy document, a stakeholders' characterization document was written for all the remaining cycles (cycle two to cycle six). This stakeholders' characterization document was written for cycle two to cycle six for each cycle in the same format.

The format of the stakeholders' characterization document is described in the next chapter "Data Analysis", page 122.

By writing the stakeholders' characterization document for each cycle it became possible to watch the evolution over time of the stakeholders' characterization document. Some stakeholders left, new stakeholders joined or stakeholders itself changed in their relevance and importance.

The stakeholders' characterization document comprises power and interest dimensions.

The power dimension is framed by French and Raven's (1959) five bases of power of the following categories: coercive/reward power, legitimate power, expert power, and referent power.

The interest dimension consists of the following categories: occupational goals, personnel goals, role commitment, concerns.

DATA COLLECTION WITH FIELD NOTES AND NARRATIVES

The nature of the field notes

The data collection of the main project was entirely done by collecting field notes and narratives. The subject of the field notes were situations, occurrences and verbal expressions which happened during the everyday working life of the site which were observed and identified and interpreted as being interesting and relevant in relation to the research and thus worth to note.

For each field note it was written down: "what", "location/source", "who", "situation/comments", "date of occurrence", "dates of transcription". A field note has the normal length of a few sentences.

Here are some examples of field notes:

field note nr.	what	location / source	who	situation / comment	date of occurence	date of transcription
174	First of all, we have a cost target to meet, and there we have to bring 500 TCHF against current Latest Estimate 2008, then we can discuss about savings. (The Elbro - Horizon contract says, all savings that Elbro is achieving will be shared 50:50)	meeting room A-site	QT	Monthly Elbro / Horizon steering meeting 20080201	20080201	20080303
175	Elbro was not able to reduce -5 FTE as planned in	meeting room A-	QT	Monthly Elbro /	20080201	20080303

	the business case.	site		Horizon steering meeting 20080201		
176	QT does not want that KL is participating in the annual review. This annual review is meant to be mainly a presentation to QL (new Horizon site manager)	office EM	BT	talk EM, BT	20080303	20080303
177	Call ED and tell him that shortly the new Horizon site manager will visit the warehouse. I do not want that Elbro employees are hanging around, sleeping in containers.	meeting room A-site	QG	after WMS steering meeting 31.01.08	20080131	20080305
178	I really was annoyed by what QG said ("Call ED and tell him that shortly the new Horizon site manager will visit the warehouse. I do not want that Elbro employees are hanging around, sleeping in containers."). My people do not sleep at work, they do their job, and it is a hard job.		ED			20080305

Table 7: Example of field notes

Narratives are extended field notes. Narratives were written when it happened that a few sentences were not enough to capture fully a situation estimated to be of relevance.

Overall 816 field notes and 47 narratives were collected. The data was collected in all kind of situations: talks on the shop floor, at the coffee machine, in the canteen, phone calls, meetings, meeting minutes, one to one talks as well as formal and informal group discussions, emails, announcements, and from the intranet.

Most of the field notes are verbally expressed statements of people. The field notes were written on small papers of the size of approximately 10 cm x 5 cm fitting perfectly into a shirt's small breast pocket. Like that it was convenient to always have blank field note paper available in order to be ready to jot a field note down.

The experience showed that it was very important to promptly write down field notes in order not to forget what happened and thus to lose it. The field notes were written secretly without showing to others.

DATA ANALYSIS

Cycles

The research was intended to operationalize the vague concepts of emergent strategy and emergent strategizing. Because of the vagueness of these concepts (see chapter "Introduction and Summary", page 1) it was not easy to predict what will happen during the research. For that reason, the way to do this research in a developing experiment over several cycles was appropriate as this way of doing research facilitated and allowed learning from cycle to cycle about what worked and what did not work.

The intended learning worked. For example, the data analysis of cycle one was done twice. This was the result of the learning of the first attempt to analyze the data. The first attempt to analyze the data failed. It did not provide useful results. Thus a second attempt with a different conceptual framework for analyzing the data was done.

The second attempt to analyze the data collected in cycle one was done with a different conceptual framework than the conceptual framework used in the first attempt. Originally it was intended to use in every cycle the same conceptual framework for data analysis in order to compare the outcome of the data analysis from one cycle with the outcome of the data analysis of another cycle and thus to make the evolution over several cycles visible.

However as the first attempt to analyze the data of cycle one failed, a second attempt with a different conceptual framework was needed. Note by that the conceptual framework that was found in the second attempt to analyze the data of cycle one was appropriate and this conceptual framework was consequently used as well to analyze the data of cycle two to cycle six.

Thus all data from cycle one to cycle six was analyzed with the same conceptual framework.

The length of one cycle was defined as the time period during which data collection for that cycle was done. The data analysis of one cycle started after the data collection of that cycle was finished. The data collection of the second cycle was done simultaneously with the data analysis of the first cycle, and so forth.

The research was done in six cycles, five cycles have a length of two months, and one cycle, the second cycle, has a length of one month. The second cycle has a length of one month because the researcher was curious to see whether the conceptual framework used in the second attempt to analyze the data of cycle one would work as well in cycle two (see chapter below "Cycle One – second attempt at data analysis", page 125) and whether the conceptual framework would be appropriate in order to be able compare the outcome of the data analysis of one cycle with the outcome of the data analysis of cycle two.

The time periods during which data was collected in the six cycles were:

Cycle one: from December 2007 to January 2008

Cycle two: February 2008

Cycle three: from March 2008 to April 2008

Cycle four: from May 2008 to June 2008

Cycle five: from July 2008 to August 2008

Cycle six: from September 2008 to October 2008

Cycle one – first attempt at data analysis

After two months of field note and narrative data collection the first data analysis was started.

Codes were derived from Eden and Ackermann's (1998) quote about emergent strategizing: "Emerging strategizing **…**addresses the way in which most organisations demonstrate patterns of decision making, thinking, and action, often 'taken for granted' ways of working and problem solving coming from the habits, history and 'hand-me-downs' of the organisation's culture. Whether the organisation members are aware of this or not, even if they define themselves as 'muddling through' rather than acting strategically, such enacted pattern inevitably take the organisation in one strategic direction rather than another" (Eden & Ackermann, 1998:4).

The derived codes were: decision making, thinking, action, taken for granted way of working, problem solving, organisation's culture, history, habit and hand me down.

The field notes and narratives were assigned to these nine codes. The researcher then looked at the subtotal of field notes and narratives assigned to each code and analyzed them in the search for patterns. Patterns were identified and the emergent strategy for cycle one was written.

Why was the Eden and Ackermann quote used to derive codes?

The Eden and Ackermann (1998) quote seemed to be more specific and thus more tangible than the original Mintzberg and Waters (1985) definition of emergent strategy.

Learning point – other conceptual framework needed

The conceptual framework to analyze data with nine derived codes out of the Eden and Ackermann (1998) quote of emergent strategizing and then to assign the field notes and narratives to these codes and then to look then for patterns and then to write the emergent strategy out of that patterns turned out as not appropriate to use in this research.

It turned out to be difficult to assign the field notes and the narratives properly to the nine codes. The nine codes seemed to be too similar in their meaning to each other.

The codes were not different enough. One field note could have been assigned to more than one code. It may be that Eden and Ackermann (1995) have not written their quote with the purpose that proper codes for data analyzing can be derived from their quote.

Because some of the nine codes appeared to be indefinite, not unique enough in their meaning, it seemed not to be appropriate to use these nine codes for data analysis in this research.

Cycle one – second attempt at data analysis

The researcher took for the second attempt of the data analysis of cycle one the same field notes and narratives out of two months of data collection as for the first attempt of data analysis (done with the nine codes derived from Eden and Ackermann (1995) quote of emergent strategizing as conceptual framework). However for the second

attempt of data analysis of cycle one the researcher looked for another conceptual framework.

Conceptual framework second attempt of data analysis cycle one

The new conceptual framework for data analysis was reverse engineered from a "typical" way of writing a strategy. The researcher thought about elements "usually" being in a strategy document. The researcher is aware that there is no one and unique "typical" way of writing a strategy and no one and unique choice for which elements are "usually" part of the strategy. However the researcher assumes that the elements of the strategy document as shown in the scheme below (figure 6, page 127) cover the basic content of a strategy.

This may not be valid for the elements and the sub-elements of "emergent strategy", "emergent strategizing", and "emergent strategic future". But it may be common understanding that "usually" elements such as "strategic plan", strategic goals", "strategic programmes", "key performance indicators (KPIs)", "culture", "values", "mission statement" and "vision statement" are elements with high affinity to strategy which can be denominated as "usually" being elements of a "typical" strategy.

Strategy document
        A) Emergent strategy
            <u>Strategic Plan</u>
                Strategic goals
                Strategic programmes
                KPIs (key performance indicators)
                Developing culture
                Values
                Mission statement
                Vision statement
        B) Emergent strategizing
            <u>The way we do things around here</u>
                The way of defining situations as important
                The way of decision making
                The way of taking action
        C) Systems and structures
        D) Emergent strategic future
            Emerging pattern
            Emergent strategic future

Figure 6: Scheme with the elements of the strategy document:

The approach of the conceptual framework for data analysis was to take for every cycle the data out of the data collection, to analyze the data with the help of the elements of the strategy document by mapping the field notes and narratives to the elements of the strategy document and then to write down the strategy document for every cycle. The strategy document for every cycle is thus based on the data out of the data collection of each cycle.

The last element of the strategy document is the element "emergent strategic future". This means that the researcher intended to predict the emergent strategic future of the organisation based on the other elements of the strategy document with the hypothesis that the strategy document would be a real strategy that was going to be implemented by the organisation. The researcher intended to predict in which

direction the organisation would go if the organisation would continue in the same way as just done in the actual cycle.

The assumption was that the emergent strategic future is enacted through the elements of the strategy document. However the organisation was not aware of that strategy, which was described in the strategy document, as it was the emergent strategy. But the strategy document was supposed to describe the strategy as if it were an intended strategy.

A strategy is usually something that applies for a long period of time rather than for a short period of time. A strategy is supposed to remain constant over a longer period. A strategy for an organisation is supposed to remain constant over a longer period than the maximum duration of one cycle in this research. The longest cycle time in this research is two months.

From cycle two onwards, the emergent strategic future of a cycle was compared to the emergent strategic future of the cycle before in order to see if the emergent strategic future remains constant or if the emergent strategic future evolves from one cycle to another. The assumption was, as just said before, that a strategy is supposed to remain constant over a longer time than just one cycle time. With taking that into account, the researcher presumed that the emergent strategic future of cycle n must be almost the same as of cycle n-1. The cycle time of cycle n should be too short in order that the emergent strategic future of cycle n should differ substantially of the emergent strategic future of cycle n-1.

If the emergent strategic future of cycle n would differ a lot from the emergent strategic future of cycle n-1, then the emergent strategic future of the organisation would not have yet been detected and further cycles would be needed in order to detect the emergent strategic future of the organisation.

If the emergent strategic future of cycle n would be the same as of cycle n-1, if there would be no changes anymore, then the emergent strategic future of the organisation

would be constant and would be the same over a longer period. In that case the emergent strategic future would be discovered and no further cycles would be needed.

The elements of the strategy document

In this chapter the elements and the sub-elements of the strategy document (see figure 6, page 127) are described further.

The format of the strategy document which was written in this research for each cycle is composed out of the main element emergent strategy, out of the main element emergent strategizing, out of the main element systems and structures and out of the main element emergent strategic future.

The main element emergent strategy is built out of the sub-element strategic plan. The sub-element strategic plan comprises the sub-elements strategic goals, strategic programmes, KPIs which reflect the reward system, the nature of the culture which the organisation would like to have and thus would like to develop, values which means organisational values and the behaviour of the people, the mission statement and the vision statement.

The main element emergent strategizing reflects the description of processes in the organisation. Basically it describes how things are done in the organisation. It describes the way of defining situations as important. And it describes the way of decision making and of the way of taking action.

The main element systems and structures are not developed explicitly to deliver a strategy and a strategic future but they are crucial for it. Systems and structures can have a strong handle on the strategic future of an organisation thus it is important to consider systems and structures in relation to the strategic future.

The main element emergent strategic future then is the outcome of all the other main elements and sub-elements of the strategy document. The emergent strategic future results out of the emerging pattern out of the emergent strategy, out of emergent strategizing, and out of systems and structures.

Stakeholders' characterization – data analysis cycle two to cycle six

The result of the data analysis of cycle one was the strategy document of cycle one. The data analysis of the second cycle was first done in the same way as the data analysis of cycle one with the strategy document of cycle two as result.

When looking on the strategy documents of cycle one and of cycle two and by comparing the differences between the two strategy documents of cycle one and of cycle two it became evident for the researcher that important stakeholders matter a lot for the content of the two strategy documents (see chapter "The Strategy Document from Cycle one to Cycle six", page 141). A few important stakeholders dominated the strategy document.

At that stage, the researcher saw the need to enlarge the conceptual framework used for the data analysis in order that the conceptual framework comprises and reflects the importance of stakeholders.

Ackermann and Eden (2003) discuss and present a power and interest grid as a technique to identify powerful and interested stakeholders. In order to make use of the power and interest grid for this research, the researcher defined, based on Ackermann and Eden's (2003) power and interest grid, appropriate dimensions for power and for interest and used then this power and interest grid for the data analysis of this research.

Power and interest grid – power dimensions

The researcher defined for the use in this research four to the stakeholder context adapted power dimensions which are based on the five bases of power of French and Raven (1959). These four power dimensions are: i) coercive / reward power, ii) legitimate power, iii) expert power and iv) referent power.

Coercive / reward power:
This power dimension is based on the ability of the stakeholder to influence both in a negative way (coercive power), or in a positive way (reward power) the Elbro / Horizon relationship.

Legitimate power:
This power dimension is based on the perception whether a stakeholder has the "legitimate" right to prescribe and to control the behaviour of people and that the people have the obligation to accept this influence

Expert power:
This power dimension is based on the stakeholder's professional experience, training, special expertise and access to knowledge.

Referent power:
This power dimension is based on the desire to identify and to associate with the stakeholder. This identification is the feeling of "oneness" with the stakeholder.

Power and interest grid – interest dimensions

The researcher defined four interest dimensions for the use in this research. These four interest dimensions are: i) occupational goals, ii) personnel goals, iii) role commitment, and iv) concerns.

Occupational goals:

This interest dimension is based on what the stakeholder wants to achieve in his professional life.

Personnel goals:

This interest dimension is based on what the stakeholder wants to achieve in his private life.

Role commitment:

This interest dimension is based on how serious the stakeholder is in his way of working and dealing with the tasks assigned to him and his commitment to his specific role and job function.

Concerns:

This interest dimension is based on what the stakeholder is worried about.

Stakeholders' characterization tables and rating of power and interest

For each stakeholder a stakeholder characterization table was filled out. The stakeholder characterization table consists of a power dimension table and of an interest dimension table with the power and interest dimensions as defined above.

Here is an example of a stakeholder's characterization table. This is the stakeholder's characterization table of the stakeholder QT of cycle six:

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
QT	5 2 1	*Coercive / Reward*	He can impose targets on Elbro (fn 174). He asks for efficiency improvements (fn 28).	He wants that the outsourcing of the warehouse from Horizon to Elbro becomes a success. He wants that Elbro will do better

			133	at the A-site than Horizon did. Knows about Horizon and Horizon's potential strategy to outsource more business to Elbro.
				Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
				<mark>As he was for Elbro the most important customer stakeholder and main outsourcing sponsor, he remains important for Elbro even after that he took over a new position within Horizon.</mark> <mark>He is Horizon's former most important stakeholder for Elbro with a lot of influence within Horizon. He is still with Horizon but is not interfering anymore the Elbro / Horizon relationship.</mark>
		Legitimate		Horizon employee, manager logistics, member of the board of directors of Horizon. He is the Elbro main contact, Elbro invoices to Horizon, the Elbro warehouse costs at the A-site are within his budget. <mark>He took over a new job as of March however he kept his tasks for an interim time until he will hand over completely to his successor UC.</mark>
		Expert		He had been A-site manger in 2000 when the A-site was run by Horizon. Thus he knows the A-site's people and processes

				very well.
		Referent	He is a nice guy (fn 107).	People can identify with him. He has a good reputation.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
QT	5 1 0	*Occupational Goals*	He expects from Elbro a higher service for lower costs (fn 174).	As he initiated the outsourcing of the A-site from Horizon to Elbro, he wants that the outsourcing becomes a success because it would then be as well a success for him. He is not visible anymore for Elbro.
		Personnel Goals		
		Role Commitment	He took over a new position within Horizon. He is no more visible for Elbro. However as he was the main outsourcing sponsor, he wants that the outsourcing becomes a success (fn 31).	
		Concerns	That the outsourcing fails, that the Swiss production site of Horizon will lose its competitiveness within Horizon's production sites (fn 31) and that the Swiss production site ultimately might be closed down.	

Table 8: Example of a stakeholders' characterization table

Statements for each stakeholder were written into the power and interest dimension rows. When these statements could be backed up with field notes and narratives out of the data collection, then the statements were put into the column "Ethnographical data source". The particular field note or narrative out of the data collection which provided evidence was put in brackets into the stakeholder's characterization table, abbreviated with "fn" for field note and with "n" for narrative.

When the statements could not be backed up with field notes and narratives out of the data collection, then the statements were put into the column "Other data source". An example for a statement put into the column "Other data source" is the legitimate power dimension. Part of the legitimate power dimension is typically the company for which the stakeholder worked and his function and job description and subsequently the stakeholder's position in the organisational hierarchy. For example a stakeholder's job description was not part of the field notes or narratives collected by the researcher. Thus this statement could not be put into the column "Ethnographical data source". But the information about the job description was available and accessible for the researcher but it was not formally put to the researcher's data collection account. Information coming from such sources was in the stakeholders' characterization tables declared as coming from "Other data source".

Based on the content of the two columns "Ethnographical data source" and "Other data source", two ratings were done for every stakeholder in each cycle. The first rating was done for the power dimension and the second rating was done for the interest dimension.

The scale for the rating was from zero to five, whereas zero was the lowest rating and five the highest rating. Only whole-numbers were used for ratings. The different colours show the evolution of the stakeholders' characterization tables from cycle two; this is the cycle for which the stakeholders' characterization table was compiled for the first time, to cycle six.

- ➔ No colour means that this is the status of cycle two.
- ➔ The changes from cycle two to cycle three are shown in pink.
- ➔ The changes from cycle three to cycle four are shown in green.
- ➔ Changes from cycle four to cycle five are shown in grey.
- ➔ And changes from cycle five to cycle six are shown in red.

Graphical stakeholders' power and interest grid

Based on the ratings of power and interest of the stakeholders' characterization tables, two dimensional graphical stakeholders' power and interest grids were drawn. In these graphical stakeholders' power and interest grids the ratings for the power dimension and for the interest dimension of all relevant stakeholders in the respective cycles was displayed.

Here is an example of a graphical stakeholders' power interest grid. This is the graphical stakeholders' power and interest grid of cycle three:
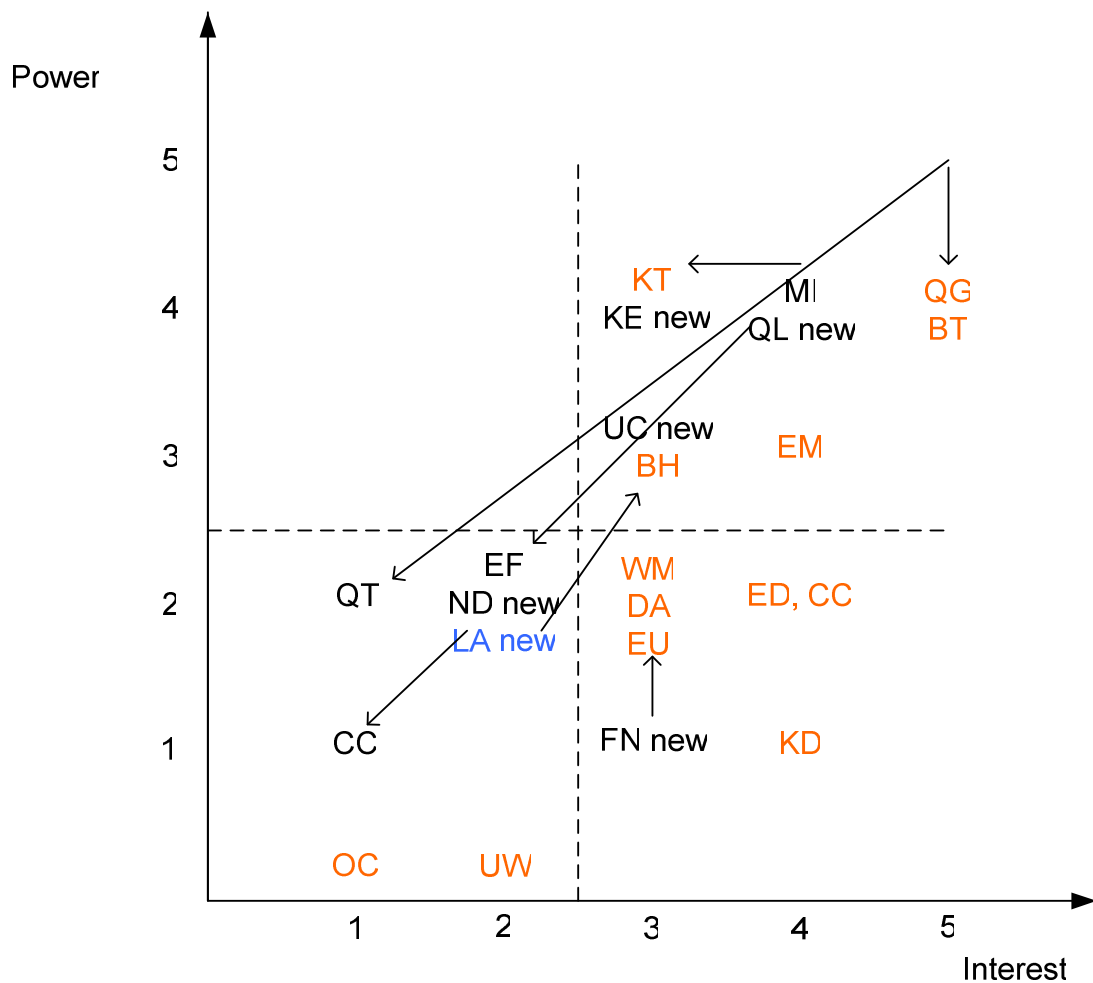
Figure 7: Example of a graphical stakeholders' power interest grid

The different colours show to which organisation the stakeholders belong. Elbro people are shown in orange, Horizon people are shown in black and third party people (for example consultants) are shown in blue. When a stakeholder became part of the power interest grid for the first time "new" was added behind the initials of the stakeholder- The add on "new" was removed in the grid of the next cycle when the stakeholder then was again part of the grid.

The arrows show the move of the stakeholders' grid position from one cycle to the next cycle. The arrowhead shows the grid position in the cycle for which the grid was drawn and the arrowend shows the grid position of the previous cycle.

For example, in the above stakeholder power interest grid of cycle three has QG (in the top right position) the position four/five (i.e. power rating four and interest rating five). In the previous cycle two had QG the position five/five. The arrowend is on position five/five and the arrowhead is on position four/five.

The conceptual framework for the data analysis

For all the six cycles, six strategy documents were written. The proceeding and the elements of the strategy document were for all the six cycles the same. The evolution of the strategy document from one cycle to another cycle was made visible with different colours.

The meaning of the colours in the strategy document is similar to the meaning of the colours in the stakeholders' characterization tables (the meaning of the colours in the stakeholders' characterization tables is described above on page 135):

The strategy document for cycle one has no colour bar.

Changes from cycle one to cycle two are marked with a yellow colour bar

Changes from cycle two to cycle three are marked with a pink colour bar

Changes from cycle three to cycle four are marked with a green colour bar

Changes from cycle four to cycle five are marked with a grey colour bar

Changes from cycle five to cycle six are marked with a red colour bar

The importance of stakeholders for the strategy document became evident during the data analysis of the second cycle. Therefore, the stakeholders' characterization tables with the rating for the power dimensions, the interest dimensions, and the graphical power and interest grid was not done for cycle one. Because when the data analysis for cycle one was done, these data analysis techniques were not available for the researcher at that time.

Thus the stakeholder characterization tables and the graphical power and interest grid were done for cycle two to cycle six.

The stakeholder characterization tables and the graphical power and interest grid were done for cycle two to cycle six for each cycle in the same way.

The evolution of the stakeholders' characterization tables from cycle two to cycle six were made visible with the same different colours for each cycles as used for the strategy document.

Not all stakeholders who are mentioned in the data collection within the field notes and narratives became part of the stakeholders' characterization tables and power interest grids.

Only the stakeholders who had an impact on the strategy document were rated as stakeholders of relevance and were rated.

SUMMARY

This chapter described the specific way how the data collection and the data analysis were done in this research.

The data collection and the data analysis were done partly simultaneously. The formal way of doing the data collection remained all the time over the six cycles the same. The researcher collected as participant observer field notes and narratives.

However regarding the way the data analysis was done there was some experimental learning.

During the data analysis of cycle one the researcher developed the conceptual framework to write for each of the six cycles done a strategy statement. The strategy document is composed of the main elements i) emergent strategy, ii) emergent strategizing, iii) systems and structures, and of iv) the emergent strategic future. The evolution of the strategy document over the period of investigation, over the six cycles, was made visible through different colours.

During the data analysis of cycle two, the researcher noticed that the strategy document was considerably influenced by some important stakeholders and that these stakeholders had changed from cycle one to cycle two.

Consequently the researcher enlarged for the data analysis of cycle two to cycle six the conceptual framework for the data analysis with the stakeholders' characterization tables and the stakeholder power and influence grids.

6   Results

<div align="center">

INTRODUCTION

</div>

Ethnographical field notes and narratives were collected and over six cycles analyzed with reference to a conceptual framework based on strategy documents, stakeholders' characterization tables and graphical stakeholders' power and interest grids.

This chapter shows the subject matter of the strategy documents, the subject matter of the stakeholders' characterization tables and the subject matter of the graphical stakeholders' power and interest grids and its changes and evolution over the period of investigation from cycle one to cycle six.

<div align="center">

THE STRATEGY DOCUMENT FROM CYCLE ONE TO CYCLE SIX

</div>

Six strategy documents were written for cycle one to cycle six. The evolution and the changes of the strategy documents from cycle one to cycle six are shown with different colour bars. The first strategy document for cycle one was written without any colour bar. The changes in the strategy document from cycle one to cycle two are marked with a yellow colour bar. The changes from cycle two to cycle three are marked with a pink colour bar. The changes from cycle three to cycle four are marked with a green colour bar. The changes from cycle four to cycle five are marked with a grey colour bar and the changes from cycle five to cycle six are marked with a red colour bar:

The strategy document for cycle one has no colour bar.

- Changes from cycle one to cycle two are marked with a yellow colour bar
- Changes from cycle two to cycle three are marked with a pink colour bar
- Changes from cycle three to cycle four are marked with a green colour bar
- Changes from cycle four to cycle five are marked with a grey colour bar
- Changes from cycle five to cycle six are marked with a red colour bar

A) Emergent strategy

Strategic Plan

Strategic goals

We do not have clear goals (fn 48). Our ultimate goal is to stay in business (that means that Horizon does not throw us out). We will encourage a rhetoric to grow the business because we are expected Elbro internally to do so however we will not put much effort on it.

Strategic programmes

Horizon did the outsourcing of the warehouse "to the logistics expert" and is expecting added value from Elbro, meaning "more than just to take over the service and to run it the same way as Horizon did before (fn 28, fn 174, fn 431, fn 449).

Within Horizon, the outsourcing was debated. There were supporters and opponents. Elbro did take over the warehouse 13 months ago. The takeover was in terms of service quality stable. In the first six months after the takeover, Horizon was content that the takeover of Elbro happened more or less smooth, with keeping the service level up. After six months, Horizon did start to ask for the added value from Elbro as the logistic expert.

After nine months, Horizon did a warehouse assessment at the A-town site, the outcome was not that positive for Elbro (overall performance rating below 50% in the draft version). Elbro was not happy at all and put pressure on the assessment report and managed that the report, before it became officially, was changed (most important for Elbro, the overall performance rating below 50% disappeared).

In order to counter the Horizon assessment, Elbro announced to do an own, Elbro internal assessment done by Elbro warehouses experts. In fact, an Elbro guy, said to have seen over 400 Elbro warehouses, came to the A-town site, together with the Elbro European key account Manager for Horizon KT and did a two day assessment

and wrote a report. The outcome and actions to be done were presented to Horizon. Presented actions were:

a)   Material handling equipment (MHE) assessment & initial view on surplus equipment

b)   Implementation of operational management methodology (OMM) measurement and analysis

c)   Development of optimization potential regarding headcount reduction

d)   Presentation of a cost reduction plan (fn 35), feedback and status have to be given to Horizon regularly.

We will follow up some of the outcomes and actions of the above mentioned audits. We will implement a series of actions planned to raise efficiency and to develop cost savings in the organisation. We will start a project to develop and implement a new people resource planning tool with productivity KPIs and we will start a project to investigate the use of material handling equipment.

We do this in order to demonstrate our capability towards Horizon to act and to improve. However we do not believe that this is really necessary as we think we already achieved enough. We took over the warehouse and are able to run it. This is enough after one year of operating it. We think that our current performance is good and sufficient.

We will therefore not put much effort in this series of actions nor will we work seriously on it. It will just have an alibi function. However we will put a lot of effort into the communication with Horizon. We will communicate to Horizon that we are doing something and that we are working on a series of actions with the know-how and the experience of a leading logistics expert.

We realize that QT is the most important customer stakeholder for us. We as Elbro have to demonstrate expertise towards him and we need to convince him that we are adding value to the Horizon supply chain.

The most important customer stakeholder QT took over another position within Horizon. And the same applies for DD and EF. Three very important customer stakeholders are now in new positions and will thus not following anymore the follow up of the audits done in late 2007. The successors will be new in dealing with Elbro and will lack the history of the outsourcing of the warehouse from Horizon to Elbro from the beginning (fn 401). We therefore can slow down the follow up activities of the series of actions out of the warehouse audits. Horizon will not look anymore for the outcome of the series of actions. Nobody from Horizon will push for results anymore.

The Elbro Swiss CEO QG announced his leave for end of June. The Elbro European key account Manager for Horizon KT was not much visible during the last two months. Thus, the most important (QG) and the second most important (KT) Elbro internal driver for change and improvement of the A-town warehouse, who had even put more pressure on the A-town warehouse than the customer Horizon, lost on power and interest and thus won't be able to push for results to the same extent than two months ago.

Nobody talks anymore about the audits and the series of actions which were planned. The most important stakeholders on the Horizon and on the Elbro side have changed. We can and we will ignore the action plans coming out of the audits done end of 2007. Nevertheless we will finish the two projects productivity KPIs and material handling equipment improvement. But we will do that with very low priority and not report to Horizon the status of these two projects anymore.

The two projects productivity KPIs and material handling equipment improvement will be finished by a new employee of the Swiss Elbro project management team. The Swiss Elbro project management team and the new employee are based at the Swiss Elbro headquarter in N-town. This new employee has just recently graduated. He started in August to work for Elbro.

We will implement a new warehouse management system (WMS). The current software in use is Horizon's SAP software. This software will be exchanged. Firstly, because Horizon does not want in the long run that an external supplier like Elbro is working in their system, and secondly, because it is not properly configured as warehouse management system. The new software implementation was already postponed twice. It became postponed from January 2008 to April 2008 and then from April 2008 to August 2008). Within Elbro it is heavily debated which software should be installed. Officially, the project began with writing the specification for the system B software. System B software is the global Elbro standard warehouse management system software. Unofficially, another program, system C software is said to be implemented. The Elbro Swiss CEO QG is pushing heavily to go for system C software. The reason for QG to go for system C software is that he sees synergies as system C software is already installed at different sites in Switzerland whereas system B software would be new for Switzerland. In December the Elbro project leader for the new software implementation resigned.

The fear of the Elbro warehouse people in A-town is that the project will be a continuous disaster (fn 716, fn 750, fn 751). For the Elbro warehouse people it does not matter whether system B software or system C software will be implemented, they just want a system that works.

We will put a lot of effort into the objective to challenge the decision about which software to implement from system B software to system C software.

> MI of Horizon ultimately decided that system B software will be implemented (fn 303). MI dominated the steering committee meetings and blamed Elbro not to have a clear IT strategy (fn 111).

> The decision to go for system B software is a personnel defeat for Elbro's Swiss CEO QG who absolutely wanted to implement system C software and who lost now on reputation (n 6) towards Horizon and Elbro internally. The main reason for MI to go for system B software was that system B software

would be as well the Elbro warehouse management system software in other countries. System B software is the global Elbro standard warehouse management system software. System C software is a local Swiss solution.

We as Elbro wasted a lot of energy by trying to challenge the decision to implement system B software (fn 138). We lost as well time in the project. Towards Horizon and especially towards the main customer IT stakeholder MI, we will keep officially April 1st as go live date. Unofficially we know that this date is no more realistic. We will put effort into in order that Horizon will say that the risk of failure is too high and that the go live will be postponed. However we do not want to say to Horizon that April 1st cannot be kept anymore, we do not want to risk that Horizon may ask for financial compensation claiming that we as Elbro delayed the go live date of the new warehouse management system software. Instead we hope that Horizon will delay the go live date. We see a certain chance that Horizon will do that because Horizon is as well involved in the project, they need to adapt their SAP system and interfaces to our system B software need to be built. Horizon is as well behind the schedules. If Horizon would first announce the delay of the go live, then the blame would be on Horizon and not on Elbro.

The go live date for the new WMS has been delayed to August 4th. The delay could be blamed on Horizon. We as Elbro would neither have been ready for April 1st. Until end of February we wasted too much time and effort in order to try to change the WMS system software from system B software to system C software. We are worried about the way the WMS implementation project is ongoing and fear that there is a big risk for the A-town warehouse that we will be unable to operate accordingly for some time after the go live because the software may not function properly.

The WMS project is continuing but with lower priority as the go live date was postponed. There is less urgency now. In addition, the WMS project lost its

project sponsor on the Horizon side (QT) and it lost its project sponsor on the Elbro side (QG).

UC took over on the Horizon side as new WMS project sponsor and BH took over from the Elbro side as new WMS project sponsor. Both UC and BH are lacking the WMS project history and do not care that much for the WMS project. The WMS project is overall not in a good shape. All parties involved hope that all goes well however the project shows clear signs that the go live will mean a major risk for Elbro and for Horizon. In the worst case, the warehouse could be totally blocked in the case of system unavailability.

But we do not worry too much, we continue with our daily business and hope it will work. In case of any doubt and any risk, we assume that the go live date will again be postponed (fn 740).

The go live is again postponed to end of September. However it looks now that this was the last postponement. We are worried that the go live with the new WMS will be a disaster (fn 741).

We went live with the new WMS on September 23rd. It was a stressful period and during the first two weeks after the go live we struggled a lot with the new system. We almost could not provide the service for our customer. We were lucky to manage that the perturbations became after two weeks reduced to an acceptable level for our customer Horizon.

The Swiss Elbro organisation is ISO 9000 certificated. An ISO 9000 recertification is due. The Elbro warehouse site in A-town will be included for the first time in the ISO 9000 certification after it had become outsourced from Horizon to Elbro.

We do need to document a lot in order to fulfil the minimum requirements to get the certificate. Documentation, manuals, procedures, responsibilities have to be elaborated, defined and put in place.

The Swiss Elbro organisation does not take ISO 9000 very serious. The Elbro Swiss CEO QG said: "You at the Elbro warehouse site can choose whether you want just to get the certification or whether you want that the ISO standards and procedures are lived and fully implemented…" (fn 21).

As we at the Elbro warehouse site believe that the ISO 9000 certification is very administrative and bureaucratic and will not help us at all to do our business, we will do only the minimum documentation needed to become certified. The ISO 9000 documents won't be used after the certification. Once the ISO 9000 documentation will be done and we will have received the certificate, we will then only update the documentation shortly before the next recertification.

> Discussions are ongoing with the ISO 9000 assessor from the external certification company whether the certificate will apply for the Elbro warehouse site in A-town but the A-site will not have to provide any documents as we are saying that the site was recently outsourced to Elbro although this was done already 1.5 years ago. There is a good chance that for this recertification in June we can make this deal with the assessor. If not, we will be in big trouble to prepare appropriate documents within the short remaining time until June. We do not put any more effort into this and simply hope that we can make the deal with the assessor.

> We do not care anymore for the time being for ISO 9000 as the Elbro warehouse site in A-town will be certified without having to provide any proof or document. The problem and the workload will be for next year when the next recertification will be due. For the time being we do nothing.

The site has to participate in Elbro's Best program: After having grown in the last decade to become the world's largest integrated logistics company, Elbro central management launched in 2007 the Best program with the aim to improve the overall performance "from biggest to best".

In 2008, the Elbro warehouse site in A-town has to participate in that initiative. However, in 2007, this initiative was seen from the Swiss Elbro organisation as an initiative where a lot of effort has to be put into with doubtful benefits. The Elbro Swiss CEO QG said in a Swiss country management meeting regarding the Best program: "We do an alibi reporting" (fn 20).

This means that we take the effort to measure and to report one or several Best program projects but we do not believe in it and we only do it because we are forced to do it from central management. We do that because we assume that if we would argue with Elbro central management against the Best program initiative it would only result in even more work to do for us as we then would be under central management attention and we still would need to do one or several Best project.

In 2007 the Swiss Elbro organisation nominated BL as Swiss responsible for the Best program. Officially (this was the information which was given to Elbro central management) he dedicated one third of his time and capacity to the Best program although he kept all the tasks and workload he had before. This guy did the official Best reporting towards Elbro central management.

BL said in a Swiss country management meeting: "We fulfilled the requirements of the Best program in 2007 and the Elbro Swiss warehouse sites almost did not notice it" (fn 22). He means that it is positive for the Elbro Swiss warehouse sites that they were almost not bothered with the Best program. The warehouses did not waste a lot of time with the Best program.

Nevertheless we expect that we need to start at the Elbro warehouse site in A-town one or several Best projects in 2008. But as we do not believe in the Best program, we will not put much effort in it and only do the minimum.

> As Elbro warehouse site in A-town, we do not care actively for the Best program. We believe that the Best program is another, for an operational site like the Elbro warehouse in A-town useless, Elbro central management

initiative which serves in the first place as a marketing instrument to external in order to provide a good public relation for Elbro.

We do not actively participate; we will do only the very minimum and only if it is really needed. So far we do not feel any pressure coming from the Elbro central management to do something. Let's wait passively and see.

The new Horizon key stakeholder UC launched a new strategic program which is focussing on the supply chain (fn 447, fn 381). The intention is to improve the performance of the supply chain. A part of the supply chain is within Horizon and a part of the supply chain is within Elbro. The Elbro site in A-town is part of the supply chain (fn 581). That's a new way of looking on it. We believe that it is a promising approach. However, we are not yet sure about UC and how serious he is with that new program. For the time being we will not dedicate a lot of resources to UC's supply chain improvement initiative however we need to work a minimum on it as UC has become the most powerful stakeholder for us. We will behave in a reactive way. If UC will ask for something he will get it but we won't work proactively on it.

BT and EM of Elbro participated in a supply chain workshop together with the concerned Horizon departments. The workshop was initiated by UC. It is a good and a needed initiative and we see potential for optimization. UC is expecting an active participation from us. However as we face the disastrous WMS go live, we will now dedicate our available resources to the WMS but not into this initiative. We do not have enough resources available and the WMS is crucial for us. However we cannot communicate that openly to UC and to Horizon. Towards UC and Horizon we will communicate that we are highly motivated to work on and to contribute actively to that initiative however we will do only a minimum. We will do just the minimum to the extent that UC will not become annoyed.

UC launched another new project called direct shipping which is a threat for Elbro. The Elbro warehouse site in A-town potentially could lose approximately 30% of the logistics activity regarding finished products (n 33). UC asked Elbro to prepare a new budget for the reduced quantity. If the project will become realized then Elbro would lose turnover and margin and would need to cut jobs at the warehouse site in A-town.

Officially we will communicate to UC and to Horizon that we support the initiative however unofficially we will not support at all as we want to keep this logistics activity at the Elbro warehouse site in A-town. Horizon could have benefits out of that project but we as Elbro we would have disadvantages thus we do not support as we do not want to have disadvantages for us.

KPIs (key performance indicators)

Elbro has for the managing employees a process in place to define yearly individual goals. This process is called Go. Go includes approximately ten different goals. According to the Elbro process depend bonus payments on how well these approximately ten Go goals were achieved.

However during the year we do not pay much attention to the Go goals. In reality bonus payments depend on criteria defined by the superior. The superior usually ignores the Go goals defined at the beginning of the year.

The Best program is forcing us to participate in an Elbro group wide KPI program. We need to report monthly 13 KPIs to the Elbro group. These KPIs will then serve for a country and global comparison among operational sites. The idea behind is to learn from each other and to share best practices. Other Swiss Elbro warehouse sites are already reporting these 13 KPIs to the Elbro group.

As Elbro warehouse site in A-town we do not believe that we will have any benefit out of that initiative (fn 20). We believe that it will only create additional workload to measure these KPIs and after reporting it we will receive questions about it and we will then have another additional workload to deal with these questions. And a onetime effort is needed in order to set up the measurement of the 13 KPIs. As we face now a disastrous go live with the new WMS we need to concentrate our rare resources on the improvement of the WMS. We will declare that we cannot start with the reporting due to lack of time and resources and we hope we can postpone the start of the reporting.

We managed to postpone the participation of the Elbro warehouse in A-town to 2009.

Developing culture

One year after the outsourcing, we still have a clash of company cultures (fn 58, fn 202, fn 240, fn 636). At the start of the outsourcing the staff of the Elbro warehouse site in A-town was entirely taken over from Horizon (75 people). Only three new people joined: the new site manager, the new deputy site manager and the new human resources manager. The new site manager and the new deputy site manager joined the Elbro warehouse in A-town from other Elbro sites and the new human resources manager was newly employed.

A lot of people who had been transferred from Horizon to Elbro have considerable years of service with established working routines. The former Horizon employees continue to work according to their established Horizon working routines (fn 32).

With the takeover, some disadvantages for the staff came along: the rise of working hours from 40 hours to 42 hours per week, no more products for free, no possibility anymore to use the generous Horizon leisure facilities, the announcement that the salaries are in general too high compared to the standard at other Elbro warehouses and that Elbro intends instead of cutting down salaries probably will rise the weekly working hours up to 45 hours.

Within Horizon the involvement of employees in decision making was low. Within Horizon the management decided for the employees. The management cared for the employees in the positive and negative sense of a patron (fn 15, fn 18, fn 40, fn 58).

There is a lack of entrepreneurship of former Horizon employees (fn 47, fn 562). The former Horizon people are used to get a lot of explanations about what the management decided to do. Meetings with all staff were held monthly. However the new Elbro site manager never does meetings with all staff. He communicates to the site management team and then asks them to communicate and to transport the information to their staff (fn 225).

We do not take specific action to address the clash of company culture between Elbro company culture and Horizon company culture. We believe that this is of minor importance and that this will sort out with time.

> Most former Horizon employees still relate more to Horizon than to Elbro. We see that for example in the WMS project. Former Horizon employees direct their information need about the project not to the appropriate Elbro WMS project group but to the Horizon WMS group. That means they still have a better contact to Horizon than to Elbro and they trust Horizon more than Elbro.

> However, we do not do something in order to develop and to promote an own, Elbro warehouse site company culture. We still believe that this will sort out with time.

Values

Officially, Elbro strives for excellence. "Good" is not enough (fn 30) and the seven Elbro values apply as well at the Elbro warehouse in A-town:

1. To deliver excellent quality
2. To make our customers successful
3. To foster openness
4. To act according to clear priorities
5. To act in an entrepreneurial way
6. To act with integrity internally and externally
7. To accept social responsibilities

However we at the Elbro warehouse in A-town do not believe much in these values. We understand that a large multinational company like Elbro needs to have defined such things but it is enough when they are put onto the intranet. We do not really care if our employees do not know them.

There is a clash of values at the Elbro warehouse site in A-town. Many former Horizon employees do not know the Elbro seven values and still stick very much to the Horizon values (fn 32, fn 14).

Mission Statement

We got this business to run the warehouse for Horizon by chance (fn 48) one year ago. We want to stay in business and we want to continue to run this warehouse. We do not want that Horizon throws us out. We know that Horizon will not throw us out after only one year of outsourcing because they would then admit that the decision to outsource the warehouse to us was a mistake. They do not want to blame themselves. Unless we are really doing big mistakes, we will not be thrown out and we will stay in business.

We just do the minimum what is needed to satisfy the customer. We do things in a reactive way and not in a proactive way. We cannot do more because we are lacking resources.

Vision Statement

We want to make reasonable profit with this business (fn 421, fn 683). We want that the business with Horizon grows further and that we take over more activities from Horizon along the supply chain (fn 106, fn 673). Furthermore we want to commercialize the Elbro warehouse site in A-town further for other customers (fn 678). We take the opportunities we get from the market by chance. We hope that there will be some opportunities.

B) Emergent strategizing

The way we do things around here

The way of defining situations as important

At the Elbro warehouse in A-town situations are considered as important when the Elbro Swiss CEO QG defines it as such or when it matters for the main Horizon outsourcing sponsor QT.

> As the main Horizon outsourcing sponsor QT took over another position within Horizon and his successor UC still needs some time to fully take over, this does not apply anymore. As the Elbro Swiss CEO QG announced his leave for end of June, the Elbro warehouse in A-town starts to not fully follow anymore QG when he defines situations as important.

> The Elbro warehouse in A-town tends to keep going providing just its daily basic logistics services which are required to provide as a minimum by Horizon. All other new initiatives, new programs and new projects which mean a kind of change for the Elbro warehouse in A-town are more or less considered as of minor importance. The two main drivers for change at the Elbro warehouse in A-town, QT of Elbro's customer Horizon and QG of Elbro left (QT) or are said to leave (QG). There is a certain power hole for the time being (fn 572). The Elbro warehouse in A-town is busy with delivering the minimum logistics service to Horizon and considers more or less nothing else as important.

> UC took over from QT as main Horizon stakeholder for the Elbro site in A-town. A situation is now important for the Elbro site in A-town when it matters for UC.

> However, with QT we knew that we have to follow his initiatives. With UC we do not know yet. We do not know how serious he is. We do not know yet

how strong his position within Horizon is and how much he insists with his initiatives. It can be that either he has lots of ideas but is not following seriously or it can be that he pushes hard on things that he started (fn 587).

On the Elbro side the situation is not yet clear after QG's leave. The Elbro site manager BT and the deputy site manager EM do matter at the moment most for the Elbro warehouse in A-town.

Within Swiss Elbro there is the Swiss Horizon key account manager BH who is pushing heavily to fill the gap that QG left (fn 625). However BH has not the acceptance of QG (fn 354, fn 356, fn 375, fn 554, fn 609, fn 635, fn 801) and it seems to be clear that he will not follow QG as new Elbro Swiss CEO.

An ad interim Elbro Swiss CEO is appointed. It is SC who is as well the Elbro Austrian CEO. But SC is not playing an important role for and within Elbro Switzerland. SC is like a formal placeholder until the next CEO for Elbro Switzerland will be found.

It was announced that the ad interim Elbro Swiss CEO SC will take over a new position within Elbro Germany. SC does not matter anymore for the Elbro warehouse site in A-town.

During the WMS go live period all situations were defined as important which could potentially hinder the Elbro warehouse in A-town to provide the service to the customer Horizon. There were a lot of such situations because the WMS was not working properly after the go live (fn 695, fn 699, fn 714, fn 715, fn 727, fn 796).

The way of decision making

The Elbro Swiss CEO QG is the ultimate decision maker. QG controls the Elbro warehouse site in A-town. He wants to keep even details under his control (fn 52, fn 60, fn 6, fn 23, fn 59).

Decisions are in general taken in small groups in informal circles. The official meetings do not serve for decision making. For example, only minor decisions are taken in the monthly Swiss country management meeting. The big and important decisions are taken either solely from the Elbro Swiss CEO QG or from QG with consulting few people.

The Elbro Swiss CEO QG announced his leave for end of June. Even after the announcement of QG that he will leave he remains the ultimate decision maker and QG still wants to have all details under his control however people start to ignoring and bypassing him (fn 572).

Decisions for the Elbro warehouse in A-town are now taken from the site manager BT and from the deputy site manager EM. BH is pushing heavily to gain more power and influence. SC as ad interim Elbro Swiss CEO does not play a significant role (fn 625).

It was announced that the ad interim Elbro Swiss CEO SC will take over a new position within Elbro Germany (fn 640). SC does not matter anymore for the Elbro warehouse in A-town.

During the WMS go live people decided partly without discussing or even informing senior management. This was as well done as it was a crisis situation. The Elbro warehouse in A-town had to provide a minimum service level to the customer Horizon. Even in the situation after the go live when the new WMS was not well functioning at the beginning a minimum service level had to be maintained.

The way of taking action

People do not tell everything what is going on nor do they tell all issues to the Elbro Swiss CEO QG anymore. When QG takes notice of an issue, the usual reaction of QG is that he develops plenty of ideas (fn 68, fn 163) how to cope with that issue.

The people then have immediately an action list on which they need to work on and about which they need to report back to QG about the status. People do not like that.

If actions need to be taken, the workload is imposed on people regardless whether they can reasonably take the workload or not (fn 337).

The Swiss Elbro CEO QG calls individuals at all level directly and asks them to do something. QG is not respecting the direct superiors of the people. BH often sends emails in status high priority and to a large distribution list. People do not take these mails serious and ignore these mails.

> The Elbro Swiss CEO QG will leave end of June. QG started to reduce his activities. He is not behind all things anymore as he was before. A certain "action hole" starts to grow. As QG always had more ideas for actions to undertake than there were resources, people are for the time being just happy that QG reduced his action initiatives. Overall in Elbro Switzerland people are reducing their actions and lay back.

> At the Elbro warehouse in A-town BT, EM and BH are now organizing actions. They are replacing QG in that. BT and WM have in most cases the same opinion however BH has ideas which BT and EM do not want to follow. A bargaining process then starts between BT and EM at one side and BH on the other side and a compromise is usually found.

> During the WMS go live people decided partly without discussing or even informing senior management. This was as well done as it was a crisis situation. The Elbro warehouse in A-town had to provide a minimum service level to the customer Horizon. Even in the situation after the go live when the new WMS was not well functioning at the beginning a minimum service level had to be maintained.

C) Systems and structures

Elbro and Horizon have signed a warehouse outsourcing contract for five years. The distribution of the products for the Swiss market is part of a second contract. This second contract has duration of one year and is automatically renewed for another year unless something else is stated in writing. An open book policy is in place for warehousing with a fixed margin for Elbro. A yearly budget is done and costs are subject to a monthly review. Horizon pays all justified cost. The distribution is under closed book. Tariffs are in place. The warehousing activities count for approximately 80% of the turnover, the distribution activities count for approximately 20% of the turnover. The open book policy for warehousing activities is contractually agreed for the first two years of the outsourcing. This period ends end of 2008. After that period, a tariff structure for defined services might be put in place.

Part of the outsourcing contract is that the salaries of the employees taken over from Horizon are guaranteed for the first two years of the outsourcing until end of 2008. This salary is said to be 20% above market level. Newly employed employees get significantly lower salaries for the same job.

The Elbro warehouse in A-town operates with SAP of Horizon as warehouse management system. A project is ongoing to implement a new Elbro own warehouse management system (system B software). Horizon wants that Elbro as an external company shall operate in its own system and not in Horizon's SAP system. In the first phase, the new warehouse management system is implemented in the finished product area which is the largest area of the warehouse. The new warehouse management system will be implemented at a later stage in the other warehouse areas. The new warehouse management system will change business processes and responsibilities considerably.

The go live of the new system in the finished product area was already several times postponed and is now planned for April 1st.

As we believe that this date is no more realistic, we will strive for that Horizon postpones the go live.

The go live date for the WMS has been delayed to August 4th. The delay could be blamed on Horizon.

As the go live is delayed, the WMS gets less attention. As it was already several times postponed people assume that it could be postponed again.

The go live was again delayed to September 23rd. However it seems to be serious now. The Elbro warehouse in A-town fears that the go live will be disastrous as the Elbro warehouse in A-town is not ready for the new WMS (fn 740, fn 741). The system is not yet properly defined and people are not yet trained accordingly to work with the new system.

We went live with the new WMS on September 23rd. The system did not work well at the beginning (fn 796).

Elbro Switzerland is ISO 9000 certified. A recertification is planned for mid 2008, the Elbro warehouse in A-town is said to be included in the recertification. The processes are not yet documented and might not be conform to ISO requirements. The documentation and alignment to ISO 9000 might be a significant task to do and might change current existing business processes.

There is a good chance that for this recertification in June 2008 the certificate will apply for the Elbro warehouse in A-town but the site will not have to prove that it is fulfilling the ISO 9000 standards.

The Elbro warehouse in A-town will get the ISO 9000 certificate without having to prove its compliance.

We know that it would be the best to implement now the ISO 9000 at the Elbro warehouse in A-town and that we should not wait with the implementation until shortly before the next recertification will take place in June 2009. However we know already now, that most likely we will not take the time to implement ISO 9000 properly but that we will prepare in a crash action shortly before the next ISO 9000 recertification in June 2009 some documents in order to pass then the certification process.

Best is an Elbro continuous improvement initiative launched by Elbro central management. Every site is supposed to participate and to start one or several Best projects. The Elbro warehouse in A-town needs as well to participate in the Best program (fn 29).

So far we do not feel any pressure coming from Elbro central management to participate in the Best program. Let us do nothing for the time being and wait passively and see if Elbro central management will really push us to participate in the Best program.

A planning tool is currently developed which allows to monitor and to plan human resource allocation to process steps. The planning tool includes standard process times and measures the real time and compares the real time with the standard time. Deviations will need to be explained.

The planning tool is currently developed but not yet ready and not in place.

The Elbro warehouse in A-town is said to be obliged to join in 2008 a new standardized Elbro internal KPI monitoring reporting. The intention of this new reporting is to do Elbro internal site performance comparisons and to allow and to facilitate to learn best practices from each other.

We at the Elbro warehouse in A-town know the announcement that this KPI monitoring reporting started but we did not get any further instructions. We

will follow this reporting if we are forced to do so but we consider this as additional administrative workload for us. We do not think that we as site in A-town will have any benefit out of it. We will aim to delay our participation as long as possible.

We have now pressure to implement this KPI reporting immediately within the Best program framework. This will mean in concrete for us that we will have to report monthly 13 KPIs to the Elbro group. Although we know now that we cannot escape anymore we will strive to delay further the start of the reporting. This will save us a little bit of time and effort.

We managed to postpone the start of the KPI reporting for the A-town site 2009. We convinced the Elbro central management with the line of argument that we need for the time being all our resources to manage the WMS' go live.

Go is a global Elbro system in place in which yearly individual goals for managing employees are defined and reviewed. Bonus payment is linked to the success in achieving the Go goals.

D) Emergent strategic future

Emerging patterns:
- The Elbro Swiss CEO QG has a strong impact on the Elbro warehouse in A-town. The local A-town site management can hardly take a decision without QG's approval. QG wants to be informed and he wants to decide.

QG announced that he will leave Elbro. The meaning and the impact of QG's leave for the Elbro warehouse in A-town are not yet clear. It is not yet clear how it will be and how it will continue without QG.

SC acts as interim Elbro Swiss CEO until a new CEO is found. For the Elbro warehouse site in A-town BT, EM and BH took over the role that QG played. BH strives aggressively to gain on more power and influence.

BH lost on power and influence as a coalition of BT, EM and KT became annoyed of BH. Elbro Switzerland continues to be without a CEO. The ad interim CEO, SC took over a new position in Germany. A new CEO is still not yet found.

A new Elbro Swiss CEO was appointed. He works currently for Elbro US (fn 780). He will start November 1st. Not much is known about him. He has been working for Elbro for years and led already as CEO several Elbro country organisations.

- The methods applied by the Elbro Swiss CEO QG and the way of working are not always in line with the Elbro code of conduct (n 3, fn 16, fn 21, fn 93, fn 141).

This does not apply anymore as QG left Elbro end of June.

- The Elbro Swiss CEO QG and the Elbro European key account manager for Horizon KT are putting a lot of pressure on the A-site. (fn 27, fn 33, fn 35, fn 29, fn 16).

This pressure is reduced as the QG announced his leave for end of June and KT was not very much visible in this period of time.

No pressure is imposed anymore on the A-site from QG nor from KT. QG has now left Elbro and KT is still not much visible for the A-site.

- The Swiss key account manager BH strives for taking over the role which the former Swiss Elbro CEO QG had in relation to the A-site and to the customer

Horizon. BH strives for to get more power and influence on the A-site (fn 798) and is putting pressure on the A-site (fn 609, fn 629).

A new Elbro Swiss CEO was appointed. He will start November 1st. This may limit BH's strive for more power.

- The customer Horizon asks the Elbro warehouse in A-town for efficiency improvements and cost savings. However Horizon as customer is less demanding on efficiency improvements and on cost savings than the Elbro internal Swiss Elbro CEO QG and the Elbro European key account manager for Horizon KT are.

The main Horizon stakeholder QT changed his position Horizon internally and thus the pressure for the A-site out of QT's demands on efficiency improvement and cost savings is now reduced. The successor of QT is UC but UC did not yet fully take over from QT. For the time being UC does not know much about the outsourcing and about the Elbro warehouse site in A-town.

UC gained on power and interest however he is still not fully aware of the history of the outsourcing. For example UC is not aware what was agreed to do as actions after the warehouse audits. And UC seems not to care much for what was agreed in the past. UC has his own areas of attention. For example he wants to focus on the cross company Horizon / Elbro supply chain.

UC started his first initiatives and Elbro is participating passively only to a minimum in order not to annoy UC.

UC launched the project direct shipping which is a threat for Elbro as Elbro could lose up to 30% of its finished products volume (fn 669). As a consequence this would cut jobs at the A-site.

- The transferred staff from Horizon to Elbro still has the company culture of Horizon. They think about the good old glory days when they were Horizon employees. The former Horizon staff is not used to that their opinion counts (fn 18). They do what they are told to do. They are not used to take initiative by themselves. They want that somebody tells them what to do.

- The Elbro local warehouse management is busy with balancing the pressure coming from the Elbro Swiss CEO QG and from the Elbro European key account manager for Horizon KT and to motivate the staff at the A-site and to organize to deliver the day to day logistics service to Horizon.

After the leave of the QT, the local warehouse management can take own decisions and thus gained on power and influence on the site and has now a better opportunity to create the A-site's future (fn 572).

- There is not a lot of trust between the Elbro Swiss country organisation and the Elbro group organisation. Usually the Elbro Swiss country organisation is opposed to the Elbro group organisation's initiatives (fn 20, fn 56, fn 64).
- There is not a lot of trust between the Elbro Swiss country organisation and the local warehouse management.

The Elbro Swiss country organisation does currently not exist as the dominant CEO QG left and a new CEO is not yet found.

A new Elbro Swiss CEO was appointed. He will start November 1st.

Emergent strategic future

There is the trend that a lot of pressure is put onto the Elbro warehouse in A-town from Elbro internal from both the Elbro Swiss CEO QG and from the Elbro European key account manager KT. In general more pressure on the Elbro warehouse in A-town is coming from Elbro internal than from Elbro's customer Horizon. The Elbro local warehouse management is quite busy with discussing Elbro

internally all the "good ideas" how the A-site could change. As the pressure to improve and to drive costs down is high (fn 27, fn 779) and there really might be potential for cost savings, the A-site will realise cost savings.

The pressure to improve and to realize cost savings has become significantly reduced as the main stakeholders changed. QT of Elbro announced his leave for end of June and QT of Horizon took over a new position within Horizon. The consequence of that is that the A-site will continue to work as currently and no change will happen at the A-site.

The successor of QT, UC does not care much about what was agreed to do in the past. He has his own priorities for example to focus on the cross company Horizon / Elbro supply chain (fn 447, fn 381, fn 581). This creates new demands for the A-site to follow however the A-site has now experienced that high pressure can suddenly turn to low pressure when there is a stakeholder change. And a stakeholder change can happen very quickly.

On the other hand, new pressure is coming from Elbro internal as BH strives to fill the power and influence gap after the former CEO QG left. BT and EM want as well to fill this gap and to gain on power and influence at the A-site. A growing conflict for power and influence at the A-site has started (fn 798, fn 633).

BH lost on power and influence as a coalition of BT, EM and KT became annoyed of BH. Elbro Switzerland continues to be without a CEO. The ad interim Elbro Swiss CEO, SC took over a new position in Germany. A new CEO is still not yet appointed.

A new Elbro Swiss CEO was appointed. He will start November 1st. The people appreciate that as with a strong CEO the hierarchy might become clear again and the battles for power and influence among the other key Elbro stakeholders might come to an end.

The moral and ethical standards at the A-site could at the same time decrease as the bad example of the Elbro Swiss CEO QG not always to stick to the Elbro code of conduct could be followed.

🟩 This has become less critique with the leave of the QG.

The staff could as well realize with the time that Horizon might have treated them in the past far better than Elbro does now in terms of payments and fringe benefits. The Elbro local site management will play a crucial role as they are in a position to handle in a certain way the immense pressure coming from Elbro internal, especially from the Elbro Swiss CEO QG.

🟩 No pressure is coming anymore from QG as he left Elbro.

The Elbro local site management has as well to integrate the former Horizon staff into Elbro (fn 364, fn 132, fn 43) and to encourage the former Horizon staff to actively contribute to the development of a new Elbro organisation in A-town (fn 810, fn 220). The synergies which might be expected from a site belonging to the large Elbro global organisation might not exist for the Elbro warehouse in A-town as there is an overall lack of trust within Elbro. This is sad for Elbro's customer Horizon as Horizon outsourced the warehouse in A-town to Elbro as the leading logistics expert and expected to benefit from Elbro's expertise and experience of running a lot of warehouses all around the world (fn 445, fn 616, fn 619, fn 655).

UC's project "direct shipping" is a major threat for Elbro. UC asked Elbro to prepare a new reduced budget for 2009 and to take the impact of the direct shipping project into account. There are still some doubts however, if this project will really become realized then Elbro potentially will lose 30% of its finished products volume (fn 669) and this will cut jobs at the A-site. Elbro may have been too passive and reluctant to provide towards the customer Horizon evidence about Elbro's strengths and will to change and to improve the warehouse in A-town. Horizon does not trust Elbro anymore that Elbro is

the logistics expert and that Elbro provides the best service to Horizon. Horizon may has started to think about to give the warehouse in A-town to a competitor of Elbro. Elbro may lose the A-site.

The Elbro warehouse in A-town faces three

four

five
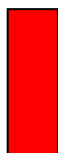
major challenges in order to become a strong site with a sound future:

1. The first challenge is to get more independence and to emancipate from the influence of the Elbro Swiss CEO QG.

As QG announced his leave for end of June, this will become soon obsolete. It is unclear how it will continue after that QG will have left.
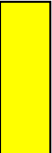
After that QG left, a battle has begun between BT, EM and BH to fill the power and influence hole after the leave of the CEO: A smooth way of power and influence repartition among the remaining Elbro stakeholders needs to be found very soon. This would then allow and facilitate to concentrate on the service delivery to Horizon.

The Elbro local warehouse site manager BT and his deputy EM and the Elbro European key account manager for Horizon KT found a coalition against BH who lost on power. A new suitable Elbro Swiss CEO still needs to be found.

A new CEO was appointed. He will start November 1st. The new Elbro Swiss CEO needs to integrate rapidly into the business of the A-site and to strengthen further Elbro.

2. The second challenge is to do integration of the people within the site. The new Elbro local site management comes from other Elbro units and has to integrate with the majority of the people who are coming from Horizon and who have to realize that they are not Horizon employees anymore but Elbro employees. The warehouse activities are logistics activities. Logistics is not the main topic and core competence for Horizon It is a side activity, a "needed evil." For Elbro, logistics is core and it is in the middle of the activities. This should raise the proud and the self-confidence of the warehouse staff.

3. And the third challenge is that the A-site gets access to the global Elbro organisation in order to benefit from the Elbro global know-how as leading logistics provider. This is what the customer Horizon really expects.

4. The warehouse in A-town has to manage carefully the two major customer stakeholders QT and MI (MI plays a major role within the new WMS introduction).

MI changed his position Horizon internally and is not anymore of high importance for Elbro.

The new Horizon most important stakeholders to manage for Elbro are first of all UC as the main Horizon outsourcing contact and then QL and FN.

5. The fifth challenge is to find a way how to deal with the threat of the direct shipping project. If the direct shipping project will become realized then Elbro will lose volumes, turnover and profit. Elbro needs to identify whether Elbro can accept this and to which extent Elbro can compensate and how to compensate. Potential opportunities are to get more other business from Horizon or to commercialize the warehouse for other third parties. Plus Elbro needs to identify whether the overall relation to Horizon is OK or whether Horizon lost already too much trust into Elbro as the best logistics partner for

Horizon and whether it is at risk that Elbro will continue to run the warehouse at the A-town site.

THE STAKEHOLDERS' CHARACTERIZATION TABLES

Five stakeholders' characterization tables were written from cycle two to cycle six. For each stakeholder there are two tables. One table with the power dimensions and another table with the interest dimensions. The evolution and changes of the stakeholders' characterization tables are shown with different colours. The first stakeholders' characterization table which was done for cycle two was written without any colours. The changes in the stakeholders' characterization table from cycle two to cycle three are shown in pink. The changes from cycle three to cycle four are shown in green. The changes from cycle four to cycle five are shown in grey and the changes from cycle five to cycle six are shown in red:

The stakeholders' characterization table of cycle two has no colours.
- ➔ Changes from cycle two to cycle three in pink
- ➔ Changes from cycle three to cycle four in green
- ➔ Changes from cycle four to cycle five in grey
- ➔ Changes from cycle five to cycle six in red

Table 9 is the stakeholders' characterization table from cycle two to cycle six of stakeholder QG:

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
QG	5 4 0	*Coercive / Reward*		Negotiated the Elbro / Horizon the outsourcing contract as main representative of Elbro.

				Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate	He is said to have managed for Swiss Elbro the turnaround from loss maker to making profit (fn 578). He announced within Elbro that he will leave Elbro end of June. Horizon does not yet know about it. As Elbro people know now that he will leave they start to take him less seriously (fn 408, n 30). He left Elbro end of June.	Elbro employee, Elbro Swiss country CEO, has been working for Elbro for 7 years in different positions, became Elbro Swiss CEO 3 years ago.
		Expert	Worked before joining Elbro for McKinsey (fn ad 13). McKinsey consultants have the reputation to be smart guys.	
		Referent	Is a nice guy, people like him in general and can identify themselves with him. However he can sometimes become too precise going into too many details which sometimes irritate people (fn ad 13, fn 163). People of his management team start not to tell him everything anymore because they fear that he gets inspiration and develops "great ideas" out of it and that they then end up with new additional work load and need then to work out the "great ideas" (fn 68, fn 73). He tends to be sometimes arrogant and to show that he thinks of	

			himself as being a very smart guy. Also, he gets sometimes rude and distracts people (own Elbro and customer people) (fn 11, fn 327).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
QG	5 0	*Occupational Goals*	Make the Swiss branch of Elbro so strong that no one will ever think again to close down Elbro Switzerland (which was the scenario three years ago when he took over and became Elbro Swiss CEO) (fn ad 14).	
		Personnel Goals		
		Role Commitment	He is a workaholic. He said: "If you never touched the limits, you never know." (fn ad 15). He wants to be excellent in what he is doing, "good is not good enough" (fn 30). He cares for lots of details (fn 325).	He wants to control everything. Very direct and patriarchal management style. He likes to call everybody directly, regardless of the hierarchy and at all times. He has lots of ideas which are not always realizable. Although he announced his leave, he is still very committed to get things done. He left Elbro end of June.
		Concerns	Inefficiency of Elbro's service functions, inefficiency of Elbro as a large multinational company, Elbro providing	

			low service level towards the customers (fn ad 16, fn 94).	

Such stakeholders' characterization tables were drawn for overall 28 stakeholders. The complete 28 stakeholders' characterization tables are shown in the appendices in chapter "The stakeholders' characterization tables from cycle two to cycle six", page 256.

THE STAKEHOLDERS' POWER AND INTEREST GRIDS

The stakeholders' power and interest grids are a two dimensional graphical display of the stakeholder power and interest rating in the stakeholders' characterization tables. Five stakeholders' power and interest grids were drawn from cycle two to cycle six.

The different colours show to which organisation the stakeholders belong. Elbro people are shown in orange, Horizon people are shown in black and third party people (for example external consultants) are shown in blue.

After that the first power interest grid was drawn and when a new stakeholder became part of the power interest grid for the first time "new" was added as add-on behind the initials of the stakeholder in the grid. The add-on "new" was removed in the grid of the next cycle when the stakeholder was in the next cycle again part of the grid.

The arrows show the move of the stakeholders' grid position from one cycle to the next cycle. The arrowhead shows the grid position in the cycle for which the grid was drawn and the arrow end shows the grid position of the previous cycle.

Figure 8 shows the stakeholders' power and interest grid of cycle six:
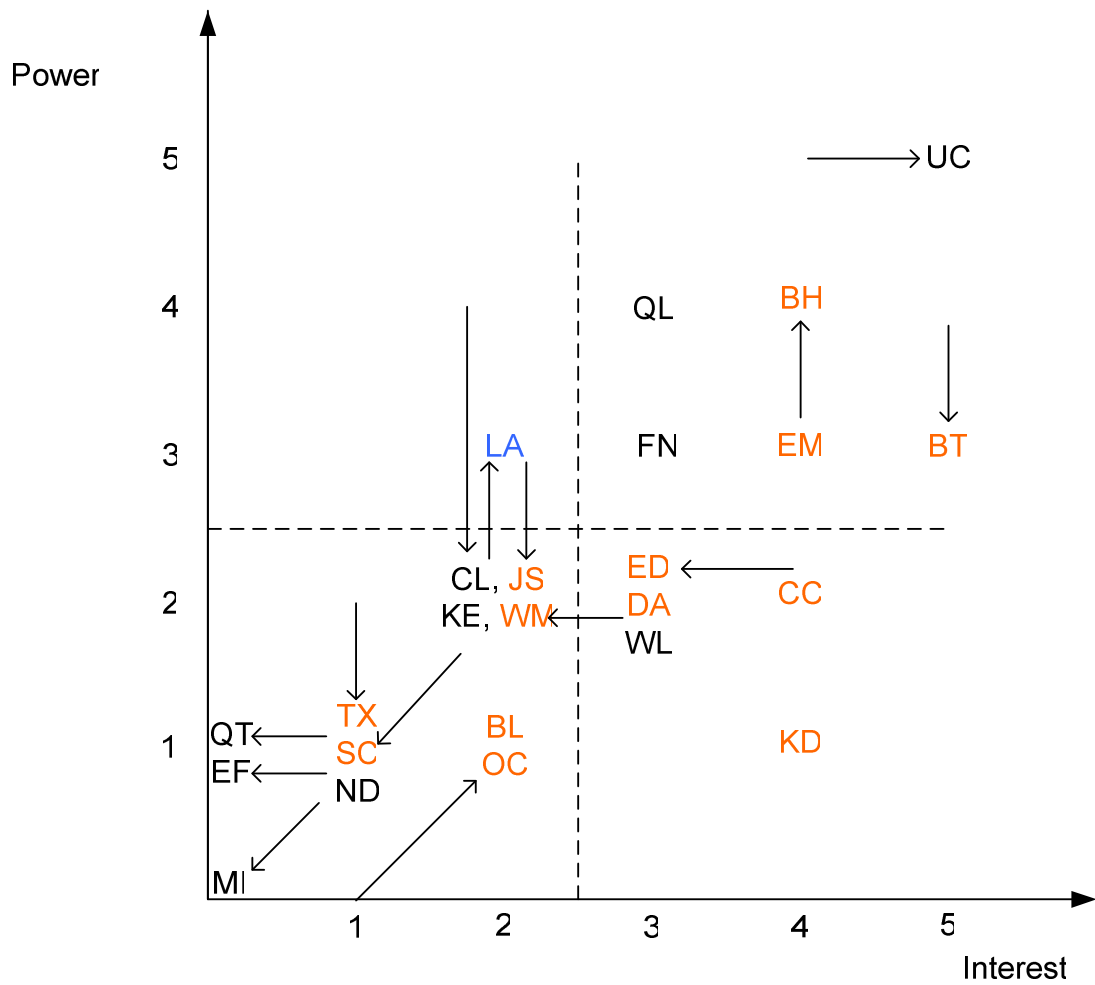
Figure 8: Stakeholders' power and interest grid cycle six

The stakeholders' power and interest grids of cycle two, cycle three, cycle four, and cycle five are in the appendices, chapter "The stakeholders' power and interest grids from cycle two to cycle five," page 301.

SUMMARY

This chapter showed the subject matter of the strategy documents, the subject matter of the stakeholders' characterization tables and the subject matter of the graphical

stakeholders' power and interest grids and its changes and evolution over the period of investigation from cycle one to cycle six.

The results of the operationalization of the concepts of emergent strategy and emergent strategizing are shown in the strategy documents. It was possible to see the evolution over six cycles of the emergent strategy, of emergent strategizing and of the emergent strategic future.
Stakeholders were at the beginning of the research not within the focus of attention. But it turned out during this research that stakeholders matter significantly for emergent strategy and emergent strategizing. The stakeholders' characterization tables and the graphical stakeholders' power and interest grids as shown in this chapter show this importance.

7 Discussion

INTRODUCTION

This chapter discusses the meaning of the previous chapter 6 "Results", pages 141 - 176. In this research, the emergent strategy, emergent strategizing and the emergent strategic future are detected in a particular way through writing up the strategy document. The statements in the strategy document are backed up through field notes out of the data collection. The strategy document in this research is written in order to reflect the *real* strategy not any public stated official strategy.

The evolution of the strategy document was monitored over six cycles during eleven months of data collection and data analysis. It became evident that in this research in an organisation under stress the changing stakeholders impacted and influenced considerably the evolution of the strategy document. Through this research the stakeholder dimension became added to the concept of emergent strategy and to the concept of emergent strategizing.

DETECTING EMERGENT STRATEGY, EMERGENT STRATEGIZING AND THE EMERGENT STRATEGIC FUTURE BY WRITING THE STRATEGY DOCUMENT

Writing the strategy document was the particular way of this research to uncover the emergent strategy, emergent strategizing and the emergent strategic future of the Elbro warehouse site in A-town.

Emergent strategy

The intention when writing down the emergent strategy was to apply and to write down the characteristics of a written down strategy. In this research it was done by writing a strategic plan for the organisation. The strategic plan establishes the emergent strategy. The elements of the strategic plan were the strategic goals, the strategic programmes, the KPIs which reflect the reward system, the nature of the company culture which the organisation would like to have and would like to develop, the values (which means organisational values and the behaviour of the people), the mission statement and the vision statement.

In the following the specifics of the elements of the strategic plan encountered during the research are elaborated.

Strategic goals

The emergent strategic goals did not change during the six cycles. The most important goal identified over the time of research was the very conservative and basic goal to stay in business.

And although using rhetoric of wanting to grow the business no real actions to do so were undertaken. To grow the business was not a real goal for the Elbro warehouse in A-town. The Elbro warehouse in A-town used a rhetoric that they have this goal but the reason for that was that the Elbro warehouse in A-town wanted to respond to

the Elbro internal expectations at country and global level to develop and to grow the business.

Strategic programmes

The strategic programmes evolved over the six cycles. The strategic programmes changed. At the beginning of the research, the situation for Elbro was critical. Elbro had already taken over the warehouse for a year and was able to run the warehouse and to provide the logistics however the customer Horizon asked for improvements and not only to continue to run the warehouse in the same way as Horizon did before the outsourcing. Elbro was said to be the leading expert in logistics and Horizon wanted that Elbro demonstrates that Elbro was the leading logistics company through running the warehouse differently and more efficiently than Horizon run the warehouse before the outsourcing.

Audits were run and despite the non favourable outcomes, the position of the Elbro local site management was that Elbro's work itself was good and that only the communication to the customer needed to be improved. The local Elbro site management aimed to improve in particular the communication to its main contact on the customer side, QT. QT had been the main Horizon driver of the outsourcing.

Nevertheless as an outcome of the audits, there was an action list with process improvement, people reduction and cost reduction activities. The Elbro site management defined this audit action list as a threat and as not realistic and as not feasible. This action list was under high management attention of the main customer contact QT and of the Elbro Swiss CEO QG. QG was much in favour of the audit action list and declared it as feasible and as mandatory to execute for the local Elbro site management. According to QG this was needed to have a chance to stay in business. When Elbro could do all the actions on the list, this would prove that Elbro is capable to run the warehouse more efficiently than Horizon did before outsourcing.

The local Elbro site management therefore faced a big issue. The local Elbro site management believed that the objectives of the action list in terms of productivity gains, people reduction and cost reduction were not realistic and not feasible but faced high pressure because the Elbro Swiss CEO QG committed the execution of the audit action plan to the main Elbro contact at customer side, QT. Thus the local Elbro site management faced high pressure from its two most important stakeholders, one Elbro internal stakeholder (QG) and one external customer stakeholder (QT) who had both high expectations, expectations which the local Elbro site management believed as not being feasible.

Then, in cycle two the most important customer stakeholder QT took over another position and did not play anymore a role in the Elbro / Horizon relationship. And in addition, the most important internal Elbro stakeholder QG announced that he will leave Elbro. Suddenly, the audit action list lost its importance for the local Elbro site management. And as the two main stakeholders who had this list under their management attention left, the local Elbro site management stopped immediately to work on the action list. This was consistent from a local Elbro site management point of view as the local Elbro site management never believed in the feasibility of the action list.

Besides the audit action list, the introduction of new warehouse management (WMS) software was an important strategic programme. At the beginning of the outsourcing, Elbro continued to use the customer's software but it had been already agreed before the outsourcing that Elbro would replace it with an own state of the art software with interfaces to the customer software. This software introduction project was in that sense important that it bound a lot of resources over a longer period and that the WMS in general is crucial to run the warehouse as the WMS determine to some extent the business processes. All incoming and outgoing articles as well as all stock movements are handled by that software. Elbro had been free to choose which software to install. The Elbro Swiss organisation wanted to introduce system C software which was already installed at another site in Switzerland. The Elbro global organisation however imposed that the global standard, system B software becomes

installed. Forced by the customer to name the software to be introduced, Elbro presented system B software.

However the Elbro Swiss CEO QG started Elbro internally to fight against that decision. A lot of resources were put into the Elbro internal fight to get the Elbro internal authorisation to use system C software. These resources would have been required by the implementation project itself. The project was several times postponed. One year after the presentation of system B software to the customer, QG had received the Elbro internal approval to implement system C software. QG presented thus system C software as the new Elbro state of the art software solution to the customer Horizon. This was confusing for the customer and consequently the customer refused to change system B software into system C software. System B software became implemented. But it became implemented with considerable difficulties. The remaining implementation time was very short.

A lot of energy and resources were put into the finally useless Elbro internal discussion to change the software instead of working on the implementation. And the communication to the customer was bad during the Elbro internal discussion to change the software as it may had been predictable that the customer might not want to change the software if he hears during one year from Elbro that system B software is said to be the number one state of the art software but from one day to another it is another software, system C software. The Elbro Swiss CEO QG did not want to tell Horizon about his effort to change the software until he would have received the authorization to do so.

In retrospective, this was a big mistake as the customer became confused when suddenly; shortly before the planned go live a different software solution was presented.

For the A-site, the most important internal Elbro stakeholder QG influenced and dominated considerably the WMS introduction programme. At the end, Elbro lost on

reputation as Horizon doubted whether Elbro would have a coherent IT strategy and for the Elbro Swiss CEO QG it was a personnel defeat.

The A-site lot as well as due to time shortage, system B software was at the beginning not well configured and an enormous effort was needed after the go live to operate the warehouse with a malfunctioning warehouse management software. The configuration of system B software was afterwards several times adapted which again perturbed warehouse operations.

Compared to these two initiatives: i) the implementation of the action list out of the audits and ii) the WMS implementation, which were declared as strategic programmes, the other strategic programmes were of minor importance for the A-site.

There was the ISO 9000 recertification were the site did not do anything and where the site was lucky that the site certification audit was postponed to the year after.

There was the Elbro internal improvement program Best where the site passively refused its participation and the Elbro corporate office did not insist to get this initiative started at the A-site.

And there were two customer initiatives: "supply chain workshop" and "direct shipping" were Elbro participated formally but without motivation and active contribution. The customer did not drive Elbro towards higher contribution and these customer two initiatives became stopped without delivering results.

KPIs

The KPIs regarding the reward systems remained constant throughout the six cycles. At the beginning of the year written down goals are defined for managing employees within the Go process, bonus payments are linked to the written down goals.

However during the year these goals do not get much attention and in reality bonus payments do not depend on these goals. The bonus payments depend on criteria defined by the superior.

Elbro corporate office launched a new KPI initiative within the Best program however the A-site managed to postpone its participation.

Developing culture

The company culture at the A-site remained constant over the six cycles. Most employees on site were taken over from Horizon and are still working according to their established Horizon working routines. Elbro does not care much about company culture and thinks that this is of minor importance and that it will sort out with time.

However the former Horizon employees are rather frustrated as their situation was better before the outsourcing. The former Horizon employees lost several fringe benefits and although everybody kept his salary for the time being, Elbro keeps on saying that the salary levels at the A-site are above Elbro standard salaries at other sites and above market salaries and that Elbro cannot exclude salary reductions in the future.

Thus, there are considerable fear and rumours amongst the former Horizon employees that their salaries will be cut. However the existing salaries are guaranteed during the first two years of the outsourcing. This is fixed in the Elbro / Horizon outsourcing contract. But Elbro is free to reduce the salaries after that two year period. Horizon even expects from Elbro that salaries will be cut after two years of the outsourcing.

Values

The values remained the same during the six cycles. The Elbro corporate office has seven values defined and officially strives for excellence. However at the A-site these seven values are rarely known and certainly not lived.

The former Horizon employees have still better the Horizon values in mind. However the Horizon values go into the same direction than the seven Elbro values do: to strive for excellence, quality and integral behaviour.

The overall opinion among the employees at the A-site about these values is that a large company like Elbro needs to have such values but that these values have in practice not really a meaning for the Elbro employees. These values are supposed to serve more for communication and public relation with external stakeholders like customers, shareholders and the press.

Mission statement

The mission statement remained the same throughout the six cycles. The Elbro mission statement says that only a minimum is done in a very reactive way (as opposed to a proactive behaviour). Elbro only delivers a minimum logistics service to Horizon to the extent what is needed to deliver in order to fulfil the minimum Horizon demands in order that Elbro stays in business and is thrown out of business by Horizon.

Vision statement

The vision statement remained the same throughout the six cycles. Elbro is said to have the vision to make reasonable profit, to take over more business from Horizon along the supply chain and potentially to commercialize the A-site and to get other customers than Horizon onto the A-site.

But besides the awareness not to make losses with the A-site, not much is done to reach the Elbro said to be vision. The opportunities for Elbro which came up by chance are explored. However there is no proactive and focussed working to reach the Elbro said to be vision. The Elbro said to be vision is more a lip service. It is similar as with the seven Elbro values. Elbro believes that claiming to have a vision is needed but it is of less importance to strive for to realize it and to make it happen.

Emergent strategizing

Emergent strategizing was supposed to reflect the process how things were done in the organisation.

The way of defining situations as important

The Elbro way of defining situations as important at the A-site remained the same during the six cycles. The A-site defined situations as important when they were important for the most important stakeholders of the A-site.

As the most important stakeholders of the A-site changed during the six cycles the situations itself, which were defined as important for the A-site, changed as well because different stakeholders defined different situations as important.

In cycle one and in cycle two a situation was considered as important when it was important for the two most important stakeholders of the A-site, QG of Elbro and QT of the customer Horizon. In cycle three suddenly QG announced his leave and suddenly QT changed his position within Horizon and thus QG and QT lost their importance for Elbro.

The A-site started in cycle three to ignore the situations defined as important by QG. It was similar with situations defined as important by QT. The A-site considered situations not as important anymore only because QG and QT did define them as

important. Instead, the A-site started to define situations as important by itself regardless of QG's or QT's judgements.

In cycle four UC was assigned as successor of QT. The A-site started to watch out what does matter for UC. UC needed time to get familiar with his new position and developed at the beginning lots of ideas however it was not clear for the A-site how serious he was. QG's position remained vacant during five months.

A different situation occurred in cycle six. In cycle six stakeholders did not matter a lot for the definition when situations were important. As in cycle six the A-site went live with new warehouse management software. The A-site was in a state of emergency. The go live almost stopped the warehouse functioning as the software did not run smoothly at the beginning. At that moment, situations were defined as important when it hindered Elbro to provide the logistics service. And the A-site was almost blocked because the new warehouse management software did not run properly at the beginning after the go live.

The way of decision making

The Elbro way of decision making at the A-site remained the same during the six cycles. The decisions were made in order to fulfil the requirements of the main A-site stakeholders.

In cycle one and cycle two QG was the ultimate decision maker. In cycle three when QG announced his leave started the A-site to ignore QG's decisions. In cycle four and cycle five there was a kind of battle between several stakeholders (KT, BH, BT, EM) who wanted to impact decision making.

In cycle six the situation was different due to the malfunctioning of the warehouse management system. In that situation the way of decision making was different as people took decisions without discussing or informing senior management. This was needed in order to be able to provide a minimum service to the customer. In that

regard the way of decision making was similar to the way of defining situations as important.

The way of taking action

The Elbro way of taking action at the A-site remained the same during the six cycles. Action were undertaken in order to fulfil the requirements of the main A-site stakeholders.

The actions which were undertaken changed during the six cycles as the stakeholders changed during the six cycles. In cycle one and in cycle two QG dominated it as he started and stopped actions. In cycle three there was an "action hole". QG had announced his leave and people started not to follow QG's action initiatives anymore and recovered from QG's already ongoing action initiatives.

In cycle four and five a bargaining process among several stakeholders (KT, BH, BT, EM) took place about who can impact most for initiating actions. In cycle six the situation was different. In cycle six the way of taking action was determined by the crisis situation coming up during the go live of the new warehouse management system. The A-site employees undertook actions without discussing or informing senior management. This was in that particular situation needed in order to be able to deliver a minimum service to the customer.

Similar to the way of defining situations as important and similar to the way of decision making, in cycle six the way of taking action was different compared to the other cycles.

Systems and structures

Systems and structures are in general not explicitly developed to deliver a strategy but they impact emergent strategy and emergent strategizing and thus the emergent strategic future. Systems and structures may determine and limit to a certain extent

which decisions and which actions are feasible and which are not feasible. Systems and structures cannot be easily and quickly changed.

Important systems and structures during the research period were: the outsourcing contract between Elbro and Horizon over five years and the inherent open book policy, the introduction of a new warehouse management system project, the ISO 9000 certification, the Elbro corporate office improvement initiative Best, the development of an A-site specific planning tool about human resource allocation to process steps, the internal Elbro KPI monitoring program which allows site comparisons and "Go", the Elbro program in which yearly goals are set for managing employees.

The systems and structures at the A-site remained constant during the six cycles with the exception of the new warehouse management system project. As discussed just before, the introduction of the new warehouse management system software influenced considerably in cycle six the way of defining situations as important, the way of decision making and the way of taking action and thus emergent strategizing and thus the emergent strategic future of the A-site.

Emerging patterns and the emergent strategic future

The emergent strategic future of an organisation is determined by the emergent strategy, by emergent strategizing and by the systems and structures in place.

At one point of time it can be looked at the emerging patterns out of the elements of the emergent strategy, out of emergent strategizing and out of the systems and structures in place. The emergent strategic future is then the projection into the future:

"If it continues like that, then the organisation will go into this direction".

After some time, when the organisation moves on, when the elements of the emergent strategy, of emergent strategizing and of the systems and structures change, then the emergent strategic future changes as well. Then the organisation may go into a different direction than before.

This research wanted as well to identify the changes for the A-site regarding the emergent strategic future throughout the six cycles. In order to be able to identify the emergent strategic future, the researcher looked first to the emerging patterns from cycle to cycle and then concluded out of the emergent patterns further to the emergent strategic future.

Emerging patterns

In cycle one the Elbro Swiss CEO QG had a strong impact on the A-site. Together with the Elbro European key account manager for Horizon KT he put a lot of pressure on the A-site in order that efficiency improvement projects were started in order to improve the logistics service and at the same time to reduce the headcount and costs.

The Elbro Swiss CEO QG and the Elbro European key account manager for Horizon KT wanted with that to reply to the customer Horizon who had asked after one year of the outsourcing for more than just to run the warehouse in the same way than before the outsourcing and who asked for the added value of outsourcing the warehouse to the logistics expert Elbro. These customer demands had been documented in an audit report.

Besides of the site manager BT, the deputy site manager EM and the human resource manager WM are all other employees at the A-site former Horizon employees which had been taken over by Elbro. The integration of the former Horizon employees into the Elbro organisation had even not yet started. The former Horizon employees still "think Horizon" and glorify the "good old days" when they were still Horizon employees.

Issues arise out of the differences between the Horizon company culture which is still existent at the Elbro A-site and the Elbro company culture. The former Horizon employees still behave according to the Horizon company culture and the new site manager and the new deputy site manager behave according to the Elbro company culture.

For example, within the Horizon company culture the employees were used to be informed in detail in a joint meeting with all employees upfront about an unplanned rapidly scheduled additional shift on a Saturday. Within the Elbro company culture, in such a case the A-site manager informs the heads of department asking the heads of department to organize the people needed for the additional extra Saturday shift without further explanations or discussions.

Since the beginning of the outsourcing no activities were undertaken by Elbro to integrate the former Horizon employees into the Elbro company culture and to establish the Elbro company culture at the A-site.

Within the Elbro organisation, there is not much trust, neither between the A-site management and the Elbro Swiss country management nor between the Elbro Swiss country management and the Elbro corporate office.

In cycle two the high pressure to drive costs down and to improve productivity remained. And the A-site employees stayed stressed, irritated and dissatisfied. The A- site management realized that in that situation no further cost reductions and productivity gains were possible.

Instead of cost reduction the A-site management though that the two main customer stakeholders at that time, QT and MI needed to be managed more actively and more carefully. The logic of the A-site management was that if these two main customer stakeholders would be satisfied with the A-site, then it would be possible to satisfy as well the two main Elbro internal stakeholders who imposed pressure on the A-site,

QG and KT with the argument that the customer was satisfied and that there would be no need any more to impose a lot of pressure for change onto the A-site.

Nevertheless the A-site almost collapsed during cycle two. The situation was the following: The A-site faced a dissatisfied customer Horizon, the A-site faced a dissatisfied Elbro Swiss CEO QG who was not happy with the A-site, and the A-site faced former Horizon A-site employees who were as well dissatisfied because they thought they were the losers of the outsourcing. The former Horizon employees at the A-site thought that their situation became worse through the outsourcing from Horizon to Elbro.

In cycle three the Elbro Swiss CEO QG announced that he will leave Elbro at the end of June. And the main customer contact QT took over another position within Horizon. Suddenly the two main stakeholders who imposed so much pressure onto the A-site in cycle one and in cycle two announced that they will leave their positions and immediately as a consequence lost on power and interest and ability to influence and to impact the A-site. The subject matter to reduce costs and to improve productivity remained but the high pressure to show immediate results disappeared with the announced leave of the two main stakeholders for the A-site, QG and QT.

Cycle four showed a struggle for reorientation after QG's and QT's leave. On the Elbro side several people strived to take over the power and influence position of QG. The battle was basically among the Elbro Swiss key account manager for Horizon BH, the Elbro European key account manager for Horizon KT, the A-site manager BT and the A-site deputy site manager EM.

And on the Horizon side several people strived to take over the power and influence position of QT. These people were UC as the successor of QT, the Swiss Horizon production site CEO QL and the Horizon manager logistics FN.

The struggle for power and influence continued in cycle five. A new Elbro Swiss CEO was still not found. Even the ad interim Elbro Swiss CEO SC took over another

position within Elbro. BT, EM and KT found a coalition against BH. And as KT is a bit away of the A-site because KT is based in the UK and only temporarily at the A-site, basically BT and EM gained on power and influence at the A-site.

A new Elbro Swiss CEO became appointed in cycle six. He will start as of November 1st. He is not yet known in Switzerland. Although a Swiss born, he has been working for several years in the Americas.

The A-site has become used to operate without an Elbro Swiss CEO. The A-site was curious how the new Elbro Swiss CEO would be and which power and influence he would exert. The A-site went live in cycle six with the new warehouse management system. The go live was a work intensive period and to manage this go live became more important for the A-site than the struggle which stakeholder matters more and which stakeholder needs to be served first or which stakeholder needs to be served best. During the go live it was more important that the A-site could keep up operations.

Emergent strategic future

In cycle one there was a trend that the A-site faced more and more pressure. There was pressure from Elbro internal, especially from the Elbro Swiss CEO and from the Elbro European key account manager for Horizon, and from the customer Horizon to make efficiency improvements. The A-site management was busy to maintain the balance between ensuring the running of the A-site operation and to negotiate and bargain about efficiency improvement projects.

The outlook for the A-site was in that situation that the A-site will reduce headcount and will realize cost savings responding to the high demand to cut costs. But that meant to do more with less people. Due to the loss of fringe benefits after the outsourcing and the higher workload and due to the point that all Elbro A-site employees (besides the A-site manager, the deputy site manager and the human resource manager) were former Horizon employees and that no activities were

undertaken to integrate the former Horizon employees into the Elbro company culture, there was a growing dissatisfaction among A-site employees.

The emergent strategic future for the A-site out of cycle one was a future in which the A-site cannot withstand longer the enormous pressure coming mainly from the Elbro Swiss CEO QG and from the main Elbro customer Horizon contact QT and where the A-site will become a low cost site with less people having to do more and more. This will lead into growing dissatisfaction among A-site employees and the A-site will become a very unpleasant place to be.

This could be challenged when the A-site management could emancipate from the influence and from the pressure from the Elbro Swiss CEO QG in order to escape from the rally to do more and more with less and less people and / or if the A- site could get access to the know-how of the Elbro global organisation.

With the know-how of the Elbro global organisation it should then become possible either to be really able to do more with less people but through a different way of working, through changed business processes. This would be a better way than just simply stressing people to do more and more because with the experience of the global Elbro organisation and with best practice examples from other sites, better processes can be found and put in place.

Or the outcome could be that with the expertise of the Elbro global organisation it can be sophistically analyzed and demonstrated that further headcount reduction and process improvement at the A-site are not possible as current processes cannot be further improved because they are already best practice processes.

The emergent strategic future of cycle two was similar to the emergent strategic future of cycle one with the distinction that the risk to collapse became higher. If the A-site would continue like before, then the Elbro country management and the customer and the A-site employees would remain dissatisfied. A possible outcome could then be that the A-site management would be exchanged.

If the A-site management would reduce costs by reducing headcount without having done on beforehand a proper analysis of the business processes and without having put in place better business processes which would justify having less people, then the employees might refuse that and maybe would go on strike which would then lead to a major disruption of service with the considerable financial risk to then become sued for damages of not delivering the service. The A-site management could not just take two people off and see whether the remaining people were able to do the same work with two people less.

It was a vicious circle for the A-site management. The situation looked hopeless.

The emergent strategic future of cycle three significantly changed to the positive for the A-site with the loss of power and influence of its two main stakeholders QG and QT. The pressure to show immediate results in terms of cost reduction and productivity improvements was suddenly considerably reduced.

The A-site's future was secure for the time being. The A-site itself is needed as the warehouse function is needed. The A-site looked into a secure future as a needed service provider. The A- site could consolidate. Elbro could over time integrate the A-site and its employees into the Elbro company culture.

It would take time until other or new stakeholders would gain again the same power and influence onto the A-site than QG and QT had.

From the A-site's point of view the enormous pressure for cost reduction and efficiency improvements was artificial as from the A-site's view the A-site was not doing that bad as QG and PT had always claimed.

The emergent strategic future of cycle four showed a trend towards a secure future as a service provider which is operating in a secure environment. The stakeholders' power and interest situation was on the move. The struggle which stakeholders will gain on influence was ongoing. At the customer Horizon side, UC as successor of

QT gained on power and influence. At Elbro side, a successor of QG as Elbro Swiss CEO was not yet appointed.

Thus the outcome of the struggle among stakeholders about power and interest on the Elbro side was not yet clear. And consequently with that it was not yet clear which ideas of which new important stakeholders would matter most for the A-site in the future.

The emergent strategic future of cycle five continued to show a secure future as a service provider operating in a secure environment. UC as most important customer stakeholder did not question fundamentally the Elbro / Horizon partnership and the partnership with the A-site. In contrast, he strengthened the partnership between Horizon and Elbro.

A new Elbro Swiss CEO was still not appointed. The A-site became routine in operating without an Elbro Swiss CEO.

The emergent strategic future of cycle six continued to strengthen the outlook for the A-site of a secure future as a service provider operating in a secure environment.

The finally in the end successful go live with the new warehouse management system strengthened this position because the new system is run and managed by Elbro. In contrary to the old warehouse management system which was managed by Horizon. This lowered the risk that Elbro would be thrown out as then another provider would need to implement again a new system.

UC as most important customer stakeholder gained on interest but in a spirit of a Horizon / Elbro partnership and of partnership with the A-site.

On the Elbro stakeholder side was the nomination of a new Elbro Swiss CEO most significant. The A-site was curious how the new CEO would exert power and influence onto the A-site. However the A-site had managed to operate stable during

the period where no Elbro Swiss CEO was in place and thus felt self-confident and well positioned to work together with a new Elbro Swiss CEO. The A-site thought that the Elbro Swiss CEO could not gain again as much as influence on the A-site than the former CEO QG had.

The emergent strategic future changed during the six cycles. And the approach to write down the strategy document over several cycles and to monitor the evolution of the strategy document and to detect by that the emergent strategy, emergent strategizing and the emergent strategic future worked.

Through this approach the emergent strategy and emergent strategizing became detected. Emergent strategy and emergent strategizing are practical non-static concepts. The concepts of emergent strategy and emergent strategizing tell about strategy. Strategy is not constant. Strategy is always moving and changing into this or that direction.

MONITORING THE EVOLUTION OF THE STRATEGY DOCUMENT OVER TIME

Writing up the strategy document with the intention that the strategy document shall reflect the real strategy and not any pretended strategy and monitoring the evolution of the strategy document over time is a significant particularity of this research. This approach assumed that the researcher is able to collect the right data and to do an appropriate data analysis in order to conclude the emergent strategy, emergent strategizing and the emergent strategic future of the A-site.

The first strategy document of cycle one

The first strategy document of cycle one set the scene and provided a status of the emergent strategy, of emergent strategizing, systems and structures and about the emergent strategic future of the A-site. Therefore the first strategy document of cycle one is longer than the other five strategy documents. After cycle one and after the

write up of the initial strategy document were the changes in the strategy document highlighted with different colours in order to reflect the changes from cycle one to cycle six.

The first strategy document captured what was currently going on and the other five strategy documents reflect then the incremental changes of the strategy document from one cycle to another.

A strategy is intended to last longer than two months. So the expectation of the researcher was that the strategy and thus the strategy document would not change significantly over the data collection period of eleven months.

The changes of the strategy document from cycle two to cycle six

The following table shows whether the elements of emergent strategy, of emergent strategizing, of systems and structures and of the emergent strategic future changed or remained constant over the six cycles.

Element	Subordinate Element	Constant vs. change
Emergent Strategy		
	Strategic goals	Constant
	Strategic Programmes	**Changed** according to main stakeholders' preferences (but the strategic programmes changed as stakeholders changed)
	KPIs	Constant
	Developing culture	Constant
	Values	Constant
	Mission statement	Constant
	Vision statement	Constant
Emergent Strategizing		
	Way of defining situations as important	The way remained constant, according to

		main stakeholders' preferences but other situations were defined as important and thus **changed** as stakeholders changed.
	Way of decision making	The way remained constant, according to main stakeholders' preferences but other decisions were taken and thus **changed** as stakeholders changed.
	Way of taking action	The way remained constant, according to main stakeholders' preferences but the actions **changed** as stakeholders changed.
Systems and Structures	Systems and structures	Constant (besides WMS)
Emergent Strategic Future		
	Pattern	**Changed**
	Emergent strategic future	**Changed**

Table 10: Constant versus change in the strategy document from cycle one to cycle six

The content of the elements of the emergent strategy and the systems and structures remained rather constant, besides the strategic programmes.

The content of the elements of emergent strategizing and the emergent strategic future changed over the research period. The content of the elements of emergent strategizing and the emergent strategic future changed because they were determined by the main stakeholders and they changed basically because the main stakeholders changed.

The evolution of the emergent strategic future is the result of the evolution of the emergent strategy, of the evolution of emergent strategizing and of the evolution of the systems and structures. Thus, if the emergent strategy, emergent strategizing or the systems and structures change significantly, then the emergent strategic future changes as well.

So the question is why the elements of the emergent strategy, of emergent strategizing and the systems and structures stayed either constant or changed? The A-site did not care much about defining strategic goals, defining KPIs, the developing culture, the values, the mission and the vision statement. So it is no surprise that these elements remained relatively constant over the research period.

On the other hand, the strategic programmes, the situations which were defined as important for the A-site, the decisions which were taken the actions which were done changed over the research period. And they changed because they were determined by the main stakeholders.

The changing stakeholders do account as explanation why these elements changed. This is more elaborated in the next chapter.

STAKEHOLDERS MATTER FOR THE STRATEGY DOCUMENT

The strategic programmes were a direct reflection of what the stakeholders thought what is important to undertake. As soon as the stakeholders changed, the importance of the strategic programmes changed as well. For example, in cycle one and in cycle two QG and QT were the most important stakeholders for the A-site. The strategic programmes of cycle one and of cycle two reflect QG's and QT's view of what was important for the A-site to do. This was to respond to the outcome of the audits and to develop strategic programmes out of the weaknesses raised in the audits. When QG and QT lost on power and influence as of cycle three, these strategic programmes lost on importance. The elements of emergent strategizing, the way of

defining situations as important, the way of decision making and the way of taking action were as well considerably triggered by the most important stakeholders.

In the example above, QG and QT defined the audit situation as important and decided to respond to the audit outcome and to launch new strategic programmes and to initiate the actions by dedicating resources to these new strategic programmes. Thus the influence of the changing main stakeholders is an explanation why strategic programmes, the situations which were defined as important, the decisions taken and the action which were undertaken changed from one cycle to another during the research period.

If the impact of the stakeholders would not have been analyzed in this research then the emergent strategy, emergent strategizing of the A-site could not have been understood.

The strategy document changes when stakeholders change

It had become obvious during data analysis when looking on the strategy documents of cycle one and of cycle two and by comparing the differences between the two strategy documents of cycle one and of cycle two that a few important stakeholders matter a lot for the content of the two strategy documents. These stakeholders were in cycle one and in cycle two in particular QG and QT. These two stakeholders had most power and most influence. They could for example start and stop new strategic programmes. No major decision could be taken without the approval of these two powerful stakeholders. They imposed in cycle one and even more in cycle two high pressure on the A- site for cost efficiencies and productivity gains which put the A-site in a terrible dilemma as the A-site considered cost efficiencies and productivity improvements to the extent as they were expected from QG and from QT as impossible to achieve.

In cycle three the two main stakeholders for the A-site, QG and QT who had influenced significantly the strategy documents of cycle one and of cycle two

announced their change of positions and this became immediately reflected in the strategy document of cycle three. Through the change of position of these two main stakeholders the strategy document and thus the emergent strategic future of the A-site changed considerably.

This continued in a similar way in the cycles four to six. The stakeholders with high power and high interest impacted most the evolution of the elements of the strategy document

Changes in the stakeholders' power and interest grids are reflected in the strategy document

From cycle two to cycle six, stakeholders' characterization tables and power and interest grids were done for each stakeholder. Changes from cycle to cycle were shown in the stakeholders' characterization tables and in the graphical stakeholders' power and interest grids. Changes in the stakeholders' power and interest grids became reflected in the strategy document.

This provided evidence that stakeholders matter for the strategy document and thus that stakeholders matter as well for the emergent strategy and for emergent strategizing.

For example, the emergent strategic future for the A-site out of cycle two was very much unfavourable for the A-site as the A-site could not satisfy the demands of the two main stakeholders QG and QT. However the emergent strategic future for the A-site out of cycle three was far better as with the announced change of position of the two main stakeholders QG and QT the subject matter to reduce costs and to improve productivity remained but the high pressure to show immediate results disappeared.

And this happened only because the two main stakeholders for the A-site QG and QT had announced that they will change their position and this implied that QG and QT

lost on importance for the A-site and this became reflected in the power and interest grid.

The two following two figures show the evolution of QG and QT within the power and interest grid from cycle two to cycle six.
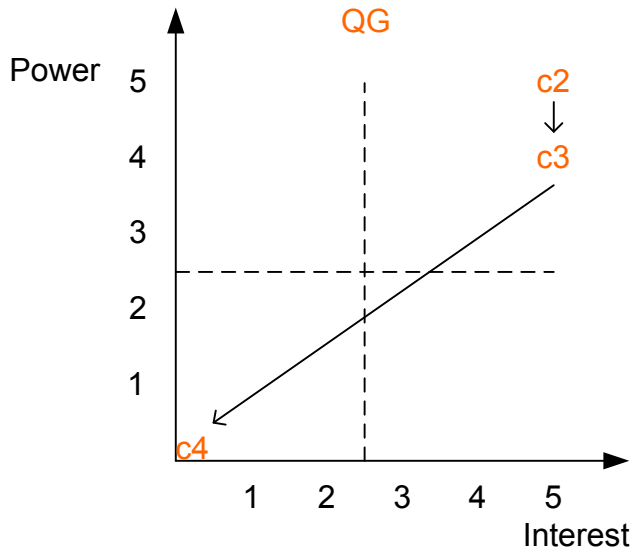
Figure 9: Evolution power and interest grid from cycle two to cycle six QG
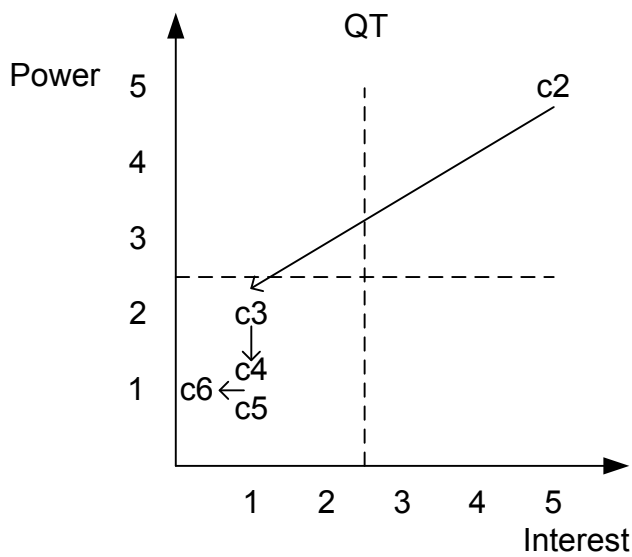
Figure 10: Evolution power and interest grid from cycle two to cycle six QT

"c" in the graph means cycle. "c2" means thus cycle two. The Elbro Swiss CEO QG had in cycle two a power five and interest five rating. In cycle three he announced that he will leave Elbro at the end of cycle four. No successor was appointed at that time. He dropped in cycle three to a power four and interest five rating. In cycle four QG dropped to power zero and interest zero as he left the company Elbro.

QT, the main customer Horizon stakeholder for the A-site has in cycle two like QG a power five and interest five rating. In cycle three he announced that he will take over a different position within Horizon and at the same time the successor of QT was appointed. QT dropped immediately in cycle three to a power two and interest one rating. In cycle four QT dropped to power one and interest one, a rating which he had as well in cycle five. In cycle six he moved to a power zero and an interest zero rating because he was no more visible for the Elbro A-site.

Adding the stakeholder dimension

So far stakeholders do not play a significant role in the emergent strategy or emergent strategizing context. This research shows that the emergent strategy, emergent strategizing and the emergent strategic future are detectable without the stakeholder dimension as long as the stakeholder grid is relatively constant.

This would hypothetically mean for this research that after each cycle the strategy document would become incrementally better until almost no changes within the strategy document could be detected anymore from one cycle to another.

But this is not the case in this research as the stakeholders change from cycle to cycle. The emergent strategy, emergent strategizing and the emergent strategic future are temporary as the stakeholders and the stakeholder grid change. By adding the stakeholder dimension the emergent strategy, emergent strategizing and the emergent strategic future become much more complete.

SUMMARY

This chapter discussed the meaning of the results chapter of this research. The strategy document which is composed out of the emergent strategy, emergent strategizing, systems and structures and out of the emergent strategic future of the A-site was discussed as well as the monitoring of the evolution of the strategy document over the six research cycles was discussed.

As the researcher discovered in cycle two that changing stakeholders impacted significantly the evolution of the strategy document, stakeholders' characterization tables and graphical power and interest grids were done from cycle two to cycle six. In this chapter it was shown that with changing stakeholders the strategy document changed as well.

It is not adequate to write down the strategy document of a site under pressure with changing stakeholders without taking explicitly notice of the changing stakeholders.

This adds the stakeholder dimension to emergent strategy and to emergent strategizing. Adding the stakeholder dimension makes the theory of emergent strategy and emergent strategizing much more complete. The detection of the stakeholder dimension in context with emergent strategy and emergent strategizing is the main contribution of this research.

8 Implications

INTRODUCTION

The main contribution of this research is the detection of the stakeholder dimension of emergent strategy and emergent strategizing. It is new that the stakeholder dimension plays such a significant role for emergent strategy and emergent strategizing.

In addition, to uncover the emergent strategy and emergent strategizing by writing up the strategy document with all the elements of the strategy document based on ethnographical field notes as done in this research is a unique and particular way of doing it which was not yet done before.

The elements of the strategy document can be seen as the properties of the existing emergent strategy literature. For example it is not new that strategic goals and strategic programmes are part of an organisation's strategy. The interesting point in this research was that *only* writing down the emergent strategy and emergent strategizing *only* with the properties of the existing literature did not work completely because of the stakeholders' dominance.

Nevertheless, the properties of the existing emergent strategy literature remain valid. In this research the elements of the existing strategy literature were very useful to uncover the emergent strategy, emergent strategizing and the emergent strategic future.

However it was not enough in this research case. Without explicitly paying attention to the changing stakeholders and without taking them explicitly into account by preparing the stakeholders' characterization tables and the graphical power and interest grids, the emergent strategy, emergent strategizing and the emergent strategic

future which was uncovered in this research would not have been complete. A big part would have been missing.

Based on that finding out of this research, it can be concluded that stakeholders enhance the explanation of emergent strategy and emergent strategizing.

This chapter discusses the implication that the detection of the stakeholder dimension of emergent strategy and emergent strategizing has.

First, the emergent strategy literature of chapter three "Literature Review", page 71 is revisited with the focus whether links, hints or traces can be found regarding the importance of stakeholders in relation with emergent strategy.

And second, the implications for stakeholder management are discussed. If stakeholder matter a lot for emergent strategy and this is what this research says, then by implication stakeholder management becomes very important.

Reflections about short term and long term implications of the research outcome follow.

IMPLICATIONS FOR THE STAKEHOLDER DIMENSION OF THE EMERGENT STRATEGY LITERATURE

It may look obvious that stakeholders are a focus of attention when it comes to the question what matters for uncovering emergent strategy and emergent strategizing however none of the authors has explicitly mentioned it accordingly to its importance.

The researcher could not find any author who attributed this importance to stakeholders. In the following, the author looks onto the emergent strategy and emergent strategizing literature in the search for links from emergent strategy and emergent strategizing to stakeholders.

Mintzberg and Waters

Mintzberg talks 1978 in his early work "Patterns in Strategy Formation", about a strategic planner and about a strategy maker (Mintzberg, 1978: 945). The strategy maker in that paper may comes close to a stakeholder in the sense of this research with regard to his importance in relation with his impact on the emergent strategy but the focus of that paper is not on the strategy maker but on defining different variants of the term strategy. Mintzberg distinguishes between intended strategy, deliberate strategy, realized strategy, unrealized strategy and emergent strategy.

Mintzberg and Waters mention 1982 that people who shape the strategies were of interest: "Of interest here were the people and forces that shaped the strategies of each period…" (Mintzberg & Waters, 1982: 467). Mintzberg and Waters focussed here more on the outcome of the sum of all decisions and actions being taken.

In their paper "Of Strategies, Deliberate and Emergent" Mintzberg and Waters (1985) elaborate on various types of strategy. Among others they define an entrepreneurial strategy. An entrepreneurial strategy is a type of strategy in which one individual in personal control of an organisation is able to impose his vision of direction on the organisation. This applies in organisations dominated by a strong single leader. This strong single leader could as well be called a stakeholder and Mintzberg and Waters could have elaborated on the consequences if that strong single leader would leave his position and another leader with a different vision of direction would come into power – however Mintzberg and Waters do not mention this aspect.

In his paper "Crafting Strategy" (Mintzberg, 1987) Mintzberg neither mentions stakeholders. In contrast, he describes strategies as patterns from the past and plans for the future. As the past may have happened without the existing stakeholders of an organisation, Mintzberg may even be interpreted in order that he does not think that current stakeholders play an important role and that patterns from the past are much more important for the future of an organisation than current stakeholders are.

Eden and van der Heijden

Eden and van der Heijden (1995) propose several different approaches for detecting emergent strategy. Moreover they locate emergent strategizing close to institutional theory: "This interpretation means that emergent strategizing is located primarily in the institutional language, as it categorizes and provides a wider meaning to the pattern of events as they unfold" (Eden & van der Heijden, 1995: 331).

Eden and van der Heijden do not use at all the word stakeholder in relation to emergent strategy or emergent strategizing. However Eden and van der Heijden's work mentions the importance of "purposeful behaviour of managers driving problem solving" for a "subconscious framework" by which an organisation was guided (Eden & van der Heijden, 1995: 332).

"Managers" are stakeholders. And Eden and van der Heijden refer to those as being relevant for emergent strategy – but they do not refer to "Managers" in the sense that "Managers" play a crucial first place dominant role in creating an emergent strategy but that "Managers" are one factor among other factors that shape an organisation's "subconscious framework."

Eden and Ackermann

Eden and Ackermann (1998) deal with stakeholders in their description of emergent strategizing. Eden and Ackermann draw the following graph (Eden & Ackermann, 1998: 22).

Emergent strategizing
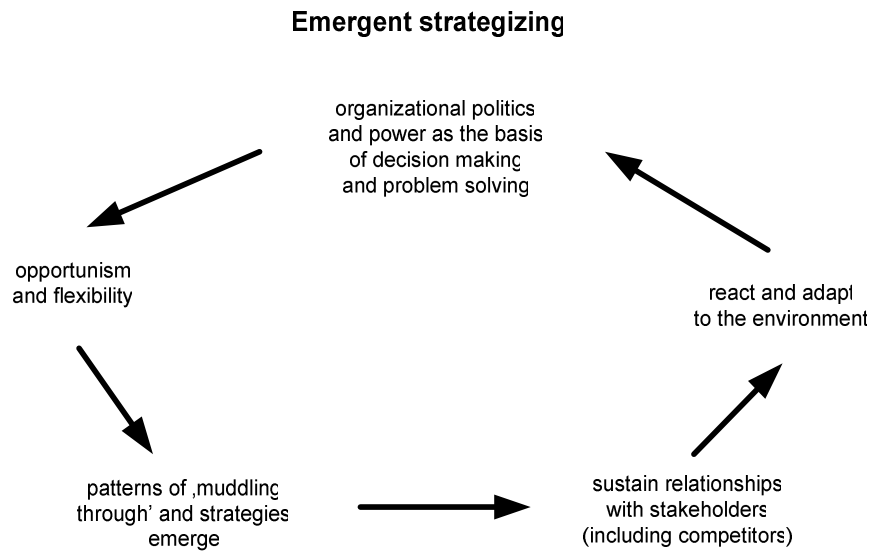
Figure 11: The emergent strategizing cycle according to Eden and Ackermann (1998:22)

Eden and Ackermann (1998) name stakeholders as one element in a cycle which "seeks to capture the essential features of emergent strategizing" (Eden & Ackermann, 1998: 21).

The two authors suggest as well a stakeholder grid with the dimensions power and interest (Ackermann & Eden, 2003: 3; Eden & Ackermann, 1998: 122).

But they suggest the stakeholder grid as a potentially useful technique for making (deliberate) strategy. They do not explicitly mention the stakeholder grid as a potential powerful tool playing a significant role to uncover emergent strategy and emergent strategizing.

Grundy

Grundy (2004) mentions stakeholders in relation with his strategic option grid. However Grundy's strategic option grid is a technique comparing several strategic options with each other in order to identify the most appropriate strategic option. Grundy draws the following graph (Grundy, 2004: 114):

Strategic Option Grid
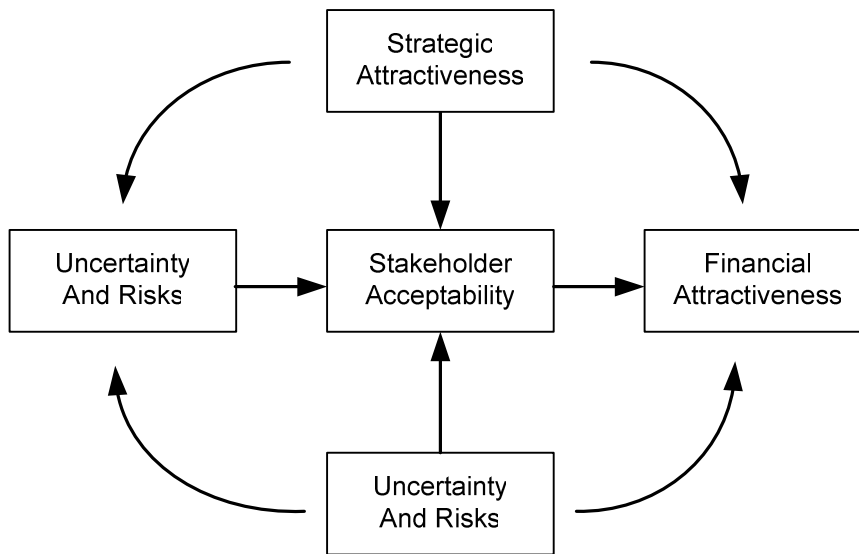
Figure 12: Strategic option grid according to Grundy (2004)

The "Stakeholder Acceptability" is positioned in the middle. Thus Grundy attributes significance to it. But this is different with regard to the stakeholder's importance in relation with emergent strategy as outcome of this research.

In this research stakeholders turned out to be very significant for the emergent strategy and for emergent strategizing. This is different to what Grundy shows. In this research stakeholder matter not only because they play a major role in the situation when one out of several strategic options needs to be chosen. Moreover this research emphasises stakeholders due to the impact of their behaviour, of their decisions and of their actions in daily business, not only when there is one option out of several options to choose as it is the case in Grundy's strategic option grid.

Other authors

The other authors of the emergent strategy literature discussed in the literature review (see chapter "Emergent Strategy Literature", page 71) do not mention stakeholders in relation with emergent strategy.

Some authors point indirectly towards stakeholder when they mention "managers", "management", "employees", "strategists" or "human actors" as relevant for emergent strategy but none of these authors do attribute accordingly the significance of stakeholders in relation with emergent strategy.

For example Eisenhardt (2002) says: "…strategy consists of choosing an excellent team, picking the right roles for team members and then letting their moves emerge" (Eisenhardt, 2002: 90). "Team members" are as well stakeholders.

Another example is Barry and Elmes (1997). They say that "strategists working from an emergent perspective enact fictional futures from creative interpretations of the past" (Barry & Elmes, 1997: 433). The role of the "strategist" in this sense is very important as it is the "strategist" who enacts the future. Thus the future depends directly on the way that the "strategist" acts. The "strategist" is here as well a stakeholder.

Another example is Bourgeois (1984) who says: "…the problem with many of these theories is that they downplay the role played by the human agent – that stubbornly unpredictable human actor – who has the power to direct the organisation; they fail to acknowledge the way in which organisational actors, in fact, make strategic choices that determine how an organisation finds itself within a particular context in the first place" (Bourgeois III, 1984: 591). "These theories" refers to theories about deterministic views within strategic management. The "human agent" about which Bourgeois talks here can be seen as a powerful stakeholder who is able to make strategic choices and to influence an organisation to move into this or that direction. At the same page Bourgeois uses the term "management" instead of "human agent": "It is in this context that management's values and preferences override any dicta"

(Bourgeois III, 1984: 591). "Management" suggests that Bourgeois thinks about a group of people. This could be interpreted as a group of stakeholders.

Implications in relation with institutional theory

Organisations under stress like the Elbro A-site in this research show that the changing stakeholders influence significantly what is going on. Thus they influence significantly the emergent strategy. This is the observation and conclusion in this research.

As already discussed in the literature review chapter, institutional theory looks on the social structure by which routines become authoritative guidelines for social behaviour (Scott, 1995). Or "organisational structures arise as reflections of rationalized institutionally rules" (Meyer & Rowan, 1977: 340). Or institutional theory is supposed "to understand organisations in terms of norms and rules" (Johnson, Melin, &Whittington, 2003: 8). Or "sensemaking is the feedstock for institutionalisation" (Weick, 1995: 36) and Johnson, Melin, and Whittington's (2003) interpretation of Weick's (1995) statement: If a group share the same sensemaking then that group is both influenced by organisational rules and norms and influences at the same time organisational rules and norms.

In the literature review chapter the researcher argued (see chapter "Institutional theory", page 83) that institutional theory and emergent strategy were of the same sort with the distinction that generally speaking in institutional theory the focus is more on people's group respectively collective behaviour and in emergent strategy the focus is more on people's decisions and actions.

Stakeholders are people as well. It could be argued that due to the point that stakeholders are people as well; stakeholders are included in the term "people" in both institutional theory and emergent strategy.

In relation to people's collective behaviour within institutional theory it can be said that in particular single powerful stakeholders in the way how they are identified in this research as being of importance for emergent strategy are *not* included in "people". "People" within institutional theory are in contrary an anonymous mass. Individual single people do not matter in particular within institutional theory.

Following this line of argument it could even be said that the outcome of this research, stakeholders matter a lot for emergent strategy, contradict institutional theory under the assumption that institutional theory is seen as of the same sort as emergent strategy. In that logic, the outcome of this research is potentially be in conflict with institutional theory.

In relation to the decisions and actions within emergent strategy about which Mintzberg and Waters (1985) talk it could be said that yes it is true that stakeholders are here included as the statement focuses on decisions and actions. And decisions and actions are taken by people. However, only the decisions and the actions of people who matter for the organisation do impact emergent strategy. And people who matter for the organisation are per definition stakeholders and people with power and impact become powerful stakeholders and the decisions and actions of powerful stakeholders can drive the organisation in this or that direction as shown in this research. But no one said this so far.

Therefore as previously said so far no one explicitly stressed the importance of stakeholders in relation to emergent strategy in the way that stakeholders are a focus of intention within emergent strategy.

IMPLICATIONS FOR STAKEHOLDER MANAGEMENT

This research is showing how significant powerful stakeholders are for emergent strategy. If this is true then stakeholder management is very significant in an organisational setting. In this research the researcher looked on stakeholder theory in the context of the impact that stakeholder have on an organisation.

In this research several tools were used which helped to show evidence about the significance of stakeholders for emergent strategy and emergent strategizing. These tools are the stakeholders' characterization tables and the power and interest grids. These tools are as well very powerful tools and can be used for stakeholder management.

Understanding the stakeholders' characterization tables and the power and interest grids is crucial for the understanding of emergent strategy and emergent strategizing. The emergent strategy and emergent strategizing of an organisation can only be fully identified and understood if one is aware about the importance and about the impact stakeholders have on emergent strategy and on emergent strategizing. The stakeholder's characterization tables and the power and interest grids are tools to help to become clear about stakeholders. Stakeholders as well as the stakeholders' characterization tables and the stakeholders' power and interest grids are part of the emergent strategy and of emergent strategizing.

SHORT RUN IMPLICATIONS VERSUS LONG RUN IMPLICATIONS

The elapsed time during which data collection was done in this research was eleven months. And during the time of data collection the organisation was under stress and in a turbulent situation. The outcome of this research is that stakeholder matter significantly for emergent strategy and emergent strategizing. As the power and interest grids showed, changing stakeholders came into power and lost on power. This observation was done in this research setting.

The conclusion regarding the outcome of this research was taken after a relative short research period of eleven months during which the data collection was done. Nevertheless, at least in the short term, the implications are that in an organisation under stress stakeholder matter significantly for emergent strategy.

And this seems to reverse in this case in the short run even institutional theory. A very limited number of powerful stakeholders matter considerably within an

organisation and influences considerably the emergent strategy and the direction into which an organisation goes.

Nevertheless it may be that this applies only in the short run in an organisation under pressure when stakeholders are changing, like it is the case in this research. In the long run it may be that individual stakeholders loose on importance. It could be that important stakeholders can impact an organisation's emergent strategy and emergent strategizing only in the short run and that when once these important stakeholders will have left or changed again, not much of the impact that these stakeholders made will remain.

In that case this would mean that in an organisation under stress the stakeholder dimension of emergent strategy and emergent strategizing would really reverse institutional theory but only in the short run.

However in the long run, institutional theory would apply again as with changing stakeholders the stakeholder impact would last only during a relatively short time. But this cannot be proven in this research. The research period of eleven month was too short to investigate on that. Only future research could confirm or disconfirm that.

SUMMARY

This chapter discussed the implications of the outcome of this research, First the emergent strategy literature of chapter three was revisited and examined if and how the authors deal with the stakeholder dimension of emergent strategy. Only a few authors deal with stakeholders and none of the authors attribute the same significance as the researcher to the stakeholder impact on emergent strategy.

Second, if stakeholder matter that much for emergent strategy, then stakeholder management becomes important for emergent strategy.

At the end of the chapter a reflection is done regarding the short run and the long run implication of the outcome of this research.

9 "How to do guide" to detect emergent strategy, emergent strategizing, and the emergent strategic future

INTRODUCTION

As stated in the first chapter, emergent strategy and emergent strategizing are fascinating concepts and they intrigue many people. However they have rarely been operationalized. There is some literature about the concepts of emergent strategy and emergent strategizing. Nevertheless especially the fathers of the concept of emergent strategy, Mintzberg (1970, 1971, 1972, 1973, 1978, 1987) and Mintzberg and Waters (1982, 1985), stay in their writings on a high theoretical level which reads well but is of less use for practitioners.

Eden and van der Heijden (1995) propose several different approaches how emergent strategy can be detected however they do not provide a comprehensive real world example which can serve as guide for practitioners wishing to uncover emergent strategy, emergent strategizing and the emergent strategic future in an organisation.

This chapter wants to close that gap and intends to share the experiences made during this research. This chapter wants to provide a practical "how to do guide" to detect the emergent strategy, emergent strategizing and the emergent strategic future based on a real world example.

What value does result out of the detection of the emergent strategy, emergent strategizing and the emergent strategic future? The objective is to uncover what really goes on in the organisation and when this is uncovered to take a view into the future and to conclude how the future would be if an organisation continues like that. This is of high value for any organisation. Of course nobody can exactly foresee the future and predict everything that will happen precisely but uncovering the emergent strategy, emergent strategizing and the emergent strategic future makes clear where an organisation stands and to which direction it is moving. And consequently this

allows taking decisions and actions which change the direction towards an organisation is heading, if the direction which was uncovered in the emergent strategic future was not the desired direction to which the organisation wants to go.

Four variants of the how to do guide are provided: a long version, a short version, a virtual version, and a how to do guide to organisational consultant. The long version replicates very close what was done in this research. However the required time to do that is several months. If several months are not available then the short version of the how to do guide might be an option to use. The short version is similar to the long version with the difference that it is feasible in less time.

The so-called virtual version is the "express" way of the how to do guide. It is not based on field notes, data collection and data analysis as the long version and the short version are. The virtual version is only based on thinking about power and interest of stakeholders and on thinking about the elements of the strategy document.

The how to do guide to organisational consultants intends to be a very practical guide giving concrete hints to organisational consultant which aim to detect in an organisation the emergent strategy, emergent strategizing, and the emergent strategic future.

The four versions of the how to do guide differ in duration. The long version takes several months, the short version and the version for organisational consultants take several weeks, the virtual version may be completed within several days.

The most sophisticated version is the long version. It is based on a profound data collection and data analysis. Compared to the short and the virtual version the risk of taking into account too many own taken for granted and bias into is reduced in the long version.

How to do guide – long version

Step one: data collection with field notes and narratives

The goal is to detect what really goes on in the organisation. And when it is known what really goes on, then to conclude to which future this may lead the organisation if it continues like that.

Any official strategy document of the organisation is useful information but may not reflect the reality. Start with data collection. Take field notes. A field note is a written down statement of usually a few sentences. The subject of a field note is a situation, occurrence or a verbal expression which happen during the everyday working life of the organisation and which is observed and identified and interpreted as being interesting and relevant to contribute to find out what really goes on.

If something is too complex then write down narratives which are nothing else than extended field notes. There are no limitations regarding from where field notes can be collected: talks on the shop floor, at the coffee machine, in the canteen, phone calls, meetings, meeting minutes, one to one talks as well as formal and informal group discussions, emails, announcements, information from the intranet or internet, etc. Data can as well be collected from interviews or surveys.

It is wise to write down a field note immediately after a situation or occurrence is judged as to be worth to be noted. If a field note is not written down immediately the risk is high that it will be forgotten and lost.

Write down for each field note: "what", "location / source", "who", "situation / comments", "date of occurrence", "dates of transcription". Depending on the number of field notes that are taken, it may be convenient to use software for data capturing and data analysing. Use for example Excel or NVivo.

Here are some examples for field notes:

field note nr.	what	location / source	who	situation / comment	date of occurence	date of transcription
68	Do not put it on the agenda for the monthly Elbro / Horizon steering meeting. We risk then that QG jumps on it and we end up with having to put in place one of QG's creative idea. Contact Horizon on that directly, outside of the meeting.	office EM	BT	talk between BT and EM	20080129	20080129
69	That was not what I asked. (DA to BT when BT explained that the WMS which will be installed in the auxiliary materials department in 2009 will solve DA's problems of today, DA expects a short term solution)	meeting room A-site	DA	weekly A-site management meeting	20080129	20080129
70	You are all too much addicted to QG. EM to UW, when UW explained what he will do for Friday when QG is coming. The purpose for EM is to have a good result for the business at the A-site, not to impress QG.	office EM	EM	talk between UW and EM	20080129	20080129
71	The first annual Elbro feedback one to ones (review past year, goal setting coming year) with the departmental heads which were before Horizon staff are running better and smother than expected.	office EM	BT	talk between BT and EM	20080130	20080130
72	This year, I set the goals for my people early in the year, I do not wait until I have got and agreed my own goals in order to derive the goals for my people from my own goals. Last year it was October when my goals became fixed.	office EM	BT	talk between BT and EM	20080130	20080130
73	I will not give the goals I have set with my people to QG, although he is asking me, saying that he just wants to get inspiration. I do not want that he gets massive creative ideas and then imposing these ideas on me and I end up with a	office EM	BT	talk between BT and EM	20080130	20080130

	lot of work.					
74	One day before the WMS steering committee meeting with Horizon, the presentation is already discussed with Horizon (go live August 1st, 247 TCHF invest, 362 TCHF one of cost, 294 TCHF running cost; total 903 TCHF) but the most important thing, which software to choose is still not yet decided and still Elbro internally discussed with excluding Elbro Swiss country management and A-site management, the site where it gets implemented. The timeline is not realistic anymore.	office EM	EM	talk between BT and EM	20080130	20080130
75	It was as always. At the beginning, EF was playing the tough guy, unhappy with everything and at the end he thanked a lot for the good and constructive meeting. However, he is focussing on costs. He does not want to accept the current proposed warehouse cost portion. He does not want to take the higher Elbro management fee and he wants that Horizon production (this is the second Horizon unit to which Elbro is invoicing) takes over some of his cost part.	office EM	EM	talk between BT and EM	20080130	2008013

Table 11: Field notes examples

Step two: data analysis by writing the strategy document and the stakeholders' characterization tables and the graphical power and interest grid

Do several iterative cycles of data collection and data analysis until saturation is reached. Depending on the overall available time, stop the data collection after for example one month. Make then the data analysis. Do the data analysis by writing the strategy document.

The strategy document is composed of the following elements:

Strategy document
        A) Emergent strategy
              Strategic Plan
                     Strategic goals
                     Strategic programmes
                     KPIs (key performance indicators)
                     Developing culture
                     Values
                     Mission statement
                     Vision statement
        B) Emergent strategizing
              The way we do things around here
                     The way of defining situations as important
                     The way of decision making
                     The way of taking action
        C) Systems and structures
        D) Emergent strategic future
              Emerging pattern
              Emergent strategic future

Figure 13: Elements of the strategy document:

The strategy document is composed of elements which "usually" are part of a strategy.

The emergent strategy is built out of the strategic plan. The strategic plan consists of the strategic goals, the strategic programmes, the KPIs, the developing culture, the values, and of the mission statement and of the vision statement.

Emergent strategizing is looking on processes. Emergent strategizing looks on the ways things are done in the organisation: the way of defining situations as important, the way of decision making, the way of taking action.

Systems and structures can impact and determine considerably the emergent strategic future of an organisation. System and structures cannot be easily changed as this means often a huge effort.

Patterns emerge out of the emergent strategy, emergent strategizing and existing systems and structures. The projection of the emerging pattern into the future forms then the emergent strategic future.

When writing the strategy document, refer to the field notes and narratives. Try to back up what you write for the elements of the strategy document as much as possible with field notes and narratives. If you can back up your statements with field notes and narratives it means that you can provide evidence for you statements.

You do not have to overdo the exercise. For example if you want to state within the systems and structures strategy document element that a certain software is in use, you can pragmatically state that as well without referencing to a field note. You do not need to write down a field note only because you want to mention it in the strategy document. Some information like for example that specific software is in use or that somebody has this or that job is given.

But pay attention and be aware of a pitfall: If you write in the strategy document something for which you cannot provide evidence in the form of field notes or narratives, then there is the danger that it does not reflect the reality but that it reflects your own taken for granted view.
This leads to the question what needs to be written down as field note or narrative and what does not need to be written down. The answer is that there will be a learning curve from one cycle to another.

When the strategy document is written, do then the stakeholders' characterization tables. Identify first which are the most important stakeholders. The most important stakeholders are those who have most impact on the elements of the strategy document. Rate each stakeholder from zero (lowest rating) to five (highest rating)

regarding his power and his interest. Before you rate, write down your evaluation for each of the four power dimensions i) coercive / reward power, ii) legitimate power, iii) expert power, and iv) referent power and for each of the four interest dimension i) occupational goals, ii) personnel goals, iii) role commitment, and iv) concerns.

Distinguish your evaluation between evaluation based on ethnographical data source and other data source. This provides clarity about the sources on which your evaluation is based. For the evaluation based on ethnographical field notes you should be able to provide evidence in terms of field notes and narratives. This helps to prevent you from the pitfall mentioned above that you take too many of your own taken for granted assumptions into account for which no evidence exist.

It helps you to limit the ratings which are not based on evidence in terms of field notes and narratives. Once the power and interest ratings are done in the stakeholders' characterization tables you can draw the graphical power and interest grid of the first cycle.

Example of a stakeholders' characterization table:

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
BT	4 3	*Coercive / Reward*	He lost on power during the WMS go live as he was kind of passive during that period (fn 746, fn 759, fn 761, fn 764).	He has the operational responsibility for the A-site. He is in daily contact with Horizon and in case of doubt the first of Elbro to contact for all matters. If something goes wrong respectively very well it is under his management. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.

		Legitimate		Elbro employee, site manager A-town, member of the Swiss country board, was already Elbro employee before the outsourcing.
		Expert	He experienced already at a different site an outsourcing of a different warehouse to Elbro. Thus he knows how it feels to become outsourced (fn 659).	Before coming to the A-site he was for years Elbro site manager at a different site. His management style is very effective and cooperative. He seldom looks twice at things. He decides straight away and decides often right. For his effectiveness, he rarely has time constraints.
		Referent	H is a nice guy, people like him and can identify themselves with him (fn ad 1). One reason why operations like him is due to his presence in the warehouse. He often shows up in the warehouse (fn 144).	His management style is more "laissez-faire" than command and control.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
BT	5	Occupational Goals	He wants to stay in his job as site manager (fn 642). He has no further ambition to become more than he is currently (fn 98, fn 642). He likes to be on the A-site in A-town which is geographically in distance to the country head office with the CEO located in N-town. He thinks that like	

			that he can be more on his own and that he is out of the focus of the country head office (fn ad 2).	
		Personnel Goals	Have enough time for his family (fn 759). Have enough time for his other (private) activities: district council, school council (fn ad 3, fn 98)	
		Role Commitment	Committed but with limitations (fn 11, fn 759). To finish the working day on time is important (fn 390).	
		Concerns		

Table 12: Stakeholders' characterization table example

Example of a graphical stakeholders' power and interest grid:
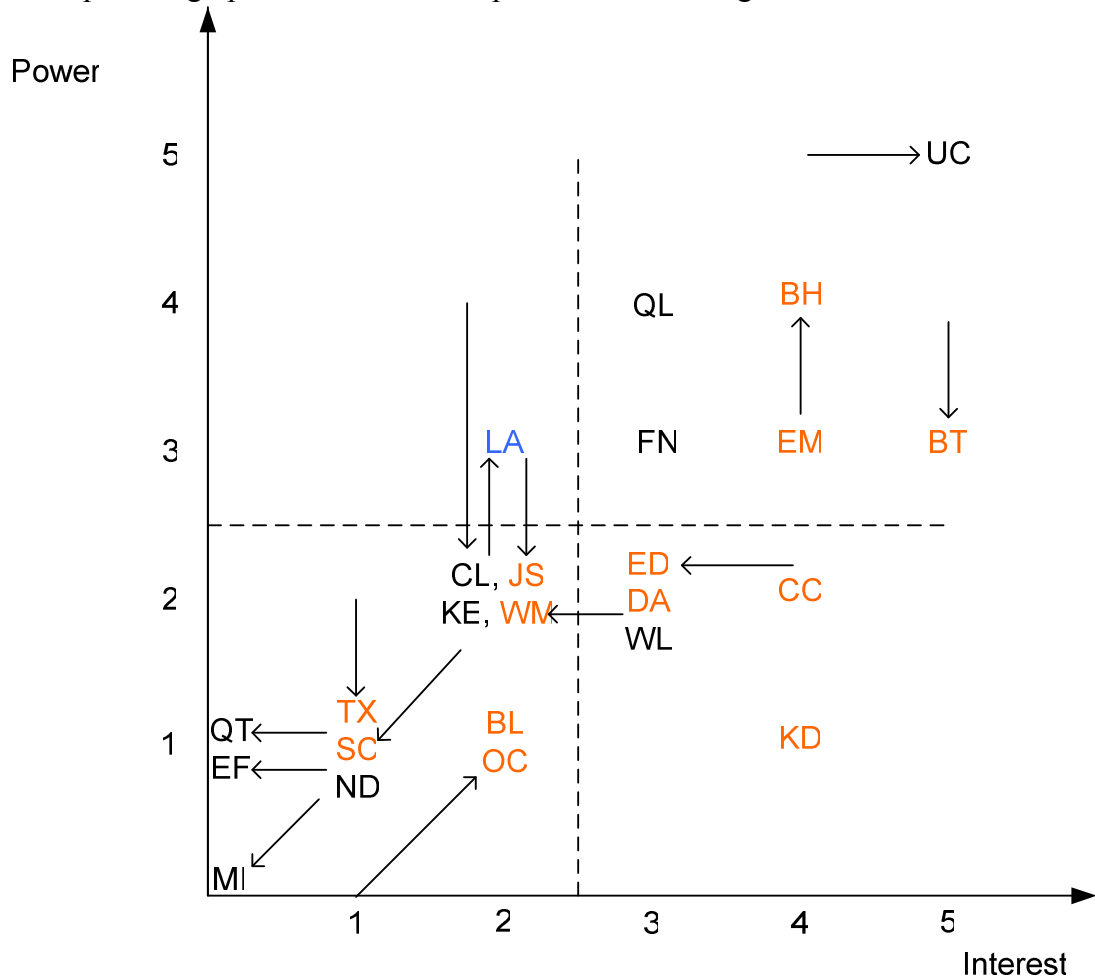
Figure 14: Stakeholders' power and interest grid example

Step three: iterate until saturation is reached

When you have developed the first strategy document and the stakeholders' characteristic tables and the graphical power and interest grid, you can go back to step one and do the second cycle.

You can reuse the strategy document and the stakeholders' characteristic tables and add changes in a different colour or format to visualize the changes from one cycle to another cycle. Draw a new graphical power and interest grid. Within the new graphical power and interest grid you can show the earlier position with arrows. Draw an arrow in the grid for each stakeholder that changed his grid position. The

228

arrowhead appoints to the new grid position and the arrow end shows the earlier position.

Do then the next cycles in the same way. It may be helpful to do a lessons learned after each cycle. Ask yourself the following questions: Did I collect the right field notes and narratives? Is there something specific that I missed and for which I want to look after in the data collection of the next cycle? Did I analyze the data appropriately? Do I have enough evidence provided in terms of references to my field notes and narratives for my statements in the strategy document and for my ratings in the stakeholders' characterization tables? Have I checked that my statements in the strategy document and my ratings in the stakeholders' characterization tables are not based on my own taken for granted and are not based on my own bias?

You have reached saturation when the strategy document does not change anymore, or does change only slightly, from one cycle to another.

You have then uncovered the emergent strategy, emergent strategizing and the emergent strategic future of the organisation under investigation.

The stakeholder situation should in such a situation be stable. This means that there are no new important stakeholder are showing up from one cycle to another cycle, nor does an important stakeholder leave, nor does an important existing stakeholder changes significantly his power and interest grid position.

If the strategy document continues to change significantly the reason may be that important stakeholders continue to change. You should see that as well in the stakeholders' characterization table and in the graphical power and interest grid.

If the strategy document continues to change due to the continued change of stakeholders, then the emergent strategy, emergent strategizing and the emergent strategic future are temporary and valid only for a short term.

In such a situation the strategy document and thus the emergent strategy, emergent strategizing and the emergent strategic future will change again when the next new important stakeholder will show up and will impact the elements of the strategy document.

How to do guide – short version

It may be that the required time to do the long version is not available. The short version of the how to do guide is similar to the long version but faster. The basic steps of the way how to proceed in the short version are the same as in the long version:

Do first data collection by collecting and writing down field notes and narratives. Then do secondly the data analysis by writing the strategy document. What is written in the strategy document should be backed up by field notes and narratives. Then, thirdly, identify the main stakeholders of the organisation. The main stakeholders are the people who impact most what is going on in the organisation. Write the stakeholders' characterization tables and draw the stakeholders' power interest grids.

Fourthly, repeat the cycle of data collection and data analysis several times until the strategy document consolidates, that means until no significant new things show up in the strategy document. Even if the cycle time may be shorter in the short version compared to the long version, it is important that a few cycles are done to allow learning and to overcome own taken for granted which may be dominant in the first strategy document.

To indicate timing, it may be possible that each cycle only takes a few days. As well in the short version of the how to do guide, all elements of the strategy document should be kept. The aim should be to write at least a few things for each element of the strategy document.

How to do guide – virtual version

The virtual version of the how to do guide takes a different approach than the long version and the short version of the how to do guide. The virtual version is based on thinking rather than on active data collection in the form of collecting field notes and narratives.

The virtual version of the how to do guide may be appropriate to apply for somebody who is already familiar with the organisation. That may be somebody who knows the organisation and the important and acting people, thus the stakeholders, since a while. That may for example be somebody who works with or in the organisation as a consultant or as an employee of the organisation.

The virtual version starts with the stakeholders. Think first who the stakeholders are and write then the stakeholder's characterization tables and draw the stakeholder's power interest grids. Write secondly the strategy document. Aim to write something for each element of the strategy document. Repeat the first and the second step a few times in order to allow learning how to do and to overcome own taken for granted.

As in the virtual version no data collection in the form of field notes or narratives was done, no reference can be made to field notes or narratives. However a lot can be said by imaging thinking about power and interest of the stakeholders and about the changing stakeholder power and interest grids when stakeholders change or leave.

The thinking about power and interest of the main stakeholders contributes to the forming of the strategy document. A way to consolidate the strategy document is to work backwards into the past in order to better understand the present and better to envision the emergent strategic future, which is part of the strategy document.

Take for example the last two years. Which important stakeholders changed in the last two years? What was the impact on the elements of the strategy document? Write the stakeholders' characterization tables and draw the stakeholders' power and

interest grids for several periods. The evolution of the changes in power and interest of the stakeholders can be visualized in the stakeholders' power and interest grids.

All that could be done in the virtual version without collecting field notes and narratives. Just by imaging thinking, by hanging on thoughts. However a precondition that the virtual version results in reasonable stakeholders' characterization tables and in reasonable stakeholders' power and interest grids and in a reasonable strategy document is that there is familiarity with the organisation.

The virtual version is significantly different from the long and short version with respect to data collection and data analysis. The weakness of the virtual version is that it is not based on data collection and data analysis. There is the risk that there are more bias and taken for granted within the virtual version than within the long or short version as within the virtual version no evidence in the form of field notes or narratives is provided for what is written in the stakeholders' characterization grid or strategy document.

The strength and the advantage of the virtual version is that it is quick. It does not rely on time consuming data collection and data analysis and this makes it fast.

How to do guide to organisational consultants

The how to do guide to organisational consultants is intended to indicate more detailed instructions which could be useful as a guide to organisational consultants. A likely situation when this guide could be used in practice may be when organisational consultants arrive in an organisation to do a project in the organisation with the following objectives:

    i)   Detect the emergent strategy of the organisation.
    ii) Detect the way how emergent strategizing happens in the organisation.
    iii) Forecast the emergent strategic future of the organisation based on i) and ii)

Organisational consultants which want to do a project with the above mentioned objectives need to know and need to be aware of the basics of emergent strategy and emergent strategizing.

The basics of emergent strategy and emergent strategizing are:

i) Mintzberg first defined in 1972 that an emergent strategy is the result of a pattern in a stream of decisions. Later Mintzberg and Waters changed this definition to emergent strategy is the result of a pattern in a stream of actions.

ii) The basic idea of the concept of emergent strategy is that the emergent strategy of an organisation reflects the strategic consequence of previous decisions and actions of that organisation. It takes the organisation into this or that future direction. This is the fascinating aspect of the concept of emergent strategy. This is of crucial importance to know for everyone dealing with strategy. It shows where the organisation is going to if it continues like it is.

iii) Every organisation has an emergent strategy even if the organisation claims not to have any strategy.

iv) The emergent strategy shows the "real" strategy of the organisation and not any official deliberate strategy that the organisation may claim to have.

v) Eden and van der Heijden argued in 1995 that the definition of emergent strategy of Mintzberg and Waters signifies an active process which might be better named emergent strategizing.

vi) Emergent strategizing is the description of the processes "how we do things around here."

vii) It is of importance to know about the systems and structures that do exist in the organisation. Systems and structures .may impact processes and may be difficult respectively expensive to change.

viii) Stakeholders matter significantly for emergent strategy and emergent strategizing.

ix) A few important stakeholders may impact and determine to a large extent the emergent strategy and emergent strategizing.

x) Changing stakeholders makes it more difficult to detect the emergent strategy and emergent strategizing as with the changing stakeholders the emergent strategy and emergent strategizing may change.

The procedural method for the project is:

Step 1) Preparation with the project sponsor: A meeting should be held with the project sponsor in order to i) to make the project sponsor familiar with the background and the theory of emergent strategy and emergent strategizing (see above the basics of emergent strategy and emergent strategizing), and ii) to agree with the project sponsor on the procedural method of the project.

Step 2) Define a project team: The project team should be composed out of i) people said to be important stakeholders of the organisation and ii) people *not* said to be important stakeholders of the organisation but which may know the organisation quite well.

Step 3) Do a project start-up workshop: i) inform the project team about emergent strategy and emergent strategizing (see above the basics of emergent strategy and emergent strategizing) ii) present and explain the strategy document (see figure 13, page 223)

Step 4) Do workshop one: Let the project team members fill out individually all elements of the sections A) Emergent strategy, B) Emergent strategizing, and C) Systems and structures of the strategy document, but *not* section D) Emergent strategic future.

Step 5) Do workshop two: Bring all the strategy documents section A) Emergent strategy, B) Emergent strategizing, and C) Systems and structures that the project team members prepared in the previous workshop together and elaborate a joint version. Software like for example Decision Explorer may be a useful tool in this workshop.

Step 6) Do workshop three: The subject of this workshop is to work on the strategy document section D) Emergent strategic future. Identify based on the result of the previous workshop, the joint strategy document sections A) Emergent strategy, B) Emergent strategizing,

and C) Systems and structures, the emerging patterns and then the emergent strategic future of the organisation. Software like for example Decision Explorer may be a useful tool in this workshop.

Step 7) Do the stakeholder continuity check: Is the stakeholder situation the same as it was at the beginning of the project? If yes, then the project is now completed and the emergent strategy, emergent strategizing and the emergent strategic future of the organisation are identified. If no, if important stakeholders changed in the meantime or if not all relevant important stakeholders were identified properly in step 2, then the new identified important stakeholders need to be taken into account for all sections of the strategy document.

Step 8) Stakeholders' characterization tables and the graphical power and interest grids: If the stakeholder situation is confusing with several changing stakeholders then it may be helpful to elaborate stakeholders' characterization tables (see table 8, page134 for an example) and graphical power and interest grids (see figure 7, page 137 for an example). *However*, in such a situation with continuously changing stakeholders it is only possible to identify the temporary valid emergent strategy, temporary emergent strategizing, and the temporary valid emergent strategic future as this may change when important stakeholders change.

This how to do guide to organisational consultants is meant to provide practical hints to conduct a real project in an organisation. The proposed steps in the procedural method for the project may help as a guideline. However it may be needed to adapt these steps according to the project situation and circumstances. A reflection about the usefulness of the methodology for consultants is provided in chapter 10 "Conclusion", page 238.

SUMMARY

This chapter provides a practical "how to do guide" to detect the emergent strategy, emergent strategizing and the emergent strategic future in an organisation. Four variants of the how to do guide are shown: a long version if a time period of several months is available, a short version when several weeks are available, a virtual version which may take only several days, and a how to do guide to organisational consultants with practical hints serving as a useful guide to organisational consultants.

The how to do guide for the long and for the short version is based on three steps. In the first step the data collection is done. In the second step the data analysis is done by writing the strategy document and the stakeholders' characterization tables and by drawing the graphical stakeholders' power and interest grid. The how to do guide of the virtual version differs from the long and from the short version, no data collection is done as first step.

The how to do guide to organisational consultants provides a short overview with the basics of emergent strategy and emergent strategizing and provides a eight step procedural method to detect the emergent strategy, emergent strategizing, and the emergent strategic future of an organisation.

Evidence for the statements in the strategy document and for the ratings in the stakeholders' characterization tables can be provided trough references to the field notes and narratives. In the third step more cycles of data collection and of data analysis are done in an iterative way until saturation is reached. Saturation is reached when the strategy document does not change anymore from one cycle to another cycle. When the strategy document continues to change, then it may be that this is due to changing stakeholders.

The changing stakeholders can be traced in the stakeholders' power and interest grids. Examples are provided for field notes, for a stakeholders' characterization table and for a graphical stakeholders' power and interest grid.

The short version of the how to do guide is a reduced version of the long version. The virtual version of the how to do guide uses a different approach than the long version and the short version. The virtual version is only based on thinking and imagination.

10 Conclusion

INTRODUCTION

This chapter is intended to be a summary and roundup of this research. It starts with a review of the findings. Then the contribution to knowledge is highlighted. It is followed by the limitations of this research. And finally indications about potential future research falling out of this research are made.

REVIEW OF FINDINGS

The starting point of this research was that the researcher became interested in the concept of emergent strategy when the researcher recognized while working for several organisations as an employee and consultant that what was claimed to be the deliberate official strategy of an organisation did not match with the realized strategy.

The concept of emergent strategy provides here a promising answer to explain the mismatch. It says that the emergent strategy is that strategy which is realized, independently whether the organisation claims to have an official deliberate strategy or not. The emergent strategy is always the realized existing strategy.

Mintzberg (1970, 1971, 1972, 1973, 1978, 1987) can be seen as the father of the concept of emergent strategy. Mintzberg (1972) introduced first the term *emergent strategy*. Mintzberg's (1972) initial statement that the emergent strategy is the result of a pattern in a stream of decisions and Mintzberg and Waters' (1985) later statement that the emergent strategy is the result of a pattern in a stream of actions seemed to make the concept of emergent strategy tangible and researchable. It looked like that if one wanted to know about the emergent strategy of an organisation, one

only needed to look onto the decisions and actions taken by the organisation to find out the emergent strategy of an organisation.

A look into the emergent strategy literature showed that several authors picked up the concept of emergent strategy and developed several variations out of it but generally there was a gap in the literature regarding the way how to operationalize the concept of emergent strategy. "To operationalize" meant that it seemed plausible that the emergent strategy is the result of decisions and actions but how can emergent strategy be researched? Could it be researched by looking on the decisions and actions? "Decisions" and "actions" seemed to be very general terms. A real world example was missing.

The research setting of this research was that the researcher was participant observer as an employee of the researched organisation. The researcher did data collection by writing ethnographical field notes and narratives. Field notes and narratives were intended to catch what was going on in the organisation. After two months of data collection the researcher did the first data analysis. The conceptual framework which was used for the first data analysis of cycle one was based on Eden and Ackermann's (1998) statement about emergent strategizing: "Emerging strategizing **…**addresses the way in which most organisations demonstrate patterns of decision making, thinking, and action, often 'taken for granted' ways of working and problem solving coming from the habits, history and 'hand-me-downs' of the organisation's culture. Whether the organisation members are aware of this or not, even if they define themselves as 'muddling through' rather than acting strategically, such enacted pattern inevitably take the organisation in one strategic direction rather than another" (Eden & Ackermann, 1998: 4).

The researcher derived the following nine codes based on Eden and Ackermann's statement: decision making, thinking, action, taken for granted way of working, problem solving, organisation's culture, history, habit and hand me down. However the researcher did not succeed to do the data analysis with this conceptual framework and to find out the emergent strategy as the derived codes out of the Eden and

239

Ackermann statement seemed to be too close to one another and it was difficult to map the field notes and narratives to the codes.

The researcher developed then a second conceptual framework. The researcher started to write the so called "strategy document" for each cycle of data collection and data analysis. The elements of the strategy document were elements which are "usually" in a strategy document such as for example strategic goals, strategic programmes, culture, values, mission and vision.

The idea was to do several cycles of data collection and data analysis and then to watch how the strategy document evolves over time. The data collection was done by writing ethnographical field notes and narratives. The data analysis was done by writing the strategy document. The aim was to write something for each element of the strategy document.

The expectation of the researcher was that after a few cycles the strategy document would converge and that it would not change anymore and that at that point of time the emergent strategy would have been found out.

The researcher did six cycles during an elapsed time period of eleven months. It was a developing experiment. During the six cycles the researcher realized that the strategy document did not converge. Instead, the strategy document changed and continued to evolve. The researcher found out why it continued to evolve. The strategy document continued to evolve because of the impact of the changing stakeholders on the strategy document.

The researcher discovered that changing stakeholders had a significant impact on the strategy document. In order to catch the impact of the stakeholders, the researcher developed the stakeholders' characterization table and the stakeholders' power and interest grid. From cycle two to cycle six the stakeholders' characterization tables and the stakeholders' power and interest grids were written.

A look to the emergent strategy literature showed that the stakeholder dimension of emergent strategy was new. No other author before had attributed the same significance to stakeholders in relation to emergent strategy.

Main finding

The discovery of the stakeholder dimension of emergent strategy and emergent strategizing is the main finding of this research.

As this research demonstrated, organisations under stress show that changing stakeholder influence significantly what is going on. Changing stakeholders influence and impact the emergent strategy and emergent strategizing. The influence and the impact of stakeholders on the emergent strategy and on emergent strategizing cannot be ignored. It is not possible to write down the strategy document of a site under pressure without taking notice of stakeholders.

The point about detecting emergent strategy is that the emergent strategy can be written down and would succeed because the emergent strategy reflects the real realized strategy. In contrast, by implication most official written down strategies fail because they do not become realized.

The concept of emergent strategy and the stakeholder concept became very popular for the first time approximately around the same time, at the end of the seventies and at the beginning of the eighties of the last century. The concept of emergent strategy became very popular with the writings of Mintzberg (1972, 1978, 1987) and Mintzberg and Waters (1982, 1985). The stakeholder concept became very popular with the writings of Charan and Freeman (1979), Freeman and Reed (1983), Freeman (1984).

Very interestingly, Mintzberg did not use in his writings the term "stakeholder". Mintzberg may have thought about stakeholders when he used terms like "the planner", "the strategist" or "the decision maker" or "the action taker" but Mintzberg

never explicitly used the term "stakeholder" to categorize "the planner", "the strategist" or "the decision maker" or "the action taker". From today's point of view it may be amazing that Mintzberg never seems to have thought about naming "the planner", "the strategist" or "the decision maker" or "the action taker" a stakeholder. He could have done that at a later stage, for example in the nineties of the last century when the stakeholder concept had become enriched with the writings of Donaldson and Preston (1995), Clarkson (1995) and Mitchell, Agle, and Wood (1997).

Other findings

Besides the main finding some other findings were made during the research.

This research shows a way how to find out the emergent strategy, emergent strategizing and the emergent strategic future of an organisation. In this research the document which includes the elements of emergent strategy, emergent strategizing and the emergent strategic future became named "the strategy document". The scheme of the strategy document with the elements of the strategy document is a finding of this research.

A finding of this research is as well that in the strategy document the combination of emergent strategy and emergent strategizing (and systems and structures) leads to the emergent strategic future. The converse argument is that all elements of the strategy document are needed for the full picture and for a comprehensive strategy document: the combination of the emergent strategy, emergent strategizing and systems and structures determine the emergent strategic future. And that is an important finding.

Interestingly, it is an experience made during this research that the elements of emergent strategizing seem to be less tangible and more difficult to detect than the elements of emergent strategy. This can as well be seen throughout the strategy documents of the several research cycles (see chapter "Results", page 141). The emergent strategizing part is always shorter than the emergent strategy part.

Linked to that is as well the finding that emergent strategizing remains more constant than emergent strategy when stakeholders are changing. An interesting conclusion may be that the elements of emergent strategizing are more difficult to change as the elements of emergent strategy. This might be of particular interest for new stakeholders who join the organisation and who have potentially the intention to change the organisation.

Another general finding is that strategy, as it is described in this research in the strategy document, is temporary as strategy changes when the stakeholder grid changes but strategy can be detected by looking on the elements of the strategy document as long as the stakeholder grid is relatively constant.

But when stakeholders are changing, adding stakeholders makes the emergent strategy and emergent strategizing much more complete. Thus emergent strategy and emergent strategizing can be detected without taking stakeholders explicitly into account when the stakeholders are stable and do not change. However in an organisation with changing stakeholders this is not enough. Stakeholders need to be added as another dimension.

CONTRIBUTION TO KNOWLEDGE

The discovery of the stakeholder dimension of emergent strategy and emergent strategizing and the how to do guide to detect emergent strategy, emergent strategizing, and the emergent strategic future are important contributions to knowledge out of this research.

Discovery of the stakeholder dimension

The discovery of the stakeholder dimension of emergent strategy and emergent strategizing is the main finding and contribution to theory of this research. No other author has attributed the same importance regarding the influence of stakeholders to emergent strategy and emergent strategizing as done in this research.

Stakeholders influence significantly the emergent strategy and emergent strategizing. This becomes especially visible in an organisation under pressure and stress, like the organisation which was researched in this research, and when stakeholders tend to change more often than in an organisation which is not under pressure and stress.

How to do guide to detect emergent strategy, emergent strategizing, and the emergent strategic future

A practical contribution to knowledge is the how to do guide. The how to do guide is based on the experience of this research thus on a real world example. In this how to do guide a practical way is shown to find out the emergent strategy, emergent strategizing and the emergent strategic future of an organisation. Such a how to do guide is missing from the current literature. Such a how to do guide does so far not exist. The how to do guide of this research provides a long version, a short version, a virtual version, and a version for organisational consultants. The different versions are derived from different assumptions regarding available time and the possibility to get information and insights about the organisation. The how to do guide provides a practical support to the practitioners who want to find out the emergent strategy, emergent strategizing and the emergent strategic future of an organisation.

Reflections on the how to do guide to organisational consultants

The how to do guide for consultants is a very practical contribution out of this research project. The overview about the basics of emergent strategy and emergent strategizing, and the proposed eight steps of the procedural method to conduct a project in an organisation with the objectives to detect the emergent strategy, emergent strategizing, and to forecast the emergent strategic future of an organisation may be highly useful for organisational consultants.

It should be possible with that overview of emergent strategy and emergent strategizing, and with the proposed eight steps of the procedural method to create

attention and interest in an organisation to start such a project. It may be possible with that to convince a potential project sponsor to go for such a project.

The outlook to have a forecast of the emergent strategic future of the own organisation may be a very strong motivation for every organisation and every potential project sponsor to start such a project. And it may be too a good sales argument for consultants.

Reflections on the procedural method of the how to do guide to organisational consultant

In the research project the researcher identified the emergent strategy, emergent strategizing and the emergent strategic future without a project team. This was possible because the researcher could dedicate a long time period to data collection (11 months) and the researcher has been working for the organisation for several years and knew the organisation and the important stakeholders well. This situation is not very likely in a consulting project. Thus the researcher recommends in the how to do guide to organisational consultant to work with a project team.

It is important to have the important stakeholders ideally in the project team in order to capture their input for the strategy document. On the other hand it is as well important to have people in the project team that may *not* be important stakeholders but who have a good overview about the organisation and who know those people quite well who are said to be the important stakeholders. The emergent strategy shall be the "real" strategy. It shall reflect what really is going on in the organisation. That is a big claim and not easy to realize. Important stakeholders may tend to not to say everything what they really think officially in front of others. But if they don't, if they only what they think is appropriate to say, then it becomes impossible to to really find out what is going on. The people in the project team *not* said to be important stakeholders may help a lot to identify meaning. To identify meaning is crucial for the discovery of emergent strategy, emergent strategizing, and the emergent strategic future.

In step 4) there are as well other possibilities to capture the input for the strategy document of the project team member as to let fill out the elements individually during the workshop. People could do it as homework it could be done together with the whole group or in subgroups. It depends on the situation of the organisation. Groups may become dominated by a few people and the input of other group members may become lost.

Step 5: elaborates a joint version of the strategy document sections A), B), and D), and step 6: elaborate a joint version of the strategy document section D): could be done as well alone by the organisational consultants or by the organisational consultants together with the project sponsor. This depends as well on the specific situation of the organisation. Step 5 and step 6 are sensitive as they may reveal uncomfortable outcomes for individuals or for the organisation. There is the risk that individuals do not react correctly and appropriately when confronted with these uncomfortable outcomes. On the other hand, if the organisational consultants who are potentially external do step 5 and step 6 on their own there is the risk of misinterpretation of the input data.

LIMITATIONS

A limitation of this research is that the whole research was done in one organisation. It may be that the specific situation of this researched organisation is unique and that thus the findings cannot be generalized.

Another limitation might be that the researcher was as well an employee of the researched site. The researcher had even been already employee for years of the researched organisation before the research project was started. This may raise the question to which degree the researcher could really stay unbiased in his research when he researched his own organisation as participant observer. During the time of the research, the researcher had two roles at the same time. He had first his role as Elbro employee in which he needed to do his daily work for Elbro. And second he

had his role as researcher. In his second role as researcher he had to research even the behaviour, decisions and actions of himself. It may be difficult to do this without being influenced by own bias and taken for granted.

As well a limitation might come out of the research method. The researcher collected in the main project exclusively ethnographical field notes and narratives. This was the way the data collection was done, and then the researcher made the data analysis based on material he himself had decided to collect and to write down on beforehand during the data collection. Of course certain criteria were defined by the researcher what to collect and what not to collect during data collection however it is quite an idiosyncratic way that exclusively first ethnographical field notes and narratives were collected which then second became analyzed. For example, the researcher did not do interviews in the main project. Data gathered through interviews would have not been data like the ethnographical field notes and narratives for which entirely the researcher took the decision to take them for the data collection or not. Data gathered through interviews would have been gathered through the nature of interview data and would have needed to be taken into account as stated by the interviewees during the interviews. That interview data would have been the response of the interviewees to the interview questions. And an interviewee is free to repeat whatever he wants to repeat to the interview questions.

And as well a limitation might be the length of the data collection. The elapsed time of data collection was eleven months. It may be that the finding would have been different if another length for data collection would have been chosen.

FUTURE RESEARCH

This research provides an example how the concepts of emergent strategy and emergent strategizing can be researched. It provides a real world example how the emergent strategy, emergent strategizing and the emergent strategic future of an organisation can be detected. Additional research is needed in order to develop

further techniques to detect emergent strategy, emergent strategizing and the emergent strategic future.

An interesting question to research further may be the hypothesis that the elements of emergent strategizing are less tangible and more difficult to detect than the elements of emergent strategy. It may be interesting to do more research in this direction. Maybe longer cycles of data collection and data analysis and or other research techniques are needed to better detect emergent strategizing.

Interesting is as well the finding that the elements of emergent strategy remain more constant than the elements of emergent strategizing (see table 10, page 198) when stakeholders are changing. A hypothesis may be that this is the case because changes in emergent strategy are more difficult to detect as they change only over a longer period of time and are more resistant against change that can be imposed by stakeholders. It may be interesting to watch this over a longer period of time.

In that sense, institutional theory may apply more for the elements of emergent strategy and less for the elements of emergent strategizing. To investigate more on that may be subject of supplementary research.

SUMMARY

This chapter provided the conclusion of this research. It shortly recovered the starting point of this research, the main finding, which is the discovery of the impact of stakeholders on emergent strategy and emergent strategizing, and some other findings. The contribution to knowledge for both theory and practice is mentioned as well as the limitations of the research. Finally indications regarding future research out of this research were made.

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12 Appendices

THE STAKEHOLDERS' CHARACTERIZATION TABLES FROM CYCLE TWO TO CYCLE SIX

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
BT	4 3	*Coercive / Reward*	He lost on power during the WMS go live as he was kind of passive during that period (fn 746, fn 759, fn 761, fn 764).	He has the operational responsibility for the A-site. He is in daily contact with Horizon and in case of doubt the first of Elbro to contact for all matters. If something goes wrong respectively very well it is under his management. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate		Elbro employee, site manager A-town, member of the Swiss country board, was already Elbro employee before the outsourcing.
		Expert	He experienced already at a different site an outsourcing of a different warehouse to Elbro. Thus he knows how it feels to become outsourced (fn 659).	Before coming to the A-site he was for years Elbro site manager at a different site. His management style is very effective and cooperative. He seldom looks twice at things. He decides straight away and decides often right. For his effectiveness, he rarely has

				time constraints.
		Referent	He is a nice guy, people like him and can identify themselves with him (fn ad 1). One reason why operations like him is due to his presence in the warehouse. He often shows up in the warehouse (fn 144).	His management style is more "laissez-faire" than command and control.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
BT	5	*Occupational Goals*	He wants to stay in his job as site manager (fn 642). He has no further ambition to become more than he is currently (fn 98, fn 642). He likes to be on the A-site in A-town which is geographically in distance to the country head office with the CEO located in N-town. He thinks that like that he can be more on his own and that he is out of the focus of the country head office (fn ad 2).	
		Personnel Goals	Have enough time for his family (fn 759). Have enough time for his other (private) activities: district council, school council (fn ad 3, fn 98)	
		Role Commitment	Committed but with limitations (fn 11, fn 759). To finish the working day on time is important (fn	

			390).	
		Concerns		

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	**Ethnographical data source**	**Other data source**
EM	3	*Coercive / Reward*		He is responsible for finance and maintains the Elbro / Horizon open book and is doing the reporting of KPIs Elbro internal and towards Horizon. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate		Elbro employee, Business Analyst, deputy site manager A-town, member of the site management team, was Elbro employee at a different site before the outsourcing.
		Expert	He has a reputation for his polyvalent skills as for example languages, diplomacy, IT, finance, quality management, project management and internal knowledge about Elbro. When somebody needs to be nominated as local contact / responsible he often gets nominated (fn 264). For example site security, Best program, ISO 9000, IT.	Before coming to the A-site he worked already for Elbro in N-town.
		Referent		He is a nice guy people like him. As he is polyvalent and covers several areas, it is likely

				that other stakeholders need to get in touch with him.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
EM	4	*Occupational Goals*		He wants to further progress in his career and to take over more responsibility. But this is more a general desire. He is as well satisfied in his current position.
		Personnel Goals		Wants to balance work and private social life.
		Role Commitment		Takes over tasks proactively (as well such tasks which are not his direct area of responsibility). Is committed to work and often stays longer in the office in order to complete something.
		Concerns	Worries about Elbro's weaknesses which might be typical for a large multinational: too bureaucratic, permanent fluctuation / reorganisation, not much Elbro internal cooperation (fn 125, fn 257). No effective cross boarder IT organisation is in place (fn 74, fn 94, fn 111, fn 112).	

Stake-holder	Power rating	Power dimension	Ethnographical data source	Other data source

	0 lowest, 5 highest			
ED	2	*Coercive / Reward*		He is responsible for the biggest operational department with daily contact to Horizon and to Horizon's customers. It matters how smooth the collaboration between Elbro and Horizon and Horizon's customers is going. If operational mistakes occur (for example if the wrong goods are send to Horizon's customers) then Elbro and Horizon lose on reputation.
		Legitimate		Elbro employee, department head finished products which is the biggest A-site department with 30 employees, member of the site management team, he was Horizon employee before the outsourcing.
		Expert	During the outsourcing Horizon wanted to keep him as employee but he joined Elbro deliberately (fn ad 5). As he had been working in the past for Horizon in different positions he knows Horizon very well and still has good contacts to other Horizon employees (fn ad 4).	
		Referent	He can become very negative and rude when he is not dissatisfied. Some people estimate that he needs to change the way he works (fn 648, fn 766). Most people	

			respect him however when he does not respect / like somebody, he does not hide it (fn 45). As a consequence some people do not like him.	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
ED	4 3	*Occupational Goals*	Strives to become operations manager which means to head not only his own finished products department but as well the other operational departments raw materials and auxiliary materials. The operations manager position does not exist today, but BT did talk with ED about it as a potential position for ED to develop (fn ad 6). Wants to stay within logistics (fn 338, fn 546). He wants to put more pressure on the customer Horizon (fn 219, fn 604)	
		Personnel Goals		
		Role Commitment	To finish on time is very important (fn ad 8). Sees himself as employee for which "management" has to provide solutions rather than as somebody who can develop own	

| | | | solutions. In that point, he lacks leadership he should have as department head (fn 47, fn ad 7). Is not reachable outside normal business hours, his business mobile phone stays in the office when he is leaving (fn 609). Lacks partly the service orientation towards the customer (fn 604). During the WMS go live period he raised negative points which was not constructive and pushed the negative reputation of the WMS forward (fn 646, fn 750, fn 751, fn 766). | |
| | | *Concerns* | Does not like to transmit information to his staff (fn 44). Wants to have more meetings with all staff and site management to communicate (fn 202, fn 205). | Thinks that "management" has to care more and to solve directly more of his issues rather than seeing him personally in the role as problem solver. |

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
CC	2	*Coercive / Reward*		Is responsible for transportation internal and external to customers, steers external third party transportation service providers. He impacts customer satisfaction and Elbro's profit

| | | Legitimate | Before the outsourcing, he was member of the workers' council representing the employees. The workers' council had to be consulted for certain decisions, as for example for the outsourcing of the warehouse from Horizon to Elbro (fn 9). | Elbro employee, department head transportation with 12 employees, member of the site management team, was Horizon employee before the outsourcing. |
				margin depending on how well he works daily together with the customer and how well he organizes and negotiates with the external third parts services providers.
		Expert		Reputation as expert in his department. Before being outsourced to Elbro has been working a long time for Horizon in different functions. He was former head of finished products.
		Referent		He is respected and reputed among Elbro, customer, and external service providers. People identify with him.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
CC	4	Occupational Goals		
		Personnel Goals		
		Role Commitment	Is very committed to his function plus takes over responsibility and shows	

		Concerns	Overall fears that the conditions of work get worse (fn 9). Fears that Elbro cuts salaries of former Horizon employees (salaries were contractually guaranteed for the first two years of the outsourcing) (fn 803, fn 806).	Fears that the weekly working time gets higher.
			initiative (fn 308). For example organizes Xmas parties, worked out different canteen scenarios.	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
KD	1	Coercive / Reward		Has daily contact with the customer, how well he is doing impacts the Elbro / Horizon relationship.
		Legitimate		Elbro employee, department head raw materials, manages 6 employees, member of the site management team, was Horizon employee before the outsourcing.
		Expert		Reputation as expert in his department.
		Referent		People identify with him.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
KD	4	Occupational	He is very proud to have	

		Goals	become head of department. He wants to stay in this position (fn ad 11).	
		Personnel Goals		He is originally Spanish. He wants to integrate and socialize fully in the Swiss society.
		Role Commitment		Is very committed to his job. Had kind of burn out symptoms during the year before the outsourcing when the situation became unpleasant and chaotic and became sick at that time.
		Concerns	That he has to do more under worse conditions (fn 620). Thinks that "management" has to care more and to solve directly more of his issues rather than seeing him personally in the role as problem solver (fn 42, fn 43).	That the outsourcing turns out negative. That he will lose his position as head of department.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
OC	0 1	*Coercive / Reward*	He is a winner of the WMS go live. He demonstrated IT skills and diplomacy (ad 10).	Cares for return products, has direct customer contact. However the management of return products is not seen as first priority neither by Elbro nor by Horizon.
		Legitimate		Elbro employee, department head return products, manages

				1 employee, member of the site management team, responsible for the 4 trainees doing an apprenticeship at the A-site, was Horizon employee before the outsourcing.
		Expert		Is not seen as expert in his field. People say that he is rather chaotic. People often do not take him serious and smile about him.
		Referent	People do not identify with him. He has a low reputation within the A-site (fn 46). Before ED took over, he was the department head of finished products (fn 127). People say that he was not able to run the finished products department when he was heading it (fn 128).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
OC	1 2	*Occupational Goals*		He does not like his current position. However he does not know what else to do.
		Personnel Goals		
		Role Commitment		Had kind of burn out symptoms during the year before the outsourcing when the situation became unpleasant and chaotic and became sick at that time.
		Concerns	His overall low reputation	

			stresses him. People do not share information with him, doing kind of mobbing. OC fears that the outsourcing turns out negative and that the outsourced people lose advantages they had before the outsourcing (fn 580).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
WM	2	*Coercive / Reward*		Is there to serve the Elbro employees and therefore influences the well being of the employees which has an impact on how good employees work.
		Legitimate		Elbro employee, human resources responsible, member of the site management team, employed after the outsourcing by Elbro. She worked before for a Swiss bank. She is the only women within the identified stakeholders.
		Expert		Seen as human resources expert.
		Referent	She cares for the employees (fn 220, fn 364, fn 716, fn 738).	People like her.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
WM	3	*Occupational*	Make the A-site a good	She gave notice to leave Elbro

	2	Goals	place to be and to work (fn 364).	end of the year.
		Personnel Goals		To manage to balance private and working life. She is divorced, has two children which are with her, she is working 80%.
		Role Commitment	She started in May 2007 very enthusiastically but became overloaded and frustrated (fn 556) . Doing human resources in a bank is different than at an operational site in a logistics company. Human resources are not much valued within Elbro (fn ad 12).	Very active, very committed, often stays longer in the evening, cares for topics which are not in her main area of work (for example canteen, Xmas celebration).
		Concerns	Disorder of the human resources organisation at Elbro Swiss country level (high fluctuation, work overload) (fn ad 12, fn 556)	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
QG	5 4 0	Coercive / Reward		Negotiated the Elbro / Horizon the outsourcing contract as main representative of Elbro. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate	He is said to have managed for Swiss Elbro the turnaround	Elbro employee, Elbro Swiss country CEO, has been

			from loss maker to making profit (fn 578). He announced within Elbro that he will leave Elbro end of June. Horizon does not yet know about it. As Elbro people know now that he will leave they start to take him less seriously (fn 408, n 30). He left Elbro end of June.	working for Elbro for 7 years in different positions, became Elbro Swiss CEO 3 years ago.
		Expert	Worked before joining Elbro for McKinsey (fn ad 13). McKinsey consultants have the reputation to be smart guys.	
		Referent	Is a nice guy, people like him in general and can identify themselves with him. However he can sometimes become too precise going into too many details which sometimes irritate people (fn ad 13, fn 163). People of his management team start not to tell him everything anymore because they fear that he gets inspiration and develops "great ideas" out of it and that they then end up with new additional work load and need then to work out the "great ideas" (fn 68, fn 73). He tends to be sometimes arrogant and to show that he thinks of himself as being a very smart guy. Also, he gets sometimes rude and distracts people (own Elbro and customer people) (fn 11, fn 327).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
QG	5 <mark>0</mark>	*Occupational Goals*	Make the Swiss branch of Elbro so strong that no one will ever think again to close down Elbro Switzerland (which was the scenario three years ago when he took over and became Elbro Swiss CEO) (fn ad 14).	
		Personnel Goals		
		Role Commitment	He is a workaholic. He said: "If you never touched the limits, you never know." (fn ad 15). He wants to be excellent in what he is doing, "good is not good enough" (fn 30). He cares for lots of details (fn 325).	He wants to control everything. Very direct and patriarchal management style. He likes to call everybody directly, regardless of the hierarchy and at all times. He has lots of ideas which are not always realizable. <mark>Although he announced his leave, he is still very committed to get things done.</mark> <mark>He left Elbro end of June.</mark>
		Concerns	Inefficiency of Elbro's service functions, inefficiency of Elbro as a large multinational company, Elbro providing low service level towards the customers (fn ad 16, fn 94).	

Stake-	Power	Power	Ethnographical data source	Other data source

holder	rating 0 lowest, 5 highest	dimension		
KT	4 2 3	*Coercive / Reward*	He was not very visible nor did he interact. It looks like that he is concentrating on other countries than Switzerland. He seemed to have lost power after arguing with BH (fn 469, fn 595). He gained power back as BH lost power (fn 412, n 42).	Helped to negotiate the Elbro / Horizon outsourcing contract. Maintains contacts with senior global Horizon management.
		Legitimate		Elbro employee, he is the Elbro European key account manager for Horizon, wide range of experience, former site manager, was working for years for a company which was taken over by Elbro 2 years ago and which is said to have had more expertise in warehousing than Elbro.
		Expert		Is very experienced, former site manager on UK sites, knows global Horizon very well; accompanied already several outsourcing projects.
		Referent	Is a nice guy, people can identify themselves with him (fn 335).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
KT	4 3 2	*Occupational Goals*	Strives that more Horizon warehouses become outsourced to Elbro.	

			Wants to raise the efficiency of the A-site warehouse in order to have reference and proof that it is beneficial for Horizon to outsource more business to Elbro (fn 34, fn 35). Promised headcount reduction (fn 33) at the A-site to Horizon. He thinks that there is a lot of "air" in the warehouse: too many people, too much inefficiencies (e.g. handling equipment).	
		Personnel Goals		
		Role Commitment		"Hands on" mentality, wants to get things quickly done. "Typical" key account, always talking, always on the move, always promising something to the customer. He was less visible in the terms of presence and initiative to the A-site in cycle 3. He was not very visible for the A-site in cycle 6. It looks like that he does not care much anymore for the A-site and that he has deliberately left the stage for BH.
		Concerns	That Elbro is not delivering and performing as assumed during the initial phase of the outsourcing (fn 779).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
BH	2 3 4 3 4	*Coercive / Reward*	He gained on power and is still very aggressively trying to gain even more power (n 41). BH did take over the role of QG as Elbro Swiss key account manager for Horizon (QG had this role in addition to his role as Elbro Swiss CEO) BH strived again aggressively and ruthless to gain on power. He did not hesitate to undermine BT's authority as site manager (n 41) and gained on power when BT was weak during the WMS go live. (n 42). BH is a winner of QG's leave.	Maintains contacts to senior Horizon managers. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon. As QG will leave, QG announced that he will hand over his general Horizon customer relationship responsibility to BH. BH was so far only responsible for the customer relationship with one division of Horizon. He lost power. His aggressive way of trying to get more power was not appreciated by the other Elbro key stakeholders BT, KT, EM.
		Legitimate		Elbro employee, Elbro Swiss key account manager for Horizon, reports in a matrix structure as key account to the Elbro European key account manager for Horizon KT and to the Elbro Swiss CEO QG.
		Expert		
		Referent	People can not at all identify themselves with him (fn 326). For him, his topics are always very important and he often presses other people hard to give priority to his topics (n	

			41). He often stresses people (fn 354) by imposing for example massive Excel sheets with lots of figures, lots of questions to answer in a short time period and long telephone conferences on them. People do not like BH or even hate him for his ruthless and rude and partly insulting way to treat people and to put pressure on people. (fn 355, fn 356, fn 387, fn 388, fn 551, fn 554, fn 629)	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
BH	3 4	*Occupational Goals*	As recently all Horizon stakeholders changed, he sees the opportunity to make a fresh start in the Elbro / Horizon relationship and to grow further the business with Horizon (fn 464).	He wants to maintain and to grow further the business.
		Personnel Goals		Ambitious, is doing besides his full time job a part time MBA.
		Role Commitment		He works endless hours and is a kind of workaholic.
		Concerns		

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source

| QT | 5 2 1 | Coercive / Reward | He can impose targets on Elbro (fn 174). He asks for efficiency improvements (fn 28). | He wants that the outsourcing of the warehouse from Horizon to Elbro becomes a success. He wants that Elbro will do better at the A-site than Horizon did. Knows about Horizon and Horizon's potential strategy to outsource more business to Elbro. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon. As he was for Elbro the most important customer stakeholder and main outsourcing sponsor, he remains important for Elbro even after that he took over a new position within Horizon. He is Horizon's former most important stakeholder for Elbro with a lot of influence within Horizon. He is still with Horizon but is not interfering anymore the Elbro / Horizon relationship. |
| | | Legitimate | | Horizon employee, manager logistics, member of the board of directors of Horizon. He is the Elbro main contact, Elbro invoices to Horizon, the Elbro warehouse costs at the A-site are within his budget. He took over a new job as of March however he kept his tasks for an interim time until he will hand over completely to his successor UC. |

		Expert		He had been A-site manger in 2000 when the A-site was run by Horizon. Thus he knows the A-site's people and processes very well.
		Referent	He is a nice guy (fn 107).	People can identify with him. He has a good reputation.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
QT	5 1 0	Occupational Goals	He expects from Elbro a higher service for lower costs (fn 174).	As he initiated the outsourcing of the A-site from Horizon to Elbro, he wants that the outsourcing becomes a success because it would then be as well a success for him. He is not visible anymore for Elbro.
		Personnel Goals		
		Role Commitment	He took over a new position within Horizon. He is no more visible for Elbro. However as he was the main outsourcing sponsor, he wants that the outsourcing becomes a success (fn 31).	
		Concerns	That the outsourcing fails, that the Swiss production site of Horizon will lose its competitiveness within Horizon's production sites (fn 31) and that the Swiss production site ultimately might be closed down.	

276

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
DD	2 1 0	*Coercive / Reward*		He could make operations difficult for Elbro. After the outsourcing some processes became redesigned. Some operational processes are under discussion whether they are under Elbro or Horizon responsibility. This applies as well for new emerging tasks. DD's opinion counts a lot in these discussions. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate		Horizon employee, manager logistics, he is the main Horizon contact for Elbro for daily operations, he reports to QT. He took over a new position within Horizon as of April. He is not visible anymore for Elbro.
		Expert		He has good knowledge about the operations. Other Horizon operational people, who are in daily contact with Elbro operational people, report to him.
		Referent		He is respected but not popular. People cannot really identify

				with him.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
DD	2 <mark>1</mark> <mark>0</mark>	*Occupational Goals*		To keep operations running.
		Personnel Goals		
		Role Commitment		He wants to avoid making mistakes. He is therefore rather cautious and even passive than active. He is rather reacting than acting. He is hard working. He is always the same opinion than QT. He does not like to tackle difficult complex topics which do not work and for which part of the root causes may lay within Horizon, he fears having the need to argue and to have a dispute Horizon internally. Instead he prefers to point to Elbro. He likes to stay within his comfort zone. <mark>He took over a new position within Horizon as of April.</mark> <mark>Not visible anymore.</mark>
		Concerns		

Stake-holder	Power rating 0 lowest,	Power dimension	Ethnographical data source	Other data source

Stake-holder	Interest rating	Interest dimension	Ethnographical data source	Other data source
UC	3 5 5 highest	*Coercive / Reward*	He considers Elbro as important partner within the Horizon's supply chain (fn 369, fn 581). He is very dynamic and achieved first quick wins within Horizon and Elbro (fn 441, fn707).	He can impose targets on Elbro. He asks for efficiency improvements. Knows about Horizon and Horizon's strategy potentially to outsource more business to Elbro. Member of the monthly steering meetings which steers the relationship between Elbro and Horizon.
		Legitimate		Horizon employee, manager logistics, member of the board of directors of Horizon. He is the main Horizon contact for Elbro. What Elbro invoices to Horizon is within his budget. UC is the successor of QT.
		Expert		He has been working for Horizon in different roles and in different countries for years. People did respect QT very much as logistics expert at the time when he was in charge. But since UC started to take over, people question what QT really did when he was in charge. UC appear to be much more active than QT was.
		Referent		As he is new, he has to learn at the beginning how the business is going. People like him. Elbro people like him, he is open for topics in which QT was not interested in.

Stake-holder	Interest rating	Interest dimension	Ethnographical data source	Other data source

	0 lowest, 5 highest			
UC	3 4 5	*Occupational Goals*	He focuses on the whole Elbro / Horizon supply chain. This is distinctive to his predecessor. He wants to improve the Swiss Horizon production site in order that it again sets the benchmarks in productivity and efficiency within the Horizon production sites worldwide. He wants that again, as it was 20 years ago, Horizon people from other sites travel to Switzerland in order to learn best practices from Horizon's Swiss production site (fn 381). He launched the new project direct shipping which is a threat for Elbro. The A-site warehouse potentially could lose 30% of the finished products business. UC asked Elbro to prepare a new budget for a reduced finished products quantity (fn 707).	
		Personnel Goals		
		Role Commitment	He seems to be very ambitious (n 18).	
		Concerns	That the Swiss Horizon production site is not competitive enough to compete with the other	

			worldwide approximately 25 Horizon production sites and that it will be closed down (fn 783, fn 785).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
FN	1 3	*Coercive / Reward*		Member of the monthly steering meetings which steers the relationship between Elbro and Horizon. He just took over from DD and is not yet fully in charge. He is getting more visible.
		Legitimate		Horizon employee, manager logistics, he is Horizon's main contact for Elbro with regard to daily operations, he reports to UC. He is the successor of DD as of April.
		Expert		
		Referent	People like him. He is more accessible than DD was. He wants to maintain a good and pragmatic relationship with Elbro (fn 466).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
FN	3	*Occupational Goals*	Keep operations running. He appears to be a solid straightforward worker who likes operational work (fn	

				466).
		Personnel Goals		
		Role Commitment		He just took over from DD and is not yet fully in charge.
		Concerns		

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
EU	1 2 0	*Coercive / Reward*	She relied very much on the Elbro Swiss CEO QT. She lost on power when QG left. (fn 60, fn 649).	She is only temporarily working for the A-site on projects and is not very visible for Horizon. However the outcome of the project on which she is working (introduction of new productivity KPIs) is in the focus and matters for the A-site as this project was initiated as improvement project after the audits which were done at the A-site at the end of 2007. Gained on power as the two projects she is working on (planning tool / efficiency KPIs and material handling equipment improvement) are progressing.
		Legitimate		Elbro employee, project manager, has been working for Elbro for two years. Works not fixed for a site but Elbro Swiss / European wide, depending on project needs.
		Expert		Has already successfully

				managed other project on other Elbro sites.
		Referent		People at the A-site cannot much identify with her as her way of working is project orientated which differs from daily operations at the A-site. She works very intense for a short time. However people like her and appreciate her work.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
EU	3 <mark>1</mark> <mark>0</mark>	*Occupational Goals*	She wants to succeed in that project in order to impress the Elbro Swiss CEO QG in order that QG may promote her career within Elbro further. She is working very hard and long hours. She behaves as she would be reporting directly to QG although QG is not her direct boss. For the projects she is doing at the A-site, she should report to her direct boss CI or to the A site manager BT.	
		Personnel Goals		
		Role Commitment	<mark>She worked very hard when QG was still working for Elbro (fn 60) but she seems to have lost on interest and commitment to the projects</mark>	She seems to be a kind of workaholic. She works endless hours however she does not always work very efficiently. <mark>She is not visible anymore.</mark>

				at the A-site from point of time when QG left Elbro.	
		Concerns			

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
UW	1 0	*Coercive / Reward*		He is only temporarily working for the A-site and is not much visible for Horizon However the outcome of the project on which he is working (introduction of new productivity KPIs) is in the focus and matters for the A-site as this project was initiated as improvement project after the audits which were done at the A-site at the end of 2007. He left Elbro end of April.
		Legitimate		Elbro employee, project manager, he reports to EU, he has just graduated and did join Elbro. He works not fix for one Elbro site but Elbro Swiss wide depending on project needs.
		Expert	Is new and motivated but not much experienced (fn 652).	
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
UW	2	*Occupational*	He would prefer to work on	He left Elbro end of April.

	0	Goals	a site with a kind of daily routine. He does not like very much the project orientated way of working (fn 394).	
		Personnel Goals	Find a work / life balance (he lives together with his girl friend and his two year old daughter) (fn 394).	
		Role Commitment	Is motivated and follows EU in terms of working hours (fn 334).	
		Concerns	He fears that the way of working (projects – intense and long hours) overruns his life (fn 263). In his direct reporting line (EU, CI, QG) there are, more or less, three people with a kind of workaholic style of working (n 9).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
MI	4 2 1 0	Coercive / Reward	He is opinion maker in the WMS steering committee and ultimately decides which WMS will be implemented (n 6, fn 109).	He changed his job Horizon internally. However as he is a strong leader and still within the company he retains some power. He is not visible anymore.
		Legitimate		Horizon employee, senior director
		Expert		He gives the impression, that he knows everything and "saw it all already".

		Referent		Most people respect him and are impressed by his leadership style.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
MI	4 2 1 0	*Occupational Goals*	He wants that the WMS project is successful. He wants to have synergies between the Elbro Swiss WMS implementation and potential future WMS implementations on other sites in other countries after potential additional warehouse outsourcing projects from Horizon to Elbro (fn 113, fn 114).	He changed his job Horizon internally. However as he is a strong leader and still within the company he retains some interest. He is not visible anymore.
		Personnel Goals		
		Role Commitment		Takes his job seriously.
		Concerns	Inefficiency within the WMS project (fn 455, fn 457), inefficiency within Horizon, incompetent Horizon managers (fn 301).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
EF	4 2 1	*Coercive / Reward*	He was from the beginning against the outsourcing from Horizon to Elbro, maybe	Member of the monthly steering meetings which steers the relationship between Elbro

				and Horizon.
			because he was not involved in the outsourcing project (fn 215). As he was in the beginning of the outsourcing a major opponent of Elbro (fn 215), Elbro still fears him and his negative influence although EF is losing power bit by bit.	On several occasions he claimed that the outsourcing from Horizon to Elbro was a mistake. He can hurt very much Elbro's image within Horizon. This can make life difficult for the A-site and even hinder further warehouse outsourcing projects in other countries. Although he is now working for Horizon in Spain, Elbro still fears that he might perturb the Horizon / Elbro relationship in a negative way.
		Legitimate		Horizon employee, senior director. He took over a new position within Horizon in another country, in Spain.
		Expert		
		Referent		People do not like him (people from Horizon and Elbro). He is looking very much on details and seeks always to find mistakes and to identify weaknesses.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
EF	4 2 1 0	*Occupational Goals*		He wants the best service at lowest costs for Horizon from the Horizon supplier Elbro.
		Personnel Goals		
		Role		Very accurate, very correct.

		Commitment		Never forgets something. He took over a new position within Horizon in another country, in Spain and is not visible anymore for Elbro.
		Concerns		Fears that the outsourcing from Horizon to Elbro was a mistake and that Horizon gets after the outsourcing less service for higher costs from Elbro.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
QL	4	Coercive / Reward		
		Legitimate		Horizon employee, Swiss Horizon production site CEO. The main Horizon contact for Elbro UC reports to him. He is new in this position since March.
		Expert		
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
QL	4 3	Occupational Goals		Raise efficiency, make Horizon's production site more productive. Enter with Elbro into a new stage. In the first year of the outsourcing the take over and the service

				continuity was the focus. In the second year of the outsourcing improved partnership and added value of Elbro is the focus.
		Personnel Goals		
		Role Commitment		He is not visible for Elbro. However he remains important for Elbro as Elbro's most important Horizon stakeholder UC reports to QL.
		Concerns	He fears to have to pay more for less service in relation with the new WMS at the A-site (fn 687, fn 688).	

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
KE	4 3 2	*Coercive / Reward*		Two major thefts of finished products happened. Each time a fully loaded truck with Horizon finished products out of the A-site warehouse was stolen at third party distributor sites. The third parties were subcontractors to Elbro. According to the Horizon / Elbro contract, in the case of theft, Elbro is only liable in the case of gross negligence. KE's assessment whether it was gross negligence or not is crucial for Elbro

				He seems to be a powerful senior Horizon manager and is a key player in the security discussion however he is yet not very present.
				The security discussion lost attention.
		Legitimate		Horizon employee, Horizon security director.
		Expert		People respect him.
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
KE	3 2	*Occupational Goals*		Minimize crime against Horizon. Protect Horizon's assets and goods.
		Personnel Goals		
		Role Commitment		Takes his role seriously, works precise and is focussed on details.
		Concerns		

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
ND	2 1	*Coercive / Reward*		The WMS implementation project is crucial for Elbro. It demonstrates Elbro capability and know-how as well as changed / new business processes and way of working

				together with Horizon. ND has major influence whether the WMS implementation project will become a success. This will influence the Elbro / Horizon relationship. As the go live of the WMS was postponed, the project lost on focus.
		Legitimate		Horizon employee, Horizon IT project manager for the WMS implementation
		Expert		Seen and respected as IT literate and the one who knows best the A-site from an IT perspective.
		Referent		People sympathize with him however do not like that he always tends to have too much to do and that he sometimes needs several reminders until he is responding and starting to do something.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
ND	2 1	Occupational Goals		Successful implementation of new WMS. Smooth IT systems. To make the Horizon production independent from the current SAP software that has currently many downtimes. As the go live of the WMS was postponed, the project lost on focus.
		Personnel		

		Goals		
		Role Commitment		
		Concerns	He fears the Horizon big guys / senior managers, like for example MI (n 22).	New WMS project budget overspend. WMS implementation will not be done smoothly. WMS implementation will again become delayed.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
LA	2 1 2 3	Coercive / Reward		The new WMS implementation project is crucial for Elbro. It demonstrates the Elbro capability and know-how to lead such a project as well as gives the opportunity to improve existing business processes and to make the way of working more efficient. LA has major influence whether the WMS implementation project will become a success or not. This influences the future Elbro / Horizon relationship and way of working. As the go live of the WMS was postponed, the project lost on focus. The WMS gained on awareness and importance. The WMS went live with LA as Elbro project manager.

		Legitimate		Bitscript employee. Bitscript is an external company. Bitscript provides already for years IT services for Elbro. LA is the overall IT project manager in the new WMS implementations project. The Elbro Swiss CEO QG fully trusts LA.
		Expert		LA is seen and respected as IT literate and IT expert. He was already a successful WMS implementation project manager at other Elbro Swiss sites however with other software than the system B software which is implemented at the A-site.
		Referent		Some people like him, others do not. In practice, he earns a lot of money as he is invoicing daily consultant rates. Some people do not like this ambiguity: LA is seen and treated by the most powerful Elbro stakeholder QG almost as an internal and on the other hand he invoices consultancy rates for almost every working day of the year to Elbro.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
LA	2	Occupational Goals	Successful implementation of new WMS (fn 710).	Grow the Bitscreen business. Maintain a good relationship to Elbro in order to get more

				future business from Elbro.
		Personnel Goals		
		Role Commitment	He is a kind of workaholic. He can work very long hours however this is ambiguous for Elbro as he wants to invoice to Elbro every hour he works (fn 713).	
		Concerns	WMS project budget overspend (fn 710). Whether the WMS implementation will again be delayed or not does not matter that much for LA as a delay would mean he would work more hours on the project and thus could invoice more to Elbro (fn 713).	WMS implementation will not be done smoothly.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
DA	2	*Coercive / Reward*		He has daily operational contact with Horizon. How well he is doing impacts the Elbro / Horizon relationship.
		Legitimate	He was Horizon employee before the outsourcing. He is working at the A-site for more than 30 years(fn 235).	Elbro employee, department head auxiliary materials with 6 employees, member of the site management team.
		Expert		Reputation as expert in his department.
		Referent		People respect him but do not

				like him very much.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
DA	3	*Occupational Goals*		He wants to stay in this position.
		Personnel Goals		
		Role Commitment	Is not reachable outside normal business hours although he is part of the A-site management team (fn 638).	Is committed to his job. However finishing on time is important.
		Concerns	He thinks that "management" has to care more and should solve directly more of his operational issues rather than seeing himself in the role that it is his first responsibility to manage that issues become resolved (fn 69).	That the outsourcing turns out negative. That he will lose benefits and privileges.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
SC	4 2 1	*Coercive / Reward*	It was announced that he will change his position Elbro internally. He will take over a new role within Elbro Germany (fn 577, fn 640).	
		Legitimate		Elbro employee, Elbro Alps CEO (the region Alps is

				composed out of Austria and Switzerland). The Elbro Swiss CEO QG reported to him. After QG's leave, SC is ad interim acting as Elbro Swiss CEO until a successor of QG will be found.
		Expert		
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
SC	2 2 1	*Occupational Goals*	It was announced that he will change his position Elbro internally. He will take over a new role within Elbro Germany (fn 577, fn 640).	He is not visible anymore for the O site.
		Personnel Goals		
		Role Commitment		
		Concerns		

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
TX	2 1	*Coercive / Reward*		The way how professional Elbro acts with the take over and implementation of IT systems impacts Elbro's reputation at Horizon. He was kind of passive during

				the WMS go live.
		Legitimate		Elbro employee, Elbro Swiss IT director, plays a role in the take over from Horizon and implementation of IT systems and infrastructure at the A-site.
		Expert		Seen as IT literate.
		Referent		Nice guy.

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
TX	1	Occupational Goals		Smooth running IT systems according to business needs.
		Personnel Goals		
		Role Commitment		
		Concerns	Some Elbro people are a concern for him as some Elbro people want perfect IT service for no costs. Some people are not aware how crucial IT is for business. The Elbro organisation worries him with having a matrix structure for IT (there is an Elbro internal IT organisation and IT reports in doted lines to the business) (fn 461, fn 550, fn 551, fn 552, fn 553, fn 557, fn 591, fn 592, fn 623, fn 624).	Elbro internal bureaucracy and badly organized and badly running IT processes.

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
BL	1	*Coercive / Reward*		Horizon does for the time being not really care whether Elbro is ISO 9000 certified or not.
		Legitimate		Elbro employee, project manager for the Elbro Swiss ISO 9000 recertification and for the Best program.
		Expert		
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
BL	3 2	*Occupational Goals*	Best program compliance of all Elbro Switzerland sites (fn 22).	Successful ISO 9000 recertification for Elbro Switzerland. The Elbro Swiss ISO 9000 recertification was successfully done.
		Personnel Goals		
		Role Commitment	He is highly motivated and works very long hours in order that Elbro gets the chance to receive the ISO 9000 certification (fn 542).	
		Concerns		

Stake-holder	Power rating 0 lowest,	Power dimension	Ethnographical data source	Other data source

Stake-holder	Power rating 0 lowest, 5 highest	Power dimension	Ethnographical data source	Other data source
CL	4 2	Coercive / Reward		He became very tough in the security discussion after two major thefts occurred at Elbro subcontractor sites. He blames Elbro guilty for gross negligence and indicated that future warehouse outsourcings of Horizon to Elbro in other countries could depend on Elbro's acceptance of that gross negligence. This is a major issue and threat for Elbro as the value of the thefts is millions. The security discussion lost attention.
		Legitimate		Horizon employee
		Expert		
		Referent		

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
CL	2	Occupational Goals		He wants that high security standards exist and are respected for Horizon products.
		Personnel Goals		
		Role Commitment		
		Concerns		

Stake-holder	Power rating	Power dimension	Ethnographical data source	Other data source

|	0 lowest, 5 highest			
WL	1 2	*Coercive / Reward*	He gained on power when Elbro's main Horizon stakeholder UC expressed that he is very much in line with WL's ideas (fn 613).	
		Legitimate		Horizon employee, Horizon optimization manager
		Expert		
		Referent	He is seen as a kind of high flyer, having lost the contact to operations, having lost the common sense what is reasonable and feasible for operations (fn 214).	

Stake-holder	Interest rating 0 lowest, 5 highest	Interest dimension	Ethnographical data source	Other data source
WL	3	*Occupational Goals*	It looks like that he wants to play a stronger role in the future by doing more interventions with regards to optimization projects at the A-site (fn 583).	
		Personnel Goals		
		Role Commitment		He gives the impression that he is highly motivated and always looking for improvement opportunities.
		Concerns		

Table 13: Stakeholders' characterization tables of all stakeholders from cycle two to cycle six
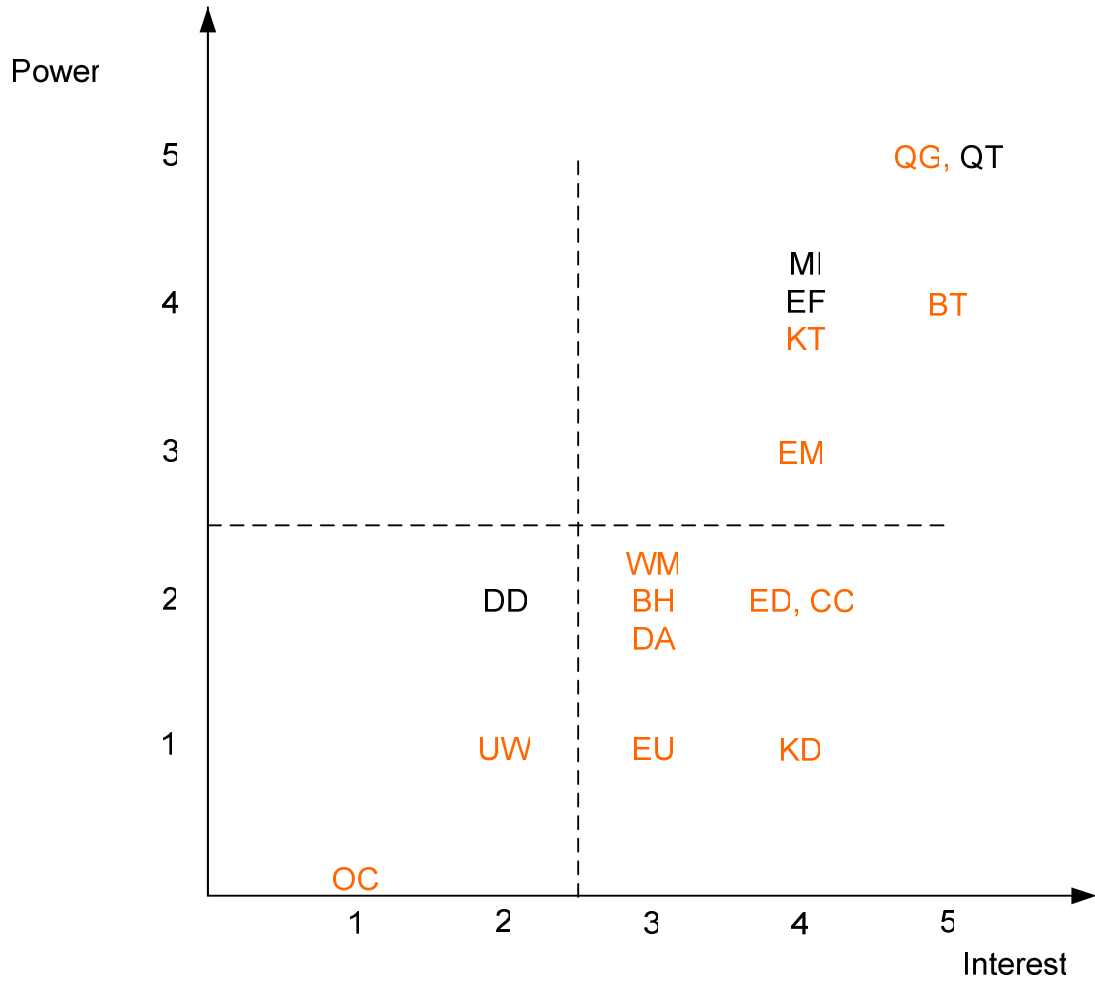
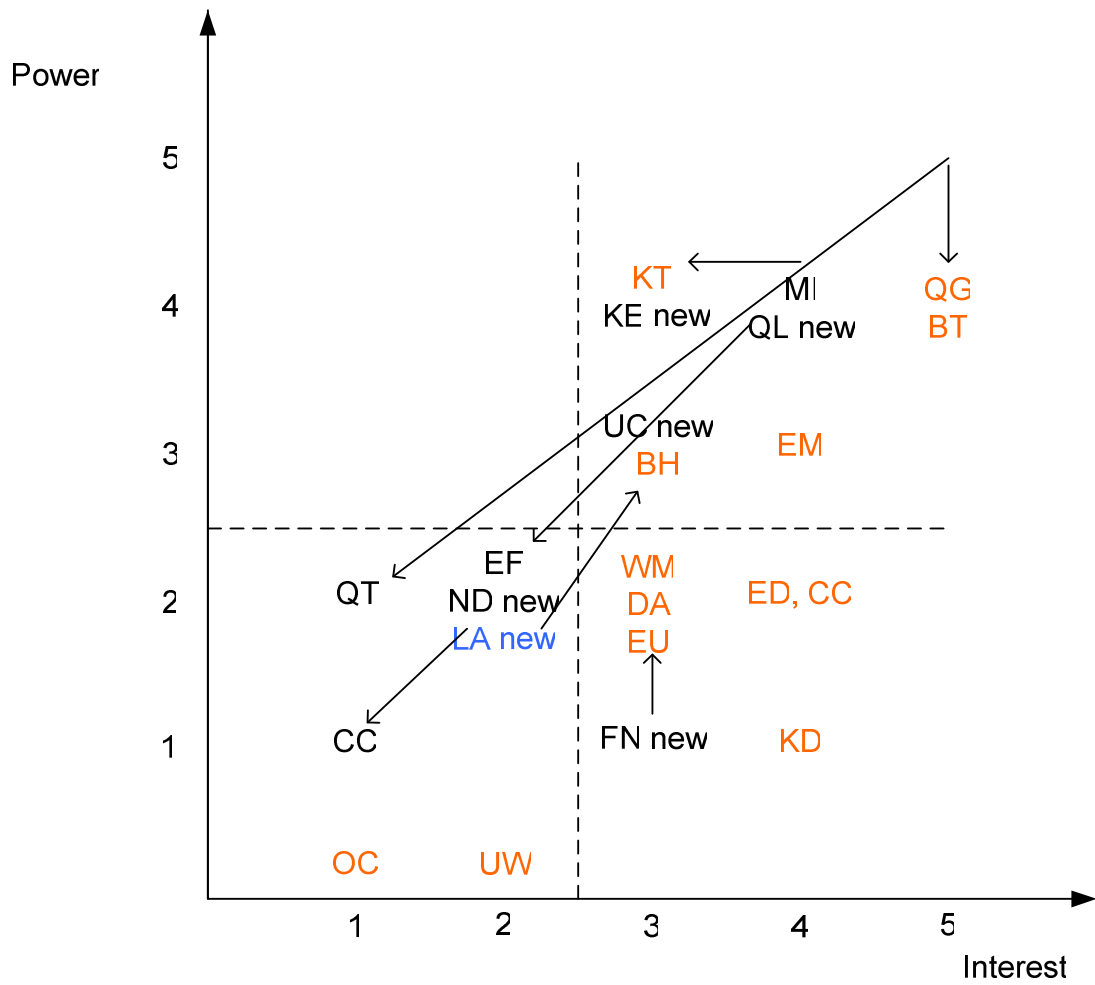**Figure 15: Stakeholders' power and interest grid cycle two**

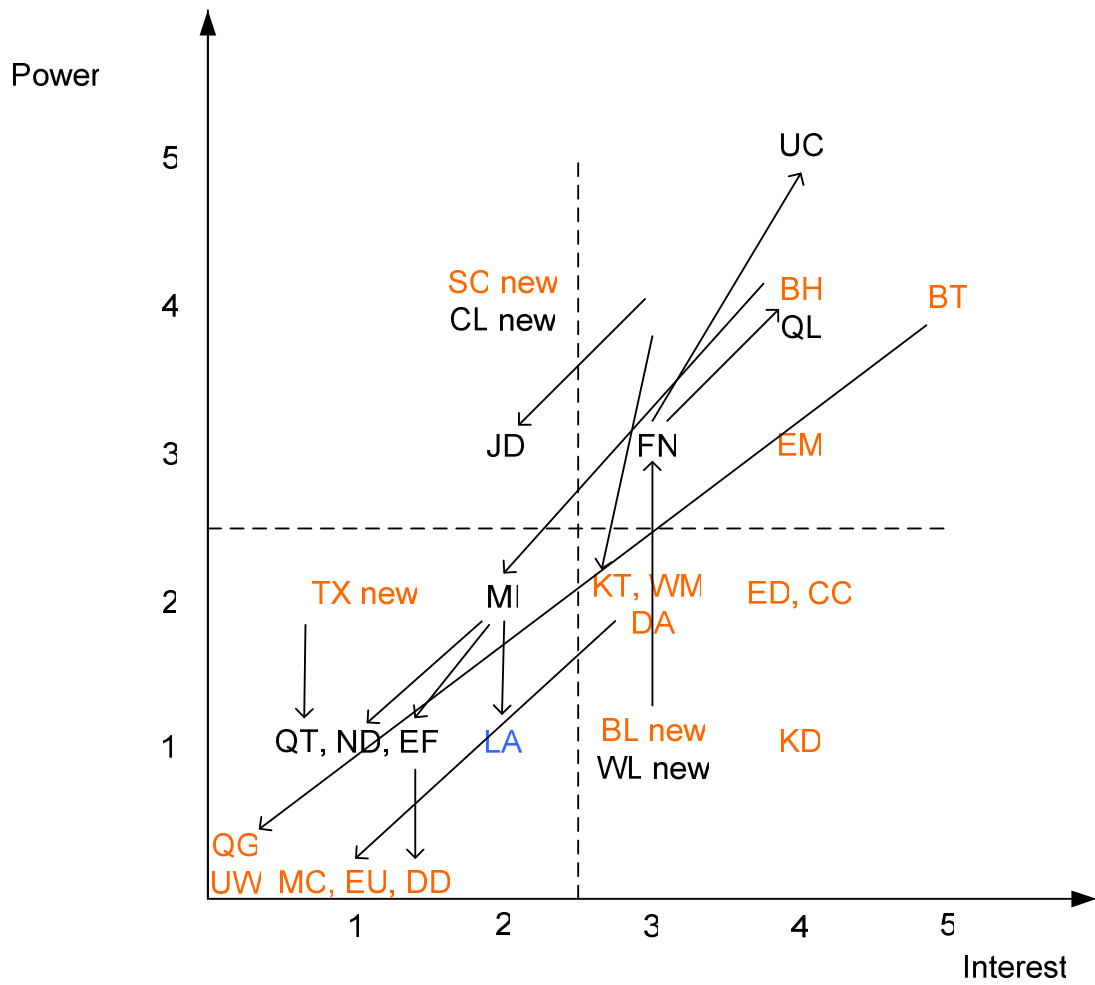**Figure 16: Stakeholders' power and interest grid cycle three**

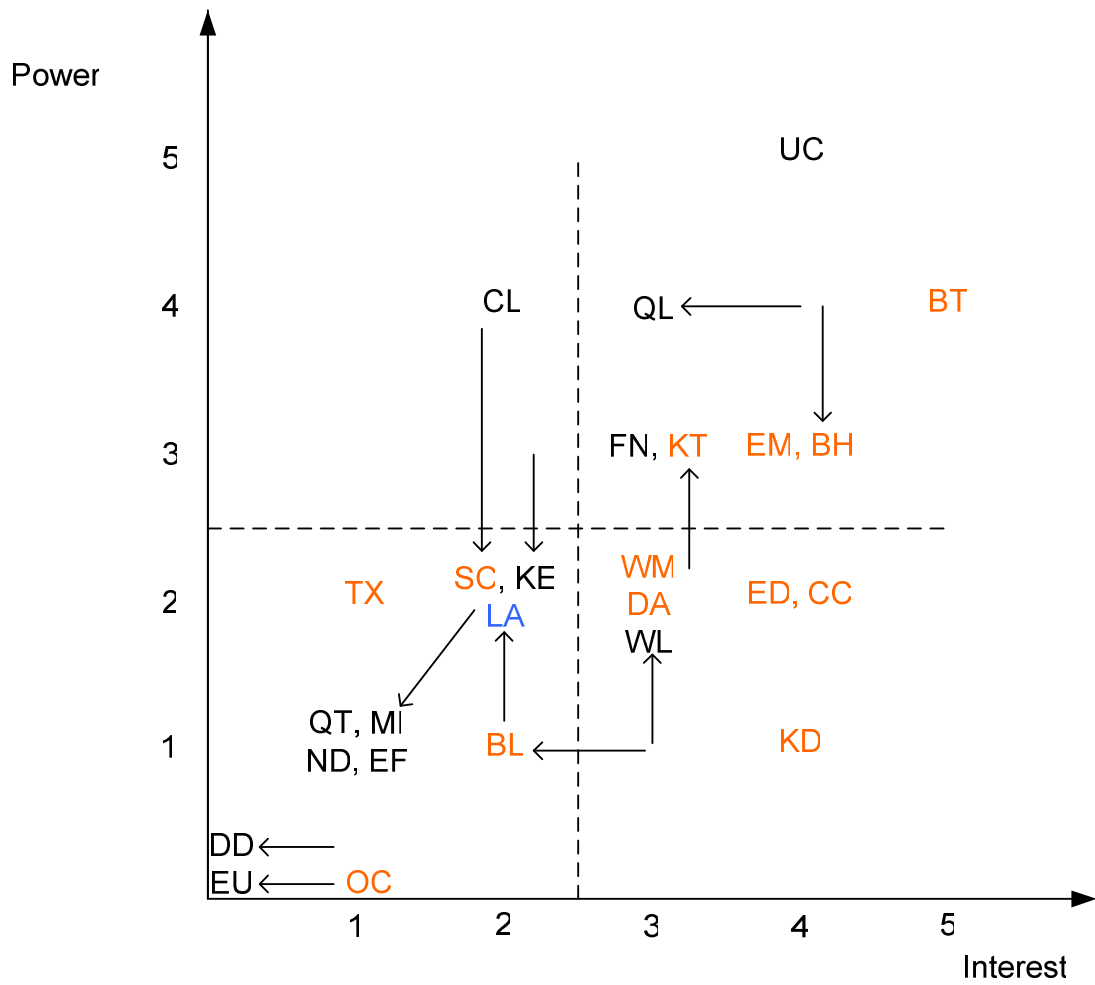**Figure 17: Stakeholders' power and interest grid cycle four**

Figure 18: Stakeholders' power and interest grid cycle five

Narrative 47 (n 47)

Date: October 28th, 2008

It is the Elbro A-town warehouse site anticipated Xmas party with all employees at an external location. The site manager BT holds a speech. He speaks about what happened during the past year 2008, what was good in 2008, and about the outlook and the expectations for the coming year 2009. In a subordinate sentence he said that volumes in the finished products area of the warehouse will go down as the customer Horizon plans to start in 2009 with direct shipping to end-customers. That means that these finished products will not be stored anymore in the A-site warehouse. This cuts activities in the warehouse, the products will bypassing the A-site warehouse. After that speech a lot of discussions started here and there among the employees whether that means job cuttings etc. EQ claimed that no information on that subject had been shared before. And on top the employees don't know whether their salaries will be cut in 2009 or not. The end of the, in the Elbro – Horizon outsourcing contract guaranteed, two year period without any salary cut is on December 31st, 2008. ZE was very upset after BT's speech and wanted to leave immediately the party (due to the negative outlook for him regarding direct shipping). HN said that this Xmas party was not the appropriate time and place for BT to make such a statement, this was said to be a party. ED claimed that generally the people should be better involved and informed about what is going on. ED claimed that BT's approach of communication to his employees was not well working. BT's approach is that he informs his direct reports, the departmental heads, and that they then inform their employees. BT claims that he would not have the time to inform regularly all employees directly. ED claimed that BT has from time to time to inform all employees directly, that BT should do regularly meetings with all employees. KS was as well very upset. BT became in the mean time aware that the employees started here and there to talk about what he had said in his speech and that many

people started to worry about job cuts and were in addition angry about the communication policy. BT ran into an emotional discussion with KS. KS complained that regularly smart guys were showing up with nice theoretical ideas what to change (like direct shipping) but that these nice ideas don't work in practice. KS complained further that no one would ask and involve the operators in such discussions (like the advantages and disadvantages of doing direct shipping). BT stopped then the (overall negative) discussion by inviting KS for a cup of coffee to his office in the coming days.

field note nr.	what	location / source	who	situation / comment	date of occurence	date of transcription
40	Horizon human resources was better than Elbro human resources. Horizon did care more for the employees than Elbro does.	canteen A-site	ED (	Lunch; ED is a former Horizon employee, now Elbro	20080118	20080118
41	I though he (QG) would call me the day after telling me that I will not be the project leader anymore, but nothing happened.	phone call NT with EM	NT	The last WMS steering meeting (20081204) was not going well. QG was very unhappy with the project leader NT and did already appoint somebody else as new project leader. Obviously without telling this to NT. 6 weeks	20080117	20080118

				after, NT he is not informed that he is not the project leader anymore.		
42	If an operating unit proposes something it is the minimum that management is listening. This is not the case within Horizon neither with Elbro regarding this topic.	meeting room A-site	KD	weekly A-site management meeting; KD was complaining that his raw material section is too full	20080122	20080123
43	If higher management is not listening then higher management's behaviour is not Best.	meeting room A-site	KD	weekly A-site management meeting; KD talks in a sarcastic way about the Elbro continuous improvement program Best	20080122	20080123
44	I do not want to inform my staff about Best. I do not know enough about it. If there are questions, I cannot answer them.	meeting room A-site	ED	weekly A-site management meeting; after a Best presentation done by	20080122	20080123

				the site manager BT, the department heads were asked to inform their staff about Best.		
45	I am like that I always say what I think. I cannot stay quiet just because it would be the easiest way. If something is bothering me I say it. I do not stay quiet and take into account to get for that behaviour in appraisals only a "good" even if I would get for staying quiet a "very good".	canteen A-site	ED	lunch	20080122	20080123
46	On Wednesday morning I (BT) and human resources have the appointment with KS. He is offending OC.	office EM	BT	OC was in the past KS's boss but is not anymore	20080122	20080123
47	The management team of the A-site consists of eight people: BT, EM, CC, ED, KD, DA, OC, WM. One came from outside (WM), two from other Elbro sites (BT, EM), five belonged before the outsourcing to Horizon. In the 2007 appraisal, the five former Horizon people received all the evaluation "lack of entrepreneurship" from BT.	2007 management appraisal	BT		the appraisals for 2007 were done during January 2008	20080123

48	That is exactly what we do as Swiss Elbro organisation. We are "muddling through" and are not "acting strategically". We take the opportunities which we get from the market more or less by chance. But we are not approaching in a structured way on beforehand targeted customers. We need more turnover, growth.	phone call QG with EM	QG			20070627	20080123
49	We have to show to the Elbro global organisation that we are active and that we are trying to acquire new business. We cannot only build up and build up the business development team and not acquire any new business.	meeting room N-site	PF	monthly Swiss Elbro management meeting	summer 2007	20080123	
50	He had great ideas but could not adapt to Elbro. We do not want to spend money and we think carefully and extensively before spending it. He came from an industry where he had a large budget. In addition he could not really work together with the Elbro Swiss managing director NC.	office EM	QG	QG on the phone talking to an Elbro internal potential candidate as successor for SC; SC had been head of corporate communications and resigned	Dec 07	20080124	

				after one year of working for Elbro		
51	Regarding Best: I am 100% OK with the objectives of Best however I do not share always the way how the Elbro corporate office wants to achieve the Best objectives.	phone call QG with EM	QG		20071107	20080124
52	All Swiss Elbro employees are slaves of QG. The level of detail that QG wants to know and to manage is amazing. He cannot pursue that if the business growths.	office EM	KT		20080124	20080124
53	I think there is a large gap between theory and practice within the Best program. Practice is very underdeveloped.	canteen A-site	KT	lunch	20080124	20080124
54	How can he do this, to give "black" PCs to employees in order to save money (not to pay the Elbro internal IS charges). This is very dangerous in terms of IT security and against Elbro internal IT rules. In case of major damages caused by such a "black" PC, QG could be thrown out of Elbro even he is the Swiss Elbro CEO.	office EM	KT		20080124	20080124
55	I like working with QG. If you have good arguments and patience, he can change	office EM	KT		20080124	20080124

	his opinion. There are other higher managers who never change their opinion because they believe this is interpreted as weakness.					
56	Elbro maybe has become too big and unmanageable. Some Elbro business units have nothing in common, they are separate businesses. There are no synergies between these different business units. It only gets bigger and more difficult to manage.	office EM	KT		20080124	20080124
57	I would not outsource IT. In the logistics industry, IT should be a core competence and a mean to have competitive advantage. IT should not been seen as overhead cost.	office EM	KT	Today, an official announcement was made that Elbro potentially will outsource globally its IS Supply division to the company Daytexer, including the three world wide data centres in Prague, USA, and Malaysia.	20080124	20080124

58	Horizon had the intention to care for the employees. Horizon wanted that the employees eat well and good. For that I was allowed in the case of doubt to spend more. (EN is the A-site canteen cook from the external company Food. Horizon subsidised in the past with estimated yearly 250'000 CHF the A-site canteen. Horizon stopped to pay and does not want to give subsidies anymore. Horizon claims that Elbro has now the responsibility for the A-site canteen. Elbro cannot / does not want to give subsidies for the canteen. The canteen will potentially be closed.)	meeting g room A-site	EN	BT and EM in talk with EN whether EN wants to start his own business as cook of the A-site canteen, being directly paid by Elbro. .	20080117	20080124
59	Sometimes he (QG) really exaggerates it with his attitude to save money. (There was a Swiss management meeting. QG asked BT to pass by C-town in order to catch him there and to save gasoline, although this meant additional time and way to drive for BT. In addition: one participant became sick but the hotel asked QG to pay for the reserved room. Then, QG went on the phone and called around	office EM	BT		20080124	20080125

313

	who else could join, just to make use of this room.					
60	You know, I work for QG and he is informed what I am doing. (EU when discussing that she was kind of slow / reluctant in giving information about file status of the adapted Operational Management Methodology for the A-site to KT. KT is the Elbro European key account manager for Horizon).	Canteen A-site	EU		20080125	20080125
61	The four Swiss Elbro country heads of the four different business units are all very different. SD is the one who is always joking and with whom you can have a beer at the bar, NE is very quiet and inaccessible, UD is very cautious and sees risks everywhere. SD, NE, and UD are all practitioners. And then there is QG who is coming from the academic side.	canteen A-site	EU		20080125	20080125
62	The Elbro corporate office always promotes the idea of approaching customers jointly. But in fact it is not the case. The four different Elbro business units are not really working together. They do not have much in common.	canteen A-site	EU		20080125	20080125

63	There have been already many initiatives. I have seen them all. In the past a lot of Horizon guys were here, investigating this and that. And one thing is for sure, the next initiative after this one will come.	Talk at the copy machine at the A-site between EO and EM	EO	EO cares for material handling equipment and is facing an upcoming Elbro improvement project	20080125	20080125
64	Besides, within the Elbro group, it is possible to NOT do something that the Elbro corporate office is asking for. End of the story. We say we have no resources (for joining the Best program).	lunch in external restaurant: TH, CI, NH, BT, EM	CI	just after attending together Swiss Elbro country management meeting	20071218	20071218
65	Swiss Elbro and the site where the software gets implemented (the A-site) is excluded in the final decision making process which software to choose (as new WMS). This gets decided on a European Elbro group level.	phone call EM with TX	EM		20080128	20080128