THESIS FOR THE DEGREE OF LICENTIATE OF ENGINEERING

Exploring the concept of strategy using a practice lens: The case of a large construction company

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ABSTRACT
Ever since its origins back in the 1960’s, strategy researchers have been engaged in an ongoing discussion about what strategy actually means. Over the historical development of the strategic-management field strategy has gone from something that top managers formulated; it has gone from including a rather limited analytical process, to being a pattern in streams of actions and to encompass a myriad of strategic micro processes. The aim of this thesis has been to explore the strategy concept. To do this, a Strategy-as-Practice (SAP) lens was applied on empirical findings from a large construction company. SAP is a rather recent stream of research which portrays strategy as a socially constructed activity inherent to organizational life. Based on this perspective this thesis has considered strategy and organizational life as two closely related phenomena. Using a narrative and interpretative approach, practices were explored on the micro-level in order to identify the “blood vessels” of organizational life. The empirical data has been collected using an ethnographic longitudinal case study in a large Swedish construction company. The findings are presented in three appended papers and contribute by highlighting current micro-practices that may explain industry specific traits. A final in-depth discussion contributes to strategy research by highlighting what parts of the empirical findings could strengthen current theory and what parts indicate theoretical gaps.

Keywords: Construction; Narratives; Identity; Interpretative approach; Practice; Self-reinforcing mechanism; Strategy-as-Practice
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I remember once when I urged my younger sister to say something negative about me. She answered, way too fast: “sometimes you can be a bit... impolite ...when arguing for your cause.”

And I have been giving Christine my texts...my babies...so many times...my babies...I have been giving them to her, and she never loves them as much as I do.

I recognize that it must be exhausting sometimes to handle an insulted steamroller. I just realized when writing this text, that I haven’t thanked you enough for that. Thank you, thank you Christine for doing that!

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To my family and friends: I thank you for everything else.

Göteborg, August 2012

Martin Löwstedt
APPENDED PAPERS

PAPER I:

“Strategy work in a large construction company: personified strategies as drivers for change”
Löwstedt, Martin; Räisänen Christine; Stenberg, Ann-Charlotte; Fredriksson, Peter. In proceedings of the 6th Nordic Conference on Construction Economics and Organization, 13-15 April, 2011, Copenhagen, Denmark

PAPER II:

“Playing back-spin balls”: narrating organizational change in construction
Löwstedt, Martin; Räisänen, Christine. Forthcoming in Journal of Construction Management and Economics.

PAPER III:

“Being a construction worker: Identity effects as a self-reinforcing mechanism in construction”
Löwstedt, Martin; Räisänen, Christine. In proceedings of CIB 2012 Conference, Montreal, Canada
ADDITIONAL PUBLICATIONS BY THE AUTHOR

“Bringing on-site identities into the boardroom”: A self-reinforcing mechanism in construction.
Löwstedt, Martin; Räisänen, Christine. In the proceedings of the 28th EGOS Colloquium, Sub-Theme 21 Self-reinforcing processes in organizations.

Using positioning theory to understand contribution of selfhood in strategy audits.
Räisänen, Christine; Stenberg, Ann-Charlotte; Löwstedt, Martin. In proceedings of the 28th EGOS Colloquium, Sub-Theme 05 Strategy-as-Practice, Helsinki, Finland, 2012

How does change happen in a large construction company: personified strategies as drivers for change.
Löwstedt, Martin; Räisänen, Christine; Stenberg, Ann-Charlotte. In proceedings of the 27th ARCOM Annual Conference, 5–7 September, Bristol, UK, 2011.

“Two strides forward, on stride back”: Strategy practice as chains of conversations.
Räisänen, Christine; Stenberg, Ann-Charlotte; Löwstedt, Martin. In proceedings of the 27th EGOS Colloquium, Gothenburg, Sweden, 2011.
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1. INTRODUCTION

1.1. MY POINT OF DEPARTURE

In March 2010 I started as a PhD-student within a research project concerned with the Swedish construction industry. The background for this project was that the industry allegedly needed to improve organizational flexibility over business cycles and furthermore that strategizing in construction is an under examined area of academic and applied research. My own strategy was therefore to focus the research on how construction companies actually work with strategy, by focusing on a large construction company as my case study.

My initial plan when starting out was therefore to try to identify how strategy is done at Alpha; how managers formulate them, implement them, and enact them throughout the organization. The plan was to review strategy documentation to see how the strategies were articulated and then, either interview those responsible for this articulation (or possibly observe them while doing it). The final step would be to understand how these strategies get implemented all the way “down” in the company.

However, at the planning stage of the project, I came to realize that it would be hard to actually get a good overview of the full “sequence” of events. My first concern was that I expected it to span over a long period of time; my second concern was that the sequence would probably be quite complex and therefore difficult to trace from “up” to “down”. I came to think of all the different actors, and that they probably would know about fragmented and limited parts of the whole sequence. I therefore expected it to be difficult to recreate a logical whole of the strategizing process.

This short narrative describes my rather naive thinking at the very start of the research project. At that point I had not yet questioned my own underlying conception of what strategy was; my doubts were instead exclusively concerned with the practical complexity of studying it. Yet as I started to try to manage that complexity I thought to myself: “what parts of the whole organizational life relate to strategy”. From then on, I started consciously to look for strategy.

This thesis presents what I have learnt so far.
1.2. AIM AND RESEARCH QUESTIONS

The well-known strategy researcher Henry Mintzberg (1994) argued that the one and only thing that all strategy research seems to agree on is the implicit assumption that companies need strategy, that strategy is something that is important. But ever since its origins back in the 1960’s, strategy researchers have been engaged in an ongoing discussion about what strategy actually means. This thesis addresses this discussion and tries to make sense of strategy as an organizational practice.

The aim of this thesis has been to explore (the concept) strategy. In order to do so, empirical findings from a large construction company have been discussed from a Strategy-as-Practice (SAP) perspective. When designing this study a “strategy” construct was sought to orient the search for organizational strategy making, and also to be able to recognize it when it appeared. SAP is a practice-based, socially constructivist perspective, which has influenced this study in the sense that it allowed us to approach “strategy” in a much broader sense than did other perspectives within the strategic-management field. The “doing of strategy”, the strategizing (e.g. Johnson et al. 2003), is according to SAP something inherent to organizational life. It therefore struck us as unwise to try and separate the two phenomena. Strategy is furthermore something that seems to be closely related to change (e.g. Melander and Nordqvist 2008)

The starting point of this study was therefore to try to identify drivers of organizational change based on the assumption that these “blood vessels” (Boije 1991a:8) of organizational life will somehow overlap with key strategic practices. Based on this assumption, two research questions, corresponding to three appended papers, were formulated.

Q1: How is organizational change perceived and enacted at the micro-level in a large construction company? (Paper I, Paper II)

The rationale of this research question was based on how SAP has been used in this thesis: 1) strategy is something that companies need; 2) strategy is something that people do; 3) strategy is a socially constructed activity; and 4) strategy is inherent to organizational life. The assumption is thus that insights about strategy will be closely connected to insights about how organizational members have perceived and enacted their organizational life. Focusing particularly on perceived key events and perceived key drivers of change is further assumed to capture practices of high relative organizational importance.
Q2: How do organizational members’ identities manifest in collective activities. 
(Paper III)

The rational of this research question was to study actual strategic activities at the micro-level, but also to complement research question 1 by studying organizational life “in the making”.

The rationale of this study is for it to serve as a foundation for thinking, discussing, and planning the way forward towards the doctoral thesis. In the discussion section, I discuss and highlight what parts of our empirical findings that strengthen current theory, and I also indentify potential theoretical gaps.

The contribution of this thesis is two-fold. First, it makes a contribution to the ongoing discussion about strategy providing arguments based on empirical findings. Secondly, is contributes to the construction field by highlighting current micro-practices that may explain organization and industry-specific traits.

1.3. CASE DESCRIPTION

The findings in this licentiate thesis draw on an ongoing longitudinal case study at one of the largest construction companies in Sweden, here referred to as Alpha. The focus of the research has been on strategy practices and key drivers of organizational change. By combining retrospective accounts with observation of real-time organizational life the study has tried to understand how and mainly why Alpha has changed between 1990 and to date.

The period studied has been one of the most turbulent periods in Alpha’s approximately 100-year history. Back in 1990, Alpha was organized into different geographical units, which operated independently from each other, with only a few if any common strategic directions. Back then, the company seemed to be characterized by an opportunistic identity. The different geographical units took on all kinds of project (both in Sweden and abroad) as long as they were considered to be profitable. The corporate board also operated with this entrepreneurial spirit and invested in the stock markets as well as in several companies outside the construction industry.

In the beginning of 2000 things started to change. The corporate board decided that in order to become a more profitable company Alpha needed to increase its efficiency and strive toward standardization and specialization. The board sold a large part of its stock-holdings and the proprietorships they had in other industries, and
instead formulated a strategic direction common for the whole company. This strategy was divided into two main tracks: the first was to “increase the performance in the current organization”, and the second was to “develop significantly more efficient building projects”. With this, they wanted Alpha to coordinate and make use of all the knowledge that already existed within the company and to capitalize on their scale and their large capital of experience in running building projects. With this initiative, Alpha intended to become a more efficient construction company and a “model for Swedish construction”.

This strategic direction remained more or less the same throughout the 2000s while top management decided on a number of organizational changes and motivated them in relation to the overall vision of a more efficient construction company. In 2003, Alpha reorganized and removed a complete hierarchical level in order to create a more centralized organization. At the same time they introduced a in-house, tailor-made balance-scorecard kind of tool to measure performance in the different geographical units; a common code of conduct was formulated, and a central purchase organization was created. In 2008, the HR, finance and organizational support functions were moved from the geographical units to sort under a common centralized unit. The main focus during the first decade of the 2000’s was on efficiency and profitability. In the beginning of 2010, Alpha started to work on the formulate of a new strategic direction in which additional business volume was added as focus.

1.4. OUTLINE OF THE THESIS

The first part in this thesis is a historical overview of the development of the strategic management field. Following a chronological order, this overview starts with Alfred Chandler’s work during 1960’s and end with the Strategy-as-Practice (SAP) perspective used as the theoretical lens in this thesis. SAP is a research stream that has been trying to “humanize” strategic management and organizational research, and within this stream strategy is seen as a socially constructed activity. Section three describes the methods and methodology used. The empirical data has been collected from a longitudinal case study at Alpha. The three appended papers have mainly used a narrative and interpretative approach in order to investigate practices on the micro-level. Preceding the discussion section is a brief results section which briefly summaries the findings in the three appended papers. A general discussion explores the strategy concept by looking at the findings through a SAP lens; it highlights the
potential of SAP and the challenges, as well as the empirical and theoretical contributions of this study.

2. **Theory**

In this licentiate thesis strategizing in a large construction company was studied using a Strategy-as-Practice (SAP) lens. To acquire an informed contextual background, an overall study of the strategic management field was also carried out. Drawing on four comprehensive review articles (Hoskisson et al. 1999; Ramos-Rodriguez and Ruiz Navarro 2004; Hermann, 2005; Furrer et al. 2008) this section provides a brief overview of the historical development of the strategic management field, following a chronological order. Based on this previous work, three major perspectives preceding SAP were identified: *The Practitioner-Based perspective*, *The Market-Based perspective*, and *The Resource-Based perspective*. The following outlines seminal publications and conceptualizes the underlying logic for each one of these perspectives. It concludes with an introduction to SAP.

2.1 **The Practitioner-Based perspective**

The origin of the strategic-management field has been traced back to the 1960’s (Hoskisson et al. 1999; Ramos-Rodriguez and Ruiz Navarro 2004; Hermann, 2005; Furrer et al. 2008). In 1962, Chandler depicted strategy as something that determines a firm’s structure, scale, geographical, distribution, level of integration, and diversification. This early work was largely atheoretical and based on in-depth case studies. Strategy was seen as exclusively a top management concern and activity, and the role of top management was considered pivotal for the companies’ success. Chandler (1962) devoted his work to providing these top managers with best practices on how to be successful in forming the organization’s strategy. Chandler’s pragmatic and practitioner-based perspective on strategy was shared by other scholars. Ansoff (1965) and Learned et al. (1965) adopted Chandler’s thoughts and focused their work on developing conceptual tools to aid top management in their strategy making (the most well-known example is the “2×2 matrix” developed by Ansoff (1965) as a four core strategic response to different sets of internal and external conditions). Common for the works within the Practitioner-Based perspective is that they take on a practitioner-based contingency approach on strategy and emphasize the top manager’s central role in strategy-making. The conceptual models pursue best-practice, and are normative and prescriptive, rather than analytical. Based on in-depth case studies of single firms and industries, the
results of these studies cannot be generalized, and therefore the Practitioner-Based perspective did not gain much legitimacy as a research field (Hoskisson et al. 1999, Furrer et al. 2008) even though it may have influenced top management teams.

2.2 The Market-Based Perspective

In the 1970’s a transition began towards a research orientation within strategic management. The Market-Based perspective was born from research that sought to understand the relationship between industry structure and firm performance (Hoskisson et al. 1999; Furrer et al. 2008). Instead of the case study approach of the Practitioner-Based paradigm, a deductive and large-scale statistical research approach developed, testing hypotheses based on models abstracted from the “structure-conduct-performance” model within Industrial Organization Economics, IO (Mason 1949; Bain 1956; 1964). With the Market-Based perspective, strategic management gained legitimacy as a research field of its own. Two studies by Michael Porter (1980; 1985) represent an important contribution placing him at the forefront of those influencing strategic management and this particular research direction during the 1970’s (Hoskisson et al. 1999; Ramos-Rodriguez and Ruiz Navarro 2004; Hermann 2005; Furrer et al. 2008)

Strategy according to Porter and the Market-Based perspective is mainly about finding a company's fit in its industrial field. The ability of a company to gain competitive advantage is based on how well it positions itself in its industry (Porter, 1980; 1985). Thus, Porter dismissed the “conduct” in the “structure-conduct-performance” model (Mason, 1949; Bain 1956; Bain, 1964) and backgrounded a particular company’s strategy practices highlighted in the Practitioner-Based perspective (Chandler, 1960; Ansoff, 1985; Learned et al., 1965). Instead, Porter treated the company as a “black box” and its internal processes as “given”. Strategy according to Porter (1980) was the analytical process of finding a direct causality between (industry) structure and (firm) performance. However, like Chandler (1960), Ansoff (1965), and Learned et al. (1965), Porter’s work was predominately prescriptive, addressing top management. The well-known “five forces framework” (threat of new competition, threat of substitute products or services, bargaining power of customers, bargaining power of suppliers, intensity of competitive rivalry) was a conceptual tool developed by Porter (1980, 1985) to support top-managers in finding the right strategic fit for their companies.
Parallel to Porter’s prescriptive work on strategy (Porter 1980, 1985), a descriptive school of thought emerged (Furrer et al. 2008) that was predominately concerned with what strategy actually is and how strategy is formed. The early work of Henry Mintzberg sorts under this school. He defined strategy as “a pattern in streams of decisions” (Mintzberg 1978:936), and later, as “a pattern in streams of actions” (Mintzberg and Waters 1985:257). This description of strategy reduces the privileging of top managers in general, and formal strategies in particular, since the “patterns of streams of actions” encompasses all the combinations of intended as well as unintended activities (Mintzberg 1978; Mintzberg and Waters 1985) that emerge over time rather than following any preconceived planned path (Mintzberg 1994). Mintzberg’s research continued to highlight the complex and multifaceted nature of strategy, e.g., he argued for multiple, overlapping and interdependent notions of strategy, i.e., his well-known “5 p’s for strategy” – strategy as a plan, as a position, as a pattern, as a perspective, and as a ploy (Mintzberg 1987). His review of 10 different schools of thought regarding strategy concludes that strategy is often a combination of these (Mintzberg and Lampel 1999).

2.3 THE RESOURCE-BASED PERSPECTIVE

During the 1990’s strategy research shifted from a market perspective to a company internal perspective (Hoskisson et al. 1999; Ramos-Rodriguez and Ruiz Navarro 2004; Hermann 2005; Furrer et al. 2008). Hoskisson et al. (1999) use “the swings of a pendulum” as a metaphor to describe the development of the strategic management field throughout the years: swinging from a company perspective (Practitioner-Based), to a market perspective (Market-Based), and then back to a company perspective again (Resource-Based). With the Resource-Based perspective (RBP), strategy research sets out to open the “black-box” of the organization and to examine its internal processes and resources. The Resource-Based perspective conceptualizes a company as a bundle of productive resources and positions as a research stream, seeking to understand the relationship between a company’s resources and its performance (this can be compared to Porter (1980), who sought to understand the relationship between market fit and performance). A main premise of the RBP is that strategists should disregard external factors, including the structure of the industry and other industry specific circumstances, and instead focus on a company’s internal resources (Hoskisson et al. 1999; Ramos-Rodriguez and Ruiz Navarro 2004; Hermann 2005; Furrer et al. 2008). One of the central theoretical premises of RBV is the fundamental question of why firms differ and how they achieve and sustain competitive advantage, and it is the notion, of how “a firm
Wernerfelt (1984) developed the resource-based perspective already in 1984, but it did not gain recognition until well into the 1990’s. Wernerfelt (1984) discussed the relationship between resources and competitive advantages, and applied Porter’s “five forces model” on a company’s internal resources to show that the framework can be used not only to analyze the market position, but also to analyze the relationship between internal resources and market success. Barney (1991) extended this analysis by trying to identify the resource attributes of most importance for market success. Based on the resource-performance relationship, a number of different research streams grew out of RBP. Their common premise is that resources and performance correlate strongly, but that they differ on which resources are considered to have the largest impact on performance, e.g. knowledge, as in the Knowledge-Based view (Grant 1996; Powell and Dent-Micallef 1997; Spender 1996; Szulanski 1996), or the ability to deploy, develop, and sustain core resources over time, as in the Dynamic-Capabilities View (Stuart and Podolny 1996; Teece et al. 1997). Most of these studies are based on large quantitative data sets.

2.4 STRATEGY-AS-PRACTICE

Strategy-as-Practice (SAP) adds a sixth p to Mintzbergs’s “5 p’s of strategy” – namely, strategy as practice. Just like the Resource-Based perspective, SAP responds to the concern for the internal life of organizations (Tsoukas and Chia 2002; Chia and Mackay 2007; Golsorkhi et al. 2010). However, SAP distinguishes itself from other strategic management fields by advocating a shift in focus, namely that strategy is not something that a company has, i.e. which exists per se, but is something that the strategists do (e.g. Whittington 2004; Jarzabkowski et al. 2007; Johnson et al. 2007; Jarzabkowski 2008). This attention towards the micro-social practices (Chia and Mackay, 2007) within organization and strategic management studies can be seen as influenced by, and being part of, the “practice turn” in the social sciences (e.g. Schatzki et al. 2001; Tsoukas and Chia 2002). Many SAP researchers have pointed out that since the landmark contribution of Porter (e.g. 1980; 1985) built on the micro-economic tradition and causal variables with little evidence of human actions, strategy research seemed to have lost sight of the human being (e.g. Whittington 2003; Jarzabkowski 2004). The SAP perspective can therefore be seen as part of a broader concern to humanize strategic management and organization research.
SAP draws on sociological approaches e.g. Giddens (1984), Bourdieu (1990), Schatzki (2005), which attempt to overcome the micro/macro dualism that characterizes much of organization and strategic management research. SAP argues for theoretical and methodological pluralism as well as interdisciplinary research, and encourages the expansion of already existing theories rather than the development of new ones (Whittington, 2004; Johnson et al. 2007; Paula Jarzabkowski, 2007; Golsorkhi et al. 2010). Researchers within SAP recognize contributions from a wide range of sociological and organization theories (Jarzabkowski et al. 2007: 15), e.g. practice (e.g. Jarzabkowski 2003; 2005), sense-making (e.g. Rouleau 2005), culture (e.g. Melander 2008), power (e.g. Maitlis and Lawrence 2003), narrative (e.g. Boje 1991; Weick 1995; Roleau 2003; Czarniawska 2004), and discourse (e.g. Vaara et al. 2004; Räisänen et al 2011). While they have noticed that currently those organizational theories which adopt a broadly constructivist approach in framing and interpreting empirical data (Jarzabkowski et al. 2007: pp.20) are favored, they argue and advocate that SAP is a field characterized less by which theory is used than by what problem is explained (Jarzabkowski et al 2007).

SAP defines strategy as a socially accomplished activity “which is consequential for the strategic outcomes, survival and competitive advantage of the firm” (Johnson et al, 2003), and they further argue that strategy can be both intended as well as unintended (Whittington, 2006; Jarzabkowski et al, 2007). In order to approach the study of strategy, SAP has developed an integrative framework which entails three research parameters: The Practitioners (those people who do the strategy work), Practices (the social, symbolic and material tools through which strategy work is done), and, Praxis (the flow of activity in which strategy is accomplished) (Jarzabkowski, 2005; et al. 2007; Whittington 2006; Johnson et al. 2007). It is at the nexus of these three factors: practitioners, practice, and praxis, where the doing of strategy takes place (Jarzabkowski et al., 2007:11). This, the doing of strategy, has furthermore been referred to as strategizing (e.g. Johnson 2003; Jarzabkowski et al. 2007), intentionally using the verb to reflect the broader ontological shift towards portraying organizations as processes, practices, and activities, rather than states (Whittington 2006). The SAP perspective has, however, faced some criticism, mainly concerning how it relates and/or differs from other strategic management and organizational research. The final discussion in this thesis looks at the empirical findings through a SAP lens and digs further into this stream of research, exploring both the potential and the challenges.
3. RESEARCH DESIGN, DATA COLLECTION, AND METHODOLOGY

3.1 RESEARCH DESIGN

This licentiate thesis is based on explorative research and an inductive research approach. Explorative research is flexible and incremental, often taking different turns along the way. This “exploration” should be combined with examination and reflexivity, where findings and insights are successively challenged and revised (Alvesson and Sköldberg 2000). This particular research process is thus often iterative (Eisenhart 1989), in that the researcher moves back and forth. A case study design was chosen since the aim was to increase understanding of the unfolding of complex phenomena over time (Eisenhardt 1989, Alvesson and Sköldberg, 2000). Significant for a case study is the use of multiple methods, such as interviews, documentation, and field observations (e.g. Dainty et al. 2006). Using multiple methods minimizes researcher bias, strengthens triangulation and can enable the researcher to shed light on the complexity of attitudes, beliefs and assumptions that obtain in an organization and how these influence individual and collective action (Räisänen and Gunnarson 2004). A case study design is appropriate when studying a phenomenon in its situated context, in particular when the boundaries between the phenomenon and the context are unclear (Yin 2010).

This thesis has viewed strategy as “a socially constructed activity” (e.g. Whittington 2006; Jarzabkowski et al. 2007) and studied it in its situated organizational context. The work within this research study can therefore be considered to be founded on a constructivist ontology, in which strategy and its associated “realities” are alterable constructs, and the form and content of these constructs are based on the individual persons or groups holding them (e.g. Guba and Lincoln 1994). At the heart of constructivism is a concern for lived experience, or the world as it is felt and understood by social actors (e.g. Schwandt 1994). Within an organization, members discursively create and co-construct the realities that they inhabit; they embody and enact them, and they base their predictions and actions on them (Lynn 1990). Furthermore, they create a shared frame of reference within a collective (e.g. an organization, or certain parts of an organization) which converges to represent the dominant logic of that collective (Lynn 1990).
3.2. **DATA COLLECTION AND METHODOLOGY**

This section describes the data collection method and methodology used to examine the three different sources of data collected in the case study. Table 1 at the end of this section provides an overview.

3.2.1 **INTERVIEWS**

The interview data was collected through in-depth open-ended interviews with 27 managers at Alpha. The interviews were carried out in two separate sets during 2010 and 2011. The idea behind the first set of 14 interviews was to provide an overview of Alpha in general and the organizational background in particular, and therefore high-level managers were chosen as participants based on the assumption that they had higher degrees of “organizational overview” relative to other organizational members. These managers represented high-level positions from both the line organizations and centralized functions (including HR, Economy, and Organizational support). The idea behind the second set of 13 interviews was to explore to what extent the narratives of the high-level managers were representative for other levels in the organization. These 13 interviews were therefore sampled from lower manager positions from different geographical regions. Both sets of interviews aimed at eliciting respondents’ perceptions and experiences of change events over time in the organization.

There were no preconceptions or specific theoretical framework on organizational change guiding me when carrying out the interviews; rather the point of departure was the perspectives that emerged through the stories in the interviews. This approach seemed to be more sensitive to the complexity and overlapping dimensions predicted by the literature. In the stories, overlapping representations of content, context, and process emerged (Armenakis et al., 1999). The time perspective was also considered (Pettigrew et al. 2001) in the sense that the interviewees were given a specific period to reflect on and this naturally included time as an important feature. During the interviews, lasting between 1-2 hours, the respondents were prompted to give their retrospective accounts of major changes over time, from 1990 to the present, by means of undirected story-telling. Such an approach seemed appropriate, when considering the interpretative assumptions made in relation to strategy and organizational change (Lynn 1990; Weick and Quinn 1999; Jarzabkowski et al. 2007). Interviews were conducted until no (or little) new information was provided by further interviews.
During the interviews the respondents were asked to draw a time line on an A3 sheet of paper and then make notes or draw sketches to place the highlighted events on a time line. Figure 1 below is a conceptual illustration of how a typical A3 could look like after an interview.

![Figure 1: A conceptual illustration of a typical time line sketch during the interview (reprinted from Löwstedt and Räisänen 2012)](image)

All the interviews were tape-recorded and transcribed. A narrative analysis was then applied to the interview data, which means that the various accounts or fragments of accounts of change were coded and then unified by a plot that made the fragments cohere and make sense (Czarniawska 2004). The main concern was that the data should “speak to us”, and we imagined that we were searching for something that existed “between the lines”. The plot that was found did not appear just from reading the transcriptions, but emerged through seeking patterns and conceptualizing these patterns.

The rationale for applying a narrative approach is that narratives are fundamental forms of human understanding, pervasive in all interaction and through which individuals and collectives make sense of their actions and their environment (e.g. Boje 1991; Weick 1995; Czarniawska 1998; 2004). Organizations could be viewed as story-telling systems (Boje 1991), in which narratives construct and constitute the identity of the organization (Czarniawska 1997; Brown 2006) and shape organizational dynamics. This makes narratives interesting and potentially fruitful for studying organizational change processes (e.g. Boje 1991; Rhodes and Brown 2005) and central to the understanding of organizations in general (Brown, 2006).
Narratives are, however, not merely the re-telling of a story about organizational life, they are also a central part of organizational life itself. Brown (2006) argues that a narrative approach has the potential to account for and reveal centripetal and centrifugal forces pulling against each other in organizations, directly affecting the inclusion and exclusion of certain turns of organizational life. Geiger and Antonacopoulou (2009) explain the roles of narratives in organizational change efforts and illustrate the way such self-reinforcing blind spots become a potential source of organizational inertia and path dependency. Furthermore, Boje (1991) describes how narratives in an organization influence decision making: when decision are to be made, old stories are recounted and compared to unfolding story lines to prevent organizations from repeating past mistakes and to invite the repetition of past successes. The narratives explored in this study are seen to relate to *practices*, as they reinforce – and are reinforced by – the practices they describe.

3.2.2 Observations

Field observation is the act of observing the activities and the interrelationships of people in a field setting through the five senses of the researcher (Angrosino 2007). Observation activities in the organizational setting can provide new dimensions for the understanding of organizational life (Yin 2010) and is probably the best means, when it is possible to directly observe an activity, an event, or a situation (Merriam 1988). During 2011 and the first part of 2012, I used participant observation to examine real-time behavior (Merriam 1988)

In 2011, Alpha initiated a comprehensive project related to their Business Plan for 2011-2015. The aim of the project was to communicate Alpha’s strategies and goals to all middle and higher level managers. Alpha hired a renowned consultancy to organize strategy workshops, and the managers were invited to attend a mandatory three-day workshop at a designated conference facility. The participating managers were sorted by districts, into groups of around 20 managers at each occasion.

After choosing three workshops that would provide as diverse a sample as possible, for nine full days I observed higher, middle and lower-level managers from different geographical and functional districts participating in such workshop activities as group work, exercises, presentations. My main focus was on general discussions and opinion exchanges regarding current work situations at Alpha and the new business plan for 2011-2015. For one of the three occasions, a researcher from our research team also participated during the full three days to minimize the effects of researcher bias. Furthermore, I joined the workshop group at breakfasts, lunches and dinners, as
well as after-work beers when I listened and took part in many of the informal conversations. During these workshops, I took over a 100 pages of field notes. These notes are yet to be analyzed in depth, but the experience has already provided an increased understanding of aspects of organizational life at Alpha.

As stated in Czarniawska (2007:21): “An observer can never know better than an actor; a stranger cannot say more about any culture than a native, but observers and strangers can see different things than actors and natives can”. As an outside observer one may notice things that have become taken for granted and embedded in the organization, and are therefore no longer noticed by the participants themselves. An observer can gain increased understanding of the whole (Merriam 1988). An important part of participant observation is searching for patterns (Angrosino, 2007), and it was my main concern with the observations, as well as with interviews, to search for patterns and to conceptualize these patterns.

3.2.3 Documentation

In addition to the interviews and the field observation data, various company documents were reviewed. Documents can be a source of rich, naturally occurring, accessible data (Silverman, 2010). The use of documents as an additional data source can also provide broad coverage of events that have occurred over a longer period of time (e.g. Yin 2010). In addition to the interviews, governing texts were scrutinized over the same period (1990-2010). I was granted access to parts of Alpha’s Intranet and could thus review internal documentation. This included older and newer business plans, strategic documents, general statements, vision and goal formulations and process descriptions. All annual reports for between 1990 and 2010 were also reviewed.

Documentation can be considered as an organization’s official version of organizational life and a governing story of the change trajectory (Räisänen and Gunnarson, 2007). Ylijoki (2005) has highlighted the dual nature of governing stories. On the one hand they are resources that allow organizational members to make individual and collective sense of the epistemology, ideology and norms of the organization. Members can also choose among stories, (re)shape and use them to suit their own needs (see also Weick 1995). On the other hand, organizational stories can act as normative constraints used by top management, and which members have to adapt to. But a governing story could also act as an idealized picture of change which has very little to do with the actual nature of change since this formal version often serves the purpose of legitimizing the organization outward, i.e. serves as an
impression management (Goffman 1969) tool to convey a positive image to its stakeholders rather than to nurture the identity of the organization and its employees. The actual roles of documentation and such governing stories of change are beyond the scope of this thesis.
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<td>Written documents</td>
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*Table. 1 Overview of the data collection*
4. SUMMARY OF THE PAPERS

APPENDED PAPER I:
“Strategy work in a large construction company: personified strategies as drivers for change”

Purpose: This paper takes a micro perspective on strategizing in order to examine individual narratives of change processes to identify driving factors.

Data collection: The paper comprises in-depth interviews with 14 key actors and a wide range of documentation covering the period.

Findings: The findings show that strategy processes are mainly related to a few individuals (mostly the CEO’s), rather than to the activities or rationale behind them. This paper contributes a novel perspective on the strategy literature in construction by emphasizing personified strategies as drivers for change. We argue that personified strategies are an intra-organizational phenomenon related to power distribution, governance, and the tensions between individual agency and the institutionalized context.

APPENDED PAPER II:
“Playing back-spin balls”: narrating organizational change in construction

Purpose: This paper draws on a narrative approach to elicit managers’ stories of change episodes over the past two decades. These stories have been compared with the narratives of the same episodes in governing documents.

Data collection: The paper comprises in-depth interviews with 27 key actors and a wide range of documentation covering the period.

Findings: Findings show that the lived and the formal narratives, respectively, depicted two very different interpretations and enactments of change: the former described a discontinuous process of discrete contingencies demanding immediate short-term responses whereas the latter described a proactive incremental strategic plan. We argue that a narrative approach to the study of organizational change
contributes to deeper insights into the ramifications of an organization’s socio-cultural system by enabling the capture of significant variations, contradictions and tensions, both for organizational members and for researchers who study it.

**APPENDED PAPER III:**

“Being a construction worker: Identity effects as a self-reinforcing mechanism in construction”

**Purpose:** This paper explores the interplay between identity and the organizational cultural capital

**Data Collection:** The paper draws on data from an ongoing longitudinal case study. The data consists of interviews, observations, and documentation.

**Findings:** Findings indicate there exists a strong collective identity that permeates the members of the organization regardless of role, position, and function. We suggest that the effect of this strong collective identity is at the heart of an organizational self-reinforcing mechanism that can explain specific traits of organizational life in construction. We conclude by arguing that the identify effect could result in a problematic contradiction between operational “best practices” and strategic “best practices” in construction.
5. DISCUSSION AND CONCLUSIONS

In this thesis I have attempted to look at strategy with a sociological eye (Whittington, 2007), using a Strategy-as-Practice (SAP) lens to explore different aspects of organizational life in a large construction company (e.g. Whittington 2004; Jarzabkowski et al. 2007; Johnson et al. 2007; Jarzabkowski 2008; Golsorkhi et al. 2010). Using a narrative and interpretative approach, managers´ own perceptions of organizational change over time have been analysed to identify drivers of change.

The findings show that managers sense-making of organizational change episodes most often related to specific individuals rather than to an underlying organizational rationale (Paper I). Furthermore the “dominant” version (Lynn 1990) of organizational change over time consisted of a number of reactive and mutually unrelated episodes, rather than a continuous and vision-driven “perfect-future strategy” (Pitsis et al. 2003) trajectory (Paper II). Additional findings, based on real-time observations of organizational life-in-the-making, indicated that the managers adhered to a collective identity strongly connected to operational practices rather than to strategic practices. This phenomenon, we argue, may influence the way they engage in strategic practices and may have negative consequences for organizational strategizing (Paper III).

When designing this study a “strategy” construct was sought to orient the search for organizational strategy making, and also to be able to recognize it when it appeared. The SAP perspective influenced this study in the sense that it allowed us to approach “strategy” in a much broader sense than did other perspectives within the strategic-management field. The theory section in this thesis provides a brief overview of the historical development of the major paradigms within the strategic-management field serving as a backdrop to the study. If one were to sum up this development trajectory in only one statement, it would probably be: strategy has gone from embracing fewer to more activities within an organization, and from fewer to more of the organizational members. Whether or not this development reflects a similar development within the organizational realities over time is an interesting and important question, but beyond the scope of this discussion.

Strategy has gone from something that top managers formulated (e.g. Chandler 1962; Porter 1980), to something that almost anyone may do (e.g. Jarzabkowski et al. 2007; Johnson et al. 2007). It has gone from including a rather limited analytical process (e.g. Ansoff 1965; Porter 1980), to being “a pattern in streams of actions” (Mintzberg
and Waters 1985:257) and to encompassing internal strategic micro processes (e.g. Wernerfelt 1984, Barney 1991). The perspective on strategy adopted by the SAP stream seems to represent the right end tail of this “less to more” development: “strategy [is] a socially accomplished activity which is consequential for the strategic outcomes, survival and competitive advantage of the firm” (Johnson et al. 2003). Strategy is intended, but may also be unintended (Whittington, 2006; Jarzabkowski et al, 2007).

The definition of strategy adhered to in this study is that strategy is something people do and that the “doing of strategy”, the strategizing (e.g. Johnson et al. 2003), is inherent to organizational life. It therefore struck us as unwise to try and separate the two phenomena. The starting point of this study was instead to try to identify drivers of organizational change based on the assumption that these “blood vessels” (Boije 1991a:8) of organizational life will somehow overlap with key strategic practices.

One could argue that all the organizational change episodes identified in Paper II are in fact episodes of strategizing since they were the episodes which the organizational members themselves considered to be of most organizational consequence in relation to other episodes and outcomes. This would agree with the definition of strategy adopted by SAP, as well as with the interpretative approach adopted in this study. The insights acquired in regards to the indentified episodes would thus also be insights into strategic practices in a large construction company, e.g., that the championing activities of a few individuals have consequences for the organization and are an important part of strategy practice (Paper I). In this respect, we found that strategy over time seems to be an aggregated set of reactive loosely related episodes rather than being perceived and enacted as a continuous vision-driven long-term “future-perfect” strategy (Pitsis et al. 2003) as depicted in much of the traditional textbooks and literature (Paper II). This finding may not be very “new”, however, the contribution here is the empirical evidence drawn from organizational members’ perception at the micro-level.

While the findings in the appended paper can provide insights on how organizational change may happen over time, the construct “strategy” still remains fluid. That the broader definition of strategy adopted by SAP encompasses so many types of social organizational activity makes it hard to distinguish which activities are not strategic, a challenge already acknowledged and much debated within the SAP field (Jarzabkowski et al. 2007; Golsorkhi et al. 2010 ).

Jarzabkowski et al. (2007) argue that a distinguishing element that can be used to differentiate strategic activity from non-strategic activity is connection with certain
strategic practices. They draw on Latour (1987) to argue that just like science may be defined as those activities that draw on scientific practices e.g. methods, tools, scientific language, strategy might be defined as those activities that draw on particular strategic practices e.g. strategic planning, annual reviews, strategy workshops (Jarzabkowski et al. 2007:8). This definition would indeed help distinguish strategic from non-strategic activities in the findings as many of the episodes in Paper II draw directly on formulated strategic practices, and Paper III – based on observations of strategy workshops – would then clearly represent a study of strategy. However, Jarzabkowski et al. (2007) also argue that while this definition is helpful it tends to narrow the analytical focus to how practitioners [strategists] interact with and deploy particular strategic practices. Within the wider SAP agenda lies a concern for all the different flows of activity by which strategy is actually done, i.e. strategic *praxis* (e.g. Jarzabkowski, 2005; et al. 2007; Whittington 2006; Johnson et al. 2007), which underpins the definition (Johnson et al. 2007). Besides, narrowing the analytical focus, i.e. approaching the strategy construct based on certain strategic practices could create tensions when linked to the implicit assumption within the overall perspective that strategy is “… consequential for the survival and competitive advantage of the firm” (Johnson et al. 2007). This would then take us back to the paradigm of “strategy is less”.

As the findings in this study show, many of the organizational episodes with organizational consequences identified in Paper II were not generated by, or concentrated to, particular named strategic practices. Moreover, the phenomenon referred to as *personified strategies* in Paper I shows how the individual *per se* embodied the narrated organizational consequence rather than it being particular named strategic practices that this individual may have used. On the contrary, in the findings there are examples of explicit strategic practices that did not have any perceived organizational consequences, e.g. the business plan for 2001 discussed in Paper II. How then should these activities be defined and viewed?

Another approach used within the SAP to distinguish strategic activity from other activity has been to define it in terms of the actors: “those practices are strategic that are done by strategists” (Jarzabkowski et al 2007). But the question then becomes: “who are the strategist?” This definition risk being circular and conflicting with other definitions used in SAP. Within SAP there is a call to consider strategists in a broader sense than the one used in other strategic management literature, thus looking beyond top-managers as the “strategist” (e.g. Chandler 1962; Porter 1980; Papadakis et al. 1998), and instead expecting to find strategists occupying other positions and spaces (Jarzabkowski et al. 2007) ranging all the way down to lower-level employees.
(Regnér, 2003), and even to external actors, such as consultants (Whittington et al., 2003). From a SAP perspective, it seems that the strategists are not defined in terms of any formal position, but in terms of the activities they undertake, i.e., the strategists are those that do strategy (Whittington, 2006), or as Jarzabkowski et al. (2007:11) put it in their editorial paper on the strategy-as-practice research agenda, “the practitioners [strategists] are those that shape the construction of [strategy] practice”. Defining strategy in terms of actors appears to be a circular argument, as the definition of the strategists seems subordinated to how strategic activity is defined (and not the other way around). On the other hand, Paper I shows examples of strategic activity subordinated to the strategists, in the sense that “who they were” seemed to be more important than “what they did”.

While the SAP perspective leaves questions about “strategy” and “strategists” unanswered, it has, from this licentiate thesis’ point of view, its most prominent merit in its fundamental rationale: the overall ambition to humanize strategic management (Pettigrew et al. 2002) and to shift focus from the “having” of organizations to the “doing” of organizational members. This shift in perspective is in line with the “practice turn” in the social sciences (e.g. Schatzki et al. 2001; Tsoukas and Chia 2002), which offers a means of bridging the micro-macro dualism so often sought by organizational researchers (e.g. Chia and Mackay 2007).

The notion of the organization as a socially constructed organism has framed the overall thinking and the design of this thesis and underpins the questions posed in the appended papers: how do managers perceive organizational life and themselves within it?, and what could this teach us about how organizational life transpires? Paper II addresses this shift in focus as it shows how “two versions of one change” fundamentally differ depending on whether interpretative priority is given to the “doing by people” or to the “having of an organization”. The overall findings based on 27 managers’ narratives of organizational life show that organizational changes took place through a number of reactive and loosely related actions (Paper II), at times via the championing of a few managers (Paper I, II), and at times it appeared as if the actual individual mattered more than any overall organizational rationale (Paper I). Paper III further discusses preliminary findings from a study of strategy workshops which were initiated by the case organization to establish a new strategic direction for all their managers. Instead of considering the strategy workshop as a strategic milestone of strategy practice, the study focused on what the managers actually did during the workshops. One of the findings related to the discussions in Paper I and II was that a collective identity seemed to exist among the managers that united them as a group, regardless of the location of their departments and places of work. We
argue that this identity could explain some of the contradictions obtaining between operational “best practices” and strategic “best practices” in construction. This collective identity also influences the organizational outcomes these strategy workshops actually give rise to. The lesson learnt from these observations is the need to raise awareness among top management and consultants of the relationship between industrial and organizational cultural features when planning and implementing strategy activities. Such awareness could determine whether the strategic activity actually becomes a strategic activity.

The overall pursuit of trying to humanize strategic management and organizational research does not mean that formal strategy does not matter. While Mintzberg’s and Water’s (1985:257) view of strategy as “a pattern in stream of actions” has been praised by some SAP proponents as it bridges the micro-macro dilemma which has been problematized through the practice turn (Chia and Mckay, 2007), others have criticized it for not taking formal strategy seriously enough. The criticisms spring from the fact that Mintzberg and Waters disregard the effects of formal strategy as these seldom result in what was planned. The SAP does, however, take formal strategy and other strategy practices seriously (Whittington, 2007) and argues that disregarding formal strategy because it seldom turns out the way it originally was planned would be analogous to a sociologist not studying marriages because so many of them end up in divorce (Whittington, 2007:1581).

Based on the findings in the appended papers it would seem quite reasonable to give Mintzberg and Waters (1985) some support for their thinking on formal strategy. For example, in Paper II we suggest large differences between formal strategy and lived outcomes, and Paper III highlights managers’ identities and argues that these will influence how they engage in strategic practices. Part of this reasoning is that the planned organizational effects of the strategic workshop may differ from the actual effects. Formal strategy unquestionably matters, but the actual role of formal strategy is beyond the scope of this thesis. Formal strategy and all other related strategic practices, e.g. business plans, strategy workshops, annual reports, analytical tools, matter because they are parts of the socially constructed activity which constitutes organizational life (e.g. Lynn 1990). Formal strategy matters because it is people that create it. Formal strategy matters because it can give people a point to rally around; it matters because sometimes people will oppose it or ignore it; it matters because sometimes people will tell jokes about it. It matters, but it matters to different degrees.
Part of the SAP agenda is to connect the micro and the macro levels which have hitherto often tended to be considered separately in strategic-management and organizational research (e.g. Jarzabkowski et al. 2007; Golsorkhi et al. 2010). The appended papers address this micro-macro gap by exploring practices in a large construction company at micro-level in order to make inferences about the organizational meso-level and the industrial macro-level, or vice-versa. The narrative and interpretative approach used is based on the assumption that narratives about organizational life not only make predictions of that organizational life, but can also be seen as constitutive of it (e.g. Boje 1991; Weick 1995; Czarniawska 1998; 2004). Using narratives can therefore constitute a very useful approach in attempting to bridge the micro-macro levels, and therefore increasing our understanding of organizations’ and industries’ influence on individual’s, and conversely individuals’ re-constitution of organizational structures, i.e. what Giddens (1984) has called “duality of structure”.

The appended papers draw on individual narratives of organizational life to explore different aspects of the meso and macro levels in construction. Paper I identified the practice of associating organizational change with certain individuals rather than with an organizational logic, and argued that this personified association might influence the meso-level of organizational life. A mission or particular strategy couched in the future-perfect (Pitsis et al. 2003) can create common meaning and direction for organizational members, but personified strategies might diminish such positive effects of holistic strategy and planning work, such as the formal version of change described in Paper II.

If a certain organizational direction is merely championed by a certain person, what happens with that direction if the person leaves the company or moves to another function? Personified strategies is a phenomenon that directly alludes to the often repeated SAP mantra: strategy is not something a company has, strategy is something that people do (e.g. Whittington 2004; Jarzabkowski et al. 2007; Johnson et al. 2007; Jarzabkowski 2008). In our case organization, what strategists seem to do is to “play back-spin balls”, a metaphor used in Paper II to describe the characteristics of organizational responses to changes over time described in the dominant narrative. The trajectory of change was perceived to take place via unrelated reactive episodes rather than along any preconceived organizational path. To play back-spin balls portrays a mindset of solving problems as they occur, rather than trying to anticipate them. This phenomenon manifested at the micro level has its explanation in the link to cultural features of construction at macro level. Being a “problem solver” is described as one of the prominent traits of construction engineers.
(Bröchner et al. 2002), which is corroborated in the narratives as well as by the collective construction identity observed in Paper III. We argue that playing back-spin balls is embedded in the culture and micro practices of the case organization; however whether this trait is part of organizational or industrial culture and constitutes the individual warrants future research. Here our speculation is based on our own data and that of colleagues (e.g. Christiansen 2012).

The interdependence of micro- and macro-levels has been emphasized within SAP. Chia and MacKay (2007) describe the importance of the ontological primacy of practice for the Strategy-as-Practice field as pivotal if this field is to have any potential in contributing to strategy research. They emphasize that SAP needs to study the “post-processual”. A process view on strategy tends to focus on the activities of individuals and the organization and the interaction between sequences and events that lead to outcomes on the macro level, and seldom considers how the macro-level in turn constructs the micro activities. Chia and MacKay (2007) state that “a reliance on the micro-macro distinction is intimately tied to the presumptions of methodological individualism where macro-entities are constructed as aggregations of micro-entities: a form of social atomism is implied” (Chia and Mackay pp.224). The “post-processual” is thus a research direction in which the micro-macro levels are considered to be mutually interdependent and constructed.

Besides the example discussed above, findings in the papers present other examples of these mutual relationships between the micro and macro entities. Paper I suggests how the micro-social practice of personified strategies might influence the meso level of organizational life, but it also provides an argument for how these particular micro-practices may be a result of the organizational structure at Alpha 20 years ago. “Playing back-spin balls” might be a micro-practice influencing the meso-level of organizational life, but Paper II also presents evidence of how market circumstances (macro) may have immediate effects on micro-practices. Paper III identifies a collective identity and corroborates what others have already found: the way one perceives oneself in the world will influence how one acts in it; professional identities influence organizational life. For example Beech and Johnson (2005) show how different identities influenced the practice of strategic change. We found a collective identity that most of the interviewees referred to as “being a construction worker” and describe how this identity may influence strategy practices on the meso-level. We also argue that this collective identity might be a result of institutionalized practices at the organizational and/or industry level. The self-reinforcing process at the heart of a collective identity is probably sustained by a duality of structure (Paper III), but further research is needed to make these processes analyzable.
This study has attempted to grasp how these micro-macro distinctions can be bridged when approaching strategy as a socially constructed activity (e.g. Jarzabkowski et al. 2007). In narratives about organizational life, micro/meso/macro levels are all implicated in a socially constructed reality. In order to strengthen the insights concerning strategy practices in construction, these practices need to be compared with practices in other organizations both within as well as outside the construction industry.

5. 1. EPILOGUE

Part II of this narrative is planned to come out in about two years.
REFERENCES


