

**UNIVERSITY OF VAASA**  
**FACULTY OF BUSINESS STUDIES**  
**DEPARTMENT OF MANAGEMENT**

Taina Uusi-Illikainen

**IMPLEMENTING CITY STRATEGY**

Managers' perception on strategy process in the City of Tampere

Master's Thesis in  
Strategic Business Development

**VAASA 2017**

## Table of Contents

List of Figures.....	6
List of Tables .....	6
1. Introduction .....	10
1.1 Introduction to the subject .....	10
1.2 Problem discussion .....	12
1.3 Purpose of the study.....	14
1.4 Structure of the study.....	16
2. Literature review .....	19
2.1 Definition of strategy .....	19
2.2 Approaches to strategy.....	23
2.3 Strategic management framework .....	25
2.4 Strategy as practice .....	28
2.5 Strategy in public sector .....	32
3. Research methodology .....	36
3.1 Research methods .....	36
3.1.1 Quantitative and qualitative methods.....	38
3.2 Research approach .....	41
3.3 Data collection .....	43
3.3.1 Research interview .....	44
3.3.2 Biases and quality of the research.....	46
3.3.3 Conducting interview .....	47
3.4 Data analysis .....	51
3.5 Challenges unique to this subject.....	53
3.6 Concepts of validity and reliability.....	55
4. Result and analysis .....	58
4.1 Strategy process .....	60
4.2 Strategy implementation and process follow up.....	64
4.3 Managerial perceptions.....	69
4.4 Narratives of strategic management.....	72



5. Discussion and conclusions.....	75
5.1 Summary of findings .....	75
5.2 Conclusions.....	76
5.3 Managerial implications .....	77
5.4 Limitations and suggestions for further studies .....	78
6. References .....	81
Appendices .....	87
Appendix 1.....	87



## List of Figures

Figure 1. Strategy planning and implementing. ....	12
Figure 2. Linearity and order in qualitative research process. ....	17
Figure 3. Mintzberg’s model for strategy development from intended to realized strategy .....	21
Figure 4. Implementation factors. ....	22
Figure 5. Stages of strategic management.....	26
Figure 6. Activity as focus in strategy as practice .....	29
Figure 7. Three types of strategizing .....	31
Figure 8. The Heyman-Moore model of strategy and strategic planning.....	33
Figure 9. Basic and applied research .....	38
Figure 10. Data centric qualitative research process. ....	41
Figure 11. Data quality issues in form of biases .....	46
Figure 12. Levels of abstraction of data analyzing. ....	51
Figure 13. The inductive content analysis method.....	53
Figure 14. Natural flow of information in an organization. ....	63
Figure 15. Phases in strategy process.....	66
Figure 16. Improving implementation. ....	68
Figure 17. Implementing the strategic management in city organization . ....	70

## List of Tables

Table 1. The development of business strategies. ....	24
Table 2. Different focus points in qualitative and quantitative methods.....	39
Table 3. Qualitative research types according to Marshall & Rossmann.....	40
Table 4. List of interviewees, their official position, gender and age group.....	50
Table 5. Confrontations in strategy process. ....	59



---

 UNIVERSITY OF VAASA

Faculty of Business Studies

Author:

Taina Uusi-Ilkainen

Topic of Thesis:

Implementing city strategy: Managers' perception on strategy process in the City of Tampere

Name of the Supervisor:

Marko Kohtamäki

Degree:

Master's Degree in Strategic Business Development

Department:

Department of Management

Major Subject:

Management and Organization

Year of Entering the University:

2012

Year of Completing the Thesis:

2017

Pages: 88

## ABSTRACT

Strategy is an ongoing process. Strategy is a story that is told for the organization in order to drive forward. Strategy is the activity of people. It is a political declaration. For a strategy process to be successful, creating a strategic culture within organization is important. Understand implementation and making it an important part of the strategy process will enhance the commitment and engagement of the stakeholders. Strategy implementation means interpreting, adapting and communicating. The city strategy has a dualistic essence of being both a tool for the political decision makers and citizens as well as an operational tool for the city organization.

In this master's thesis the aim is to understand strategy implementation in public sector from office holder managers' perspective by conducting a qualitative case study with narrative inquiry approach. For this study the data is collected through focused one-to-one theme interviews with ten senior and middle civil servant office holder managers in the City of Tampere. The research questions are: how do senior and middle managers comprise strategy process in the City of Tampere and what narratives are there regarding strategic management, and especially strategy implementation in the City of Tampere. The theoretical approach in this study is strategy as practice. In literature review concepts of strategy, strategy management framework and strategy in public sector are presented. The inductive content analysis method is followed in data analyzing in this study.

Lacking the culture of strategic thinking and the broken chain of management result in failing the strategy implementation not succeeding. Implementation does not automatically happen from top down. Implementation is not managed and planned in writing like the strategy document is. Strategy process should be agile to answer the demands of changing environment. The structure of the city strategy process should not tie up the strategic thinking and strategic management within the organization. To get closer to citizens and employees and get them to engage in the strategy is an issue of development for the city strategy process in the future. Managers play a vital role in this, they attach the strategy to the organization and enable the strategic discussion. In strategy process managers lead the way.

---

**KEY WORDS:** Strategy, Strategy Process, Strategic Management, Strategy as Practice, Strategy Implementation





# 1. Introduction

## 1.1 Introduction to the subject

Strategy is an ongoing process. It is not something that a company or an organization has, it's something it does. Strategy is not a set of tools, plans or books. It is the essence of what an organization does and how. Strategy is the activity of people, a vision for the future. (Einola & Kohtamäki 2015) Organizations both in public sector as well as in private sector create and implement strategies for the same reasons – to succeed in competition and perform the best they possibly can with the resources they have. Success cannot always be measured in monetary terms, but in how other goals are met (Vuorinen 2014: 15). Strategy means both changing the behavior towards the desired direction and creating consistency and stability within an organization (Mantere, Suominen & Vaara 2011: 22).

Since the 1980's, strategic planning has become increasingly popular and has attracted the municipal decision-makers' interest. This has happened at the same pace with the growing autonomy of the municipalities as well as with the new modes of governance towards a strategic planning in public administration (New Public Management). Although strategies are being made, the implementation is lacking. The strategic process has not progressed further from the general level and strategies are not embedded in the actions of the organizations. (Sotarauta 1999; Sorsa, Pälli, Vaara & Peltola 2010: 7-8) The trend regarding strategic planning in municipalities has occurred at same pace with management professionalization in public sector. This has changed the language and the tools that are used in the public sector management towards a more professional vocabulary in management and strategic process thinking. (Mantere et al. 2011: 139-140).

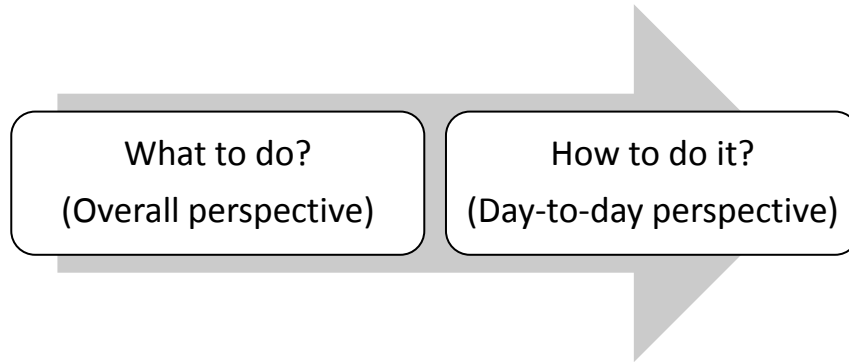
One of the challenges in municipal strategy work is in the decision-making model which includes both political and office-holder aspects (Mantere et al. 2011: 149). Many of the projects in order to develop city strategy process have been unsuccessful. Reasons to this are the lack of knowledge and understanding the strategy process and strategic management within the public sector concept. Also, strategy work in municipalities is facing political decision makers', city employees' and citizens' resistance. It is too easy to repeat the same

mistakes. Therefore it is important to develop the managerial system and culture within the municipal organizations. Moreover research regarding this development is needed. (Sorsa et al. 2010: 7)

Written document is only the first part of the strategy work to formulate the strategy, the other part is the strategy implementation and the execution in real life. Strategy is operations as well as rhetoric. Of course, while forming and building corporate strategy, the resources, organizational capabilities and architecture must be considered, not forgetting the end customer or stakeholders. (Kaplan & Norton 2009: 15, 19) A wide range of people can be involved and engaged in strategy process. Participatory method is used e.g. in cities strategy process, where all interest groups from citizens to enterprises are involved in strategy planning. This was also the case with the City of Tampere when they renewed their city strategy in 2014 to look beyond year 2025.

Strategy implementation means communicating, interpreting, adapting and enacting strategic plans. To understand the strategy and to be committed to it is an important starting point for the implementation. Usually the actual strategy execution takes longer time and involves more people than formulating the strategy. Planning and execution are interdependent and are carried out by two different sets of people: upper management and middle management. Middle management as well as line management are in key role to execute corporate (or city) strategy. (Sotarauta 1999; Shi, Markoczy & Dess 2009)

Strategic planning leads to action. Strategic implementation means putting the strategic choices, goals and objectives into practice. I.e. strategy implementation means transforming strategy into operative actions. See figure 1. (Kaplan & Norton 2009: 15, 19) For a strategy to become more than just a piece of paper it means commitment and evaluation throughout the whole process. Good planning does not automatically lead to right actions. The intended strategy does not always emerge as it was planned.



**Figure 1.**Strategy planning and implementing.

Strategy implementation can be problematic due to various reasons. Strategy might not be understood because of its ambiguity and complexity or the strategy might be poorly communicated and the process might be lacking commitment from operational level. There may not be motivation or means to implement or execute the strategy in different managerial levels. Furthermore there can be many shortcomings in measuring and controlling the strategy implementation and process evaluation. All of this is connected to how the management sees itself as facilitator for strategy implementation. (Einola & Kohtamäki 2015)

## **1.2 Problem discussion**

City strategies range from rhetorical speech to dynamic actions. According to Sotarauta (2016) a current trend in city strategy work is the aim to use knowledge as an element of economic development. It is easy to formulate a strategy document (a plan), but the implementation is the difficult part. No organization starts with a clean slate, they all have their burden of previous strategy anticipation and ways of work. Strategic planning is also a tool for power games between key actors in municipal management and decision-making. It is hard to define where the planning ends and the implementation begins. Decisions are made

where the operation is, therefore communication, trust and learning are the basis for the continuance of the strategic work in municipalities. (Sotarauta 2016: 17, 115-117)

The aim of this strategic business development master's thesis is to understand strategy implementation in public sector by conducting a qualitative case study that focuses on senior and middle management in a large city organization in Finland with more than 220 000 inhabitants and 14 000 employees (Statistics Finland; Tampere city home page). Senior and middle managers' discourse in strategy process, especially in implementing the city strategy, is explored through interviews. The research questions are as follows:

- How do senior and middle managers comprise strategy process in the City of Tampere?
- What narratives are there regarding strategic management, and especially strategy implementation in the City of Tampere?

Firstly, the purpose of this study is on one hand to find out the narratives or discourses that prevent the implementation of the strategy and on the other hand, those that enable it. Secondly, the aim of the study is to find out how senior and middle managers see the managerial role in strategy implementation. The focus group consists of both writers and readers of the strategy and to certain extend various practitioners of the strategy.

This study contributes to the research of strategy implementation and strategy processes in public sector and municipal organizations. Furthermore it enlightens the managers' own perceptions of their managerial and leadership roles within the organization, rising from their own experience. The conception of managerial role is made more visible. This study sheds light on the continuity of the strategy process and strategy implementation in a large Finnish city hoping to benefit further research as well as giving managerial suggestions how to tread in the real-life strategy work in the future. This study continues the line of research regarding the City of Tampere strategy work.

### **1.3 Purpose of the study**

For public sector, especially for municipalities, it is clear that they are competing with each other to attract private companies to set their business there, and thus to create jobs and services. The same competition is topical when people choose where to live and raise their family. Municipalities have to decide what their vision is in balancing between the economic situation and creating welfare and public services. City management and political leaders present their vision and goals in their strategy. Thus, the city strategy is the guideline for a city to provide the services by means of tax money. It is the vision of tomorrow's vibrant city.

Most of the research on strategy in public sector is focused on examining the strategy document (the plan), strategy formulation process and management practices in a particular sector. The voice of civil servant management is scarce in previous research, e.g. how the managers experience their role in strategy work and what the narratives behind strategy implementation are. Also, previous studies related to strategic planning are lacking the analyses of how things are being done in different steps of strategy process (Sotarauta 2016: 115). This is the research gap where this study aims to contribute. What is more, the theoretical frame in this study is strategy as practice, a new field in strategy research and up to now not much applied in public sector strategy research. This study is current and fresh for these reasons.

It is noted in business and management research that there is an obvious gap between research and practice. The practices by managers in organization are not based on best available evidence. Research findings do not transfer into workplace and tools for managers to use in solving organizational problems. (Sauders et al. 2012: 9)

The scope and context of this study is in office holders (civil servants) i.e. senior and middle management in a large city organization in Finland. The municipal decision-making pattern is dual. The highest power is in hands of the political representatives that are elected every four years by the city residents. These elected officials confirm the strategic plan (city strategy, the intended strategy) and the city civil servants (senior management) control the

strategy implementation together with the elected officials. It is the elected officials who also shape the emerging strategy with their decisions concerning e.g. resources and investment. In this study the political decision-making is cropped out (excluding interview of the mayor) and the focus is in city civil servants (office holder), the senior and middle managers, who implement the political decisions and strategy but are not responsible for the operative tasks in city organization.

Strategy as practice theory gives an active-based approach and conception to strategy: strategy is organizational activity, constructed with and by multiple actors. In strategy as practice theory strategy is seen as an experience and doing strategy is a constant struggle with different priorities, several stakeholders and inadequate information. In strategy as practice the detailed aspects of strategizing are in focus, e.g. how a strategist thinks and talks and which tools are used. Strategy as practice is response to economic-based strategy research. In strategy as practice the elements of strategy process, resource-based view and dynamic capabilities theories are replied. (Jarzabkowski 2005: 3-11) Strategy as practice aims to expand the knowledge of how strategizing takes place in an organization and about the episodes of strategy-making. Strategy as practice researchers are interested in human activity that links doing strategy and strategizing to the social context of both micro and macro levels within an organization. (Vaara & Whittington: 2012).

The City of Tampere provides a good example of developing and long-term ongoing strategy work. The new city strategy was accepted by the city council on the 19<sup>th</sup> of August 2013 and it came into effect at the beginning of year 2014. The key theme of the city strategy was “*Tampere, working together for a bright future*”. The strategic focus is in year 2025. (Tampere city homepage)

The city of Tampere strategy process has been studied before e.g. by Kuosmanen (2012) and Marola (2012). The focus of their study lies on strategy planning and formulating process and also how the system works according to the strategy from management and customer point of view. The previous city strategy, *Tampere virtaa*, was based on Balanced Score Card model (BSC) by Kaplan and Norton in 1996 and this model has also been used as an

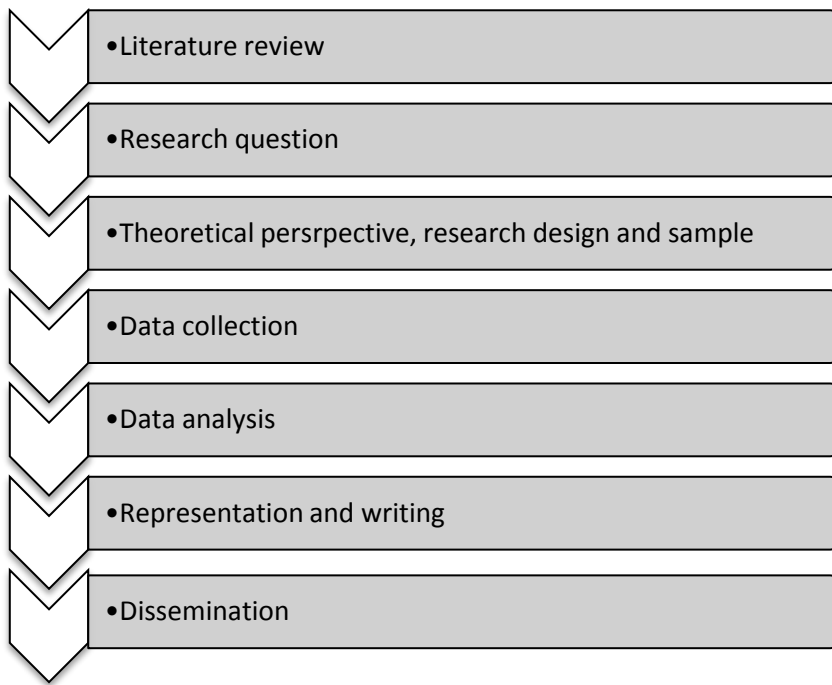
implementing and controlling tool from top down in city organization. BSC model has been used as base for Tampere city strategy since 2001 and thus effecting also 2014 city strategy.

At present the organizational structure in the City of Tampere is going through an administrative reform. The city is developing a new administrative system using the subscriber-producer pattern since 2007. Operational activities of the revised operating model started in early 2017. (Tampere city homepage) The renewal is done following the strategy and the effects for the rest of the city organization are yet to be seen. It is very interesting to explore how managers see their role as strategy implementers in this changing situation and what narratives are used regarding this strategy and its implementation. In this context the city strategy (the document) is considered as the intended strategy and the new administration system as well as implementation represent the emerging strategy (Rannisto 2005: 69-71).

#### **1.4 Structure of the study**

Qualitative research process follows linearly a certain structure as presented in figure 2. Although linearity and order may be pursued, the nature of qualitative research that can be emergent, circular and even messy, leaves room for a researcher to proceed with individual decisions for research design. (Koro-Ljungberg 2016: 82-83)





**Figure 2.** Linearity and order in qualitative research process (Koro-Ljungberg 2016).

A short introduction to the topic and to the research area are presented in the first chapter of this study. The purpose and research questions of this master's thesis study are presented as well as the validation for this study. The study contributes to the strategy field research and clarifies what a strategy means for a city.

In the second chapter the theoretical perspective of this study is presented through literature that is related to central themes and concepts of this research. In chapter two also the overall theoretical framework of this study is presented. The definition of strategy and approaches to that that form a managerial and public organization perspective are essential to establish.

The methodology and choices of empirical approach are described in the third chapter. It is explained how the data is collected via interviews and what reasoning lies behind the data being collected and analyzed as chosen. Qualitative and quantitative research methods are presented as well as the research quality issues.

The result and analyzes of the data are presented in the fourth chapter. The empirical findings are also discussed through the central themes and concepts of this research through four views to data, enabling the participants own voice to be heard and their stories told.

In the fifth chapter the result and analyzes are discussed. Answers to research questions are given and the managerial implications, limitations of this study and suggestions for further research are presented.

## **2. Literature review**

### **2.1 Definition of strategy**

The starting point for defining a strategy is that it means long-term direction of an organization and that strategy is created by a strategist (people). After this point the picture of unifying, all-covering definition for strategy is scarce or not even existing. Strategy can be defined through game theory, as statistical set of rules to improve payoff, or as specific directions and actions. Strategy can be seen from other perspectives depending on the organization and its needs, and also as a set of actions through which an organization develops and allocates resources and uses them to meet the set goal or objectives. There are differences but also similarities on private and public sector strategies. Some strategists see goals and objectives as part of strategy, some not. (Galbraith & Kazanjian 1986: 3; Quinn, Mintzberg & James, 1988: 1-3) Strategic decisions affect the entire organization and require commitment (Haberberg & Rieple: 2008: 47).

As a rule, there is a fundamental idea in the strategy research tradition that strategy is developed around the opposition between micro and macro levels. Micro level refers to individual or inter-organizational aspects whereas macro level refers to the external environment. Another emphasized point in strategy research tradition is the intentionality of strategy and the decision-makers' reflexive ability. Strategy is mostly seen as a product of a deliberate top-down design that opposes the freedom of agency and the determinism of structure where performance is an important keyword. From the method point of view statistical studies are traditionally preferred and the focus is on top management level. (Faulkner & Campbell 2003: 188-189; Vaara & Whittington 2012)

Porter (1980) gives three reasons for strategy creation within an organization while keeping in mind five competitive forces. These reasons are to outperform the other companies in overall cost leadership, to differentiate or to focus. These three generic reasons to create strategies are alternative approaches to deal with the competitive forces. (Porter 1980: 35, 41)

According to Mintzberg, Ahlstrand, & Lampel, (1998: 14) strategy can be seen as “*a plan, a ploy, a pattern of behavior, a position in respect*” of others and as a perspective. These interpretations of strategy are not isolated from each other. It is a manager’s responsibility at least to oversee the strategy process. Strategy making is consideration of collective intention, complexity on how an organization makes up its mind on strategic issues and reacts to them. (Mintzberg 1989: 25) Strategy is the activity of people. It is not something that the organization has, it is something that people in the organization do (Balogun, Jacobs, Jarzabkowski, Mantere & Vaara 2014). Actors in strategy-making are both individual and collective (Chia & Holt: 2006).

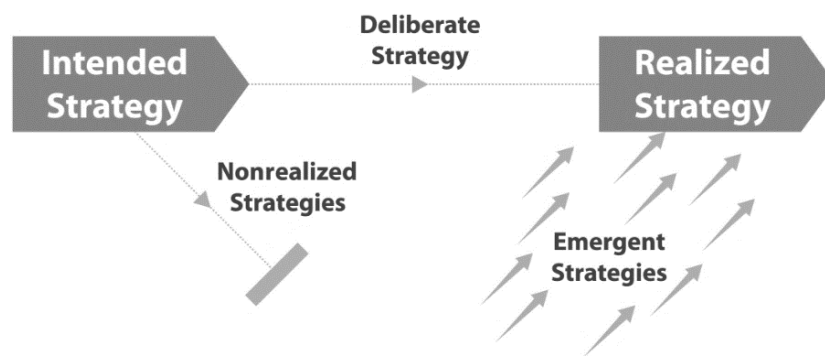
Quinn (1988) defines that strategy is an overall direction and focused actions within the organization. Formal strategy consists of three key elements that are the goals (to be achieved), guiding policies or limiting the actions and action sequences. Strategy targets towards the unknown future. That requires flexibility but at the same time strength from strategy. It is essential to react to the changes in the environment but at the same time it is important to head towards the intended strategy. The critical elements in strategy are e.g. clarity, flexibility, coordinated and committed leadership, compatibility with the environment both internal and external and motivational impact. (Quinn et. al, 1988: 3, 7- 9)

In 1962 Chandler defined that good strategy consists of three important contents: the determination on the primary long-term goals, the adaption of courses of action and the resource allocation. These are current for strategy even today. The primary long-term goals are strategic objectives that are specific, measurable, achievable, relevant and time bound by nature. After setting these basic goals, actions (means) and needed resources to achieve the goal can be set. (Campbell, Edgar & Stonehouse 2011: 7) Chandler emphasized that structure follows strategy, new strategy brings administrative challenges that need to be tackled to meet the set goals in the organization (Galbraith & Kazanjian 1986: 8-9).

Ansoff (1988) sees several reasons why strategy is useful for an organization. Surely defining strategy takes time, money and commitment. But without strategy there are no rules to guide the actions and decisions and no tools to recognize or measure the potential opportunities or changes in either business environment or in possibilities to resource allocation appraisal.

(Quinn et. al, 1988: 12-13) Even though strategy is a common goal, managers seem to be deficient performers of the strategy. Reasons behind this are lack of personal motivation, lack of requisite skills and power and also antipathy to risks. (Ansoff, 1980: 126)

Is strategy then organizational actions that are accidental or are they designed and intended? Managers (strategists) are the ones to create the strategy for the organization. (Mintzberg 1989: 25) Strategy making covers everything from a linear to a cyclical process and it goes on and on. In most of the cases strategy making is not that simple or streamlined as it is planned or described to be. (Campbell et al 2011: 1)

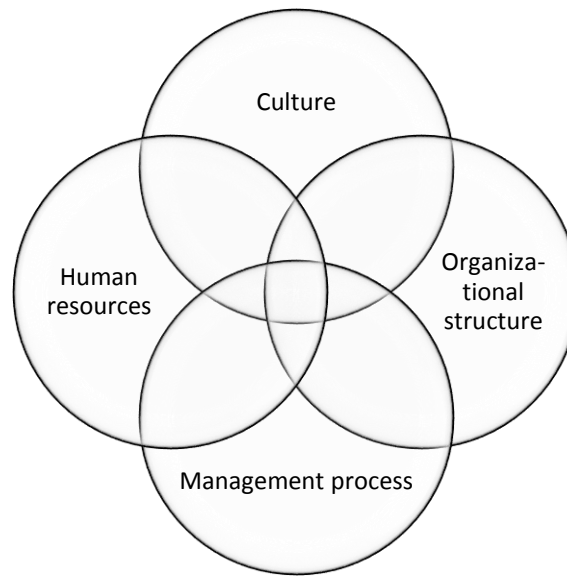


**Figure 3.** Mintzberg's model for strategy development from intended to realized strategy (Campbell et al. 2011).

The strategy (planned or written) is not the same as the outcome of the strategy. As time passes, the strategy evolves from a planned intended strategy with specific objectives to an emerging strategy and then finally to a realized one. This strategy development model is illustrated in figure 3. The strategy has to be adaptive to changes and flexible enough to be effective even in a new situation not forgetting its original goals. (Campbell et al. 2011: 5, 23) Is careful planning then useless or does it help the organization to act adequately when needed, whilst there are unpredictable changes in the environment? This is the touchstone for good strategy. (Mintzberg et al. 1998: 12)

Different environments affect both strategy planning and implementation. It is hard and even unsatisfactory to implement a strategy. Financial and human resources are not easily aligned

with strategy and strategic priorities. Figure 4 illustrates the four key areas for strategy implementation through which the plan is turned into concrete action. Implementation is an active process of realization. In the end, the strategy that matters is the one that is implemented. (Joyce, 2012: 173-175, 190) For strategic leaders it is important to understand the day-to-day life to get to the point where the company culture supports the kind of behaviour and action that favours the implementation and goals of the strategy. Changing one thing does not change the whole culture, but it still is important for leaders to actively build a culture, organizational structure and processes to reinforce the implementation. (Speculand 2009: 72-73, 97)



**Figure 4.** Implementation factors.

Strategy and innovation rely on each other. To look into the future is also to look outside the box. At the same time, it is important to strengthen the public image of a successful organization with a viable brand. One summarization of a good strategy is that it is simple and clear, inspiring and appealing. (Åhman & Raunola 2006: 15, 25, 48, 85) A strategy is never complete in a way that future is never decided or visible.

## 2.2 Approaches to strategy

According to Whittington (2001) there are four basic conceptions of strategy: “*classical (rational), evolutionary (fatalistic), processual (pragmatic) and systemic (relativistic)*”. The approaches are presented from the viewpoint of their positioning to two fundamental questions: what strategy is for and how the strategy is done.

The approach to strategy can also be considered as a disagreement between the deliberate and the incremental (or emergent) strategy debates. The deliberate perspective sees strategy making as logical, rational and systemic process from the formulation till the implementation. There is a contradiction between planned and realized strategies; on one hand fixed plans prevent flexibility and reactions to the changing environment, on the other hand there is a danger of drifting without clear objectives. In deliberate perspective the approach to strategy is outside-in, while in incremental perspective the approach to strategy is inside-out. (Campbell et al. 2011: 15-20; Whittington 2001: 2-3)

The division to classical, evolutionary, processual and systemic strategy approaches is followed in this study to give strategy as practice theory a frame of reference. These four generic approaches by Whittington reflect the evolution of how strategy is comprehended and how strategic thinking has developed in time from 1950s.

The classical approach relies on rational planning. The evolutionary approach is more fatalistic and the metaphor supporting it is the evolution. According to their vision the law of the jungle rules the market mechanism. The processual approach to strategy emphasizes the imperfect nature of human life and is more pragmatic. The organizations and market are liable to error and therefor adaption is required. The systemic approach to strategy is relativistic. The ends and means of strategy are linked to the power of cultures and to the local social systems. In classical and evolutionary approach to maximize the profit is seen as strategy return when in processual and systemic approaches the return of the strategy is plural. In evolutionary and processual approaches the strategy is emerging by chance while in classical and systemic approaches the strategy is deliberate. (Whittington 2001: 2, 39)

The development of strategic thinking starting from 1950s is illustrated in table 1. Today the focus on strategies has expanded from economical thinking and budgeting to considering competence, organizational learning, innovating, knowledge management and organizational agility too. Basically, the shift in strategic thinking has happened from strategic planning to doing strategy.

**Table 1.**The development of business strategies (Campbell et al 2011).

	<b>PHASE 1</b> <b>1950S</b>	<b>PHASE 2</b> <b>1960S-70S</b>	<b>PHASE 3</b> <b>1970S-80S</b>	<b>PHASE 4</b> <b>1990S</b>	<b>PHASE 5</b> <b>PRESENT</b>
<b>STRATEGY APPROACH</b>	Business context	Control and planning	Positioning	Resource-based view	Dynamic capabilities
<b>THEMES</b>	Budgetary control	Economies of scale	Economies of scope	Economies of expertise	Innovation and creativity
<b>EMPHASIS</b>	Budgets and control	Mergers and acquisitions, diversification	Industry leadership	Value creation and capability building	Agility and speed
<b>FRAMEWORKS/ TECHNIQUES</b>	Financial control, forecasting, budgeting	Forecasting synergy, BSC	Environmental analysis, industry, structure analysis, SWOT, globalization	Competences, core competence, knowledge management, value chain, learning organization	Innovative capabilities, adaptive capabilities, adoptive capabilities, collaboration, knowledge management

In present strategy approaches the difference between strategy process research and strategy content research is raised. In Strategy process research the focus is on examining how an organizational strategy emerges. To understand the internal reality of an organization it is important to create the concept of social interactions and every day operations that affect to the emergence of a strategy. More research of organizational routines and practices as well as language and strategy shaping discourse is called for. In strategy content research focus is on what strategic decisions are taken. The organization is studied from distance, relying on



secondary published data, statistical analysis and contingency thinking. Strategy content research cannot capture the actual going-on in strategy-making, nor dynamic relationship between strategy content and context. (Chia & MacKay: 2007)

In Finland local and regional strategy development and strategy work are based on classical approach of strategy according to Sotarauta (2016). The strategy formation is considered as a controlled and a conscious process believing that actions will follow once the strategy is formulated. Usually the implementation is considered to be a separate phase in the strategic process. The strategy process responsible or strategists are the senior managers (officers) in the top of the city hierarchy and the strategy is strategic orders for the organization to execute. This leads easily to a classical strategic planning trap. (Sotarauta 2016:109-110, 113)

The first steps in strategic planning in municipalities were taken in the 1990's and this original model, classical approach is still applied after more than 20 years of strategy work in municipalities. This tradition is followed in e.g. City of Tampere as well. Experience has shown that it is easy to conduct a technically clean strategic document with vision, strategies and adequate measures to channel and direct the resources but the actual implementation is difficult. In many cases the purpose of strategic planning is to get confirmation and get a possibility to discuss visions and other conceptual issues. In times of rapid changes, it is not possible to bridge the implementation gap by formulating better strategies or by committing to them, but leadership is needed. Strategy needs to be seen not as a plan but mostly as a tool for leadership with many dimensions. (Sotarauta 2016: 112, 121)

### **2.3 Strategic management framework**

According to Mintzberg (1978) *“A strategy is not a fixed plan, nor does it change systematically at prearranged times solely at the will of management.”* The intended strategy differs from the emergent strategy for various reasons, changes e.g. in the environment are hard to predict and therefore strategy alters in the course of the implementation. Some radical scholars consider nonsense the strategy, not needed in an organization to perform better.

Strategy serves as a control mechanism and creates a new rigid profession within an organization. (Mantere et. al. 2011: 21)

The scope in strategy work can be in the organization itself or in the surrounding environment (Vuorinen 2014: 27-29). Strategy is shared understanding of the future of the organization. Strategic management means charting how to achieve the objectives and how to adjust the direction and actions in a changing environment. Employees need to know that the organization has a strategy that gives the means and direction for their work. Senior managers are the ones to make the ultimate strategic decisions and middle managers carry out the strategy execution. Strategic decisions are not effective without a genuine understanding of how the organization works. Neither strategy formulation nor implementation can be separated from each other. (Faulkner & Campbell 2003: 4-6, 32, 34)



**Figure 5.** Stages of strategic management (David & David 2015).

There are three stages in strategic management: strategy formulation, implementation and evaluation, see figure 5. In the stage of strategy formulation, the organization generates alternative and particular strategies too. In the stage of strategy implementation, the annual objectives and devise policies are established. In this phase, it is important to allocate resources to meet the formulated strategies. Employees need to be motivated to execute the strategy. In strategy implementation manager's interpersonal skills are important. This stage affects all employees and managers in the organization. Organizational members react and adapt to the role that a manager takes in strategy making. In the stage of strategy evaluation, the information is gathered about what is working and what is not. The external and internal factors are reviewed and the performance measured. Thus, the strategy can be edited,

adjusted and corrective actions can be taken. (David & David 2015: 39-40; Haberberg & Rieple 2008: 53)

Although strategy is abstract, cognitive frameworks, existing in minds of people, a thought rather than matter it still needs to be discussed and developed in interaction. A wider audience is participating in strategy-doing today. New technology allows e.g. strategy jams and dialogues and participating is effortless. Strategy work is no longer seen as an elite function. (Whittington: 2015) Is everyone capable on strategic thinking, do they really contribute to strategy process? Can it be so that participating is more important than the strategy itself?

Barry and Elmes (1997) compare writing a strategy document to writing a fictional novel of which the narrative form is between theory, history and futurism. The goal is to get the readers engaged and interested in the plot and get them willing to buy and implement it. Storytelling is important. Strategy process can be considered as the most important storytelling of an organization and strategy as the most influential but also costly story and device for making sense. (Barry & Elmes 1997) A wide range of people can be involved and engaged in strategy process. Their participation varies in different stages of strategy making. Also, the role that the top manager chooses has an influence on workers' perception of strategy in the implementation phase. Managers need to lead the change in their organization and find a way to achieve an alignment in their interpretation of the strategy (Belogun & Johnson 2005).

In rationalistic and objective tradition strategy is seen to be realized by following the natural practice from top-down within an organization. This does not grant any strategic role to other organizational actors than top management team. Middle managements' significant role in strategy process needs to be and is acknowledged. They are both recipients and deployers of top-down initiatives and their decisions making affects organizational change. Strategy implementation is realized in various vertical and lateral social processes in interaction between individuals and groups, through formal (documents, presentations, conversations) and informal (non-verbal communication, gossip, storytelling) communication. Middle managers decisions making activity occurs in lateral and informal processes when senior management is not present. They are the facilitators for change. (Belogun & Johnson 2005)

Strategy implementation means communicating, interpreting, adapting and enacting strategic plans. To understand the strategy and to be committed to it is an important starting point for implementation. In strategy implementation, managers and employees who do not understand or are not committed to business can hinder the success of the strategy or even sabotage it. Usually strategy execution takes longer time and involves more people than formulating the strategy. Planning and execution are interdependent and carried out by two different sets of people: upper management and middle management. Middle management as well as line management are in key role to execute corporate (or city) strategy. (Sotarauta 1999; Shi et al. 2009) For a strategy to become more than just a piece of paper, it means commitment and evaluation through the whole process, the leadership and management, the strategic approach. There needs to be time and place for strategic discussion. The tools and material that are used throughout the strategy work need to be suitable for the task. (Dameron, Lê & LeBaron: 2015)

## **2.4 Strategy as practice**

The theoretical frame in this study is strategy as practice approach to strategy (the abbreviation of which is SAP). SAP research approaches strategic management, strategic decision-making, strategizing, strategy making and strategy work from micro level and it focuses on social activities, processes and practice that are characteristic to strategy and strategizing within an organization. SAP approach emphasizes that practical reasons are useful when researching strategy and strategizing. SAP approach is a new approach to strategy research in new millennium. It follows four generic approaches to strategy (presented earlier in this study in chapter 2.2) and it emphasizes the turn in social sciences and theories of practice rather than economic theories. Strategy is no longer considered stable nor can it be placed in some location in an organization. In SAP school, strategy as practice can be seen phenomenon, perspective and philosophy vice. It is an option to the mainstream strategy research, because it emphasizes in-depth analysis into strategy formulation, planning and implementation. Strategic planning has been the focus point in strategy as practice

research. (Golsorkhi, Rouleau, Seidl & Vaara, 2010: 1-3, 8, 40, 118-119; Vaara & Whittington 2012)

In strategy as practice the approach to strategy and strategy research is that strategy is seen as a social practice between strategy practitioners and how they act and interact (Whittington 1996). Routines are the building blocks for social structure and practices (Reckwitz 2002). In SAP framework, see figure 6 below, *practices* include routines, tools and discourses, procedures of strategy at organizational level, *practice (praxis)* means specific activities e.g. meetings, conversations, interaction and behaviors in strategy-making and *practitioners* are the people involved e.g. senior managers who shape the strategy and strategic activities. Practices, practice and practitioners are closely interlinked. (Jarzabkowski 2005: 11; Vaara & Whittington 2012). The focus in SAP theory and research is in the activities and the interaction of people, revealing the accumulating knowledge during the strategy making process and bringing the practical relevance to strategy research (Golsorkhi et al., 2010: 119-120, 128).



**Figure 6.** Activity as focus in strategy as practice (Jarzabkowski 2005).

In strategy as practice approach the focus is to provide relevant knowledge from the activities that take place with considering and accomplishing the strategy. With two steps theoretical knowledge is transformed into knowledge that can be applied to practice in dissociation process. The first step is to simplify the theoretical knowledge into artefacts, such as strategy tools. The second step is to connect these tools with strategy practices. SAP research can improve actual work practices by revealing alternative routes of action and point out casual relationships that affect strategy practitioners and the logic behind management practices. (Golhorski et al. 2010: 1, 136-139)

In strategy as practice theory, top managers have the role of mediators in the center of complex interactions of activities in strategy process. Jarzabkowski (2008) has identified three types of strategizing behavior: interactive strategizing, procedural strategizing and integrative strategizing. They are presented more closely in figure 7 below. Strategy is seen as dynamic, multileveled process that evolves over time. In SAP approach it is also meaningful to extend the focus to consider the roles of middle managers in strategy process as well. Strategizing happens in daily life interactions. Top managers are intentional actors whose role is to pursue the goal-directed activity. When strategy is embedded in an administration's structure, top managers find it hard to alter the strategy when lower level managers provide multiple initiatives to change the strategy. Managerial efforts can be unsuccessful in motivating the change which indicates to limitations in organizational processes in strategizing. (Jarzabkowski 2005: 28-29, 36, 41; Vaara & Whittington 2012; Jarzabkowski 2008)

Interactive strategizing	Procedural strategizing	Integrative strategizing
<ul style="list-style-type: none"> <li>•uses direct interactions to shape strategy in organization's actions</li> <li>•persuading opinion leaders</li> <li>•shapes meanings, powers and norms</li> </ul>	<ul style="list-style-type: none"> <li>•use of administrative procedures to shape strategy</li> <li>•embed strategy in plans, performance indicators and targets</li> <li>•allocation of resources structures dominates organization</li> </ul>	<ul style="list-style-type: none"> <li>•involves both direct interactions and administrative procedures that can be modified in strategizing</li> <li>•focus in organization members' actions in order to change strategy</li> <li>•evokes new norms in size and scope of strategy</li> </ul>

**Figure 7.** Three types of strategizing (Jarzabkowski 2008).

Organizations are different. For example, some autonomous workers may have divergent interests that are not directed towards the common strategic goal in a knowledge working organization. Top manager's role is to build a relationship with their community to support and shape the collective activity and commitment. Top managers use strategizing practices such as budget allocation and performance measures as well as face-to-face interactions to influence the others to contribute to the strategy. Formal practices such as plan, budgets and committees are important for the strategic activity although they are not usually seen as reflective parts of the practice. They belong to the administrative system and they are used in organizing the strategy work and procedural strategizing. (Jarzabkowski 2005: 45-46, 51; Jarzabkowski 2008)

It is yet to be noticed that SAP perspective is still developing towards clarity and unity. So far SAP research is focused on activity or conduct, but understanding the institutional context of strategy is also important. (Golhowski et al. 2010: 118, 161-162) SAP research has enriched traditional strategy research by introducing an alternative approach to economic theories through social sciences and demonstrating different actors in strategy-making. Presenting various discursive approaches and ways to collect the data as well as other concepts alongside performance, such as political consequence, effects of strategy tools and involvement of

practitioners, the methodological shift from statistical studies to wider types of organizational studies is achieved. (Vaara & Whittington 2012)

## **2.5 Strategy in public sector**

Public and private sectors are neither distinct nor internally homogenous domains. The difference in private and public sector is in the nature of value, resources, capabilities and environment. For example, in public sector the nature of value is complex, regarding both private and public value. The public value is hard to define and measure. The citizenry consumes it collectively and expresses its demand through political discussion. (Johnson & Scholes 2001: 1-9)

The strategy in public sector differs from private sector strategy from exposure to the market pressure, need for formal regulations and managers' responsibility to different stakeholders. When researching public sector strategy three overarching frameworks of strategy can be established. These are: strategy as managerial intent, strategy as the outcome of organizational process and strategy imposed by external forces. Imposed strategy refers to external forces that affect the strategy. For example, the government may be influential by dictating a particular course of action by legislation or regulations. This is topical in Finland today with the on-going regional reform that is changing the statutory tasks of the municipality. (Johnson & Scholes 2001: 17-18, 21)

Public sector organizations consist of a range of separate services, strategic business units e.g. education, social services and land use. The corporate centre is situated above strategic business units in the organization. Both internal and external issues affect, determine and limit the public sector strategy work in corporate centre and add the value of the work of strategic business units. (Johnson & Scholes, 2001: 233-235)

What in companies is called management, is called guidance and control function in non-profit organizations. Strategic leadership is nevertheless needed in rapidly changing situations also in public sector as a counterforce to political influence. The difference between political influence and strategic leadership is that strategic leadership requires not



only political skills but also clear perception of the common purpose of the organization, vision of the future. (Ansoff 1980: 129)

When taking a closer look at strategic planning and management in public sector, it becomes clear that leadership is needed both in being strategic in decisions and also in delivering changes in public services so that they answer the demands of stakeholders. Knowing the stakeholders or focus groups is essential when sculpting the vision for the future and the goal setting. That way it is profitable to get the public support to the strategy realization. Because of the multiplicity of interests present, it is also an issue of building trust and having credibility to get the support for the strategy. This triangle is more closely illustrated in the Heyman-Moore model of strategy and strategic planning (figure 8). In general, the purpose of the strategic plan is to identify the organizational steps in order to develop additional capacity and to generate the external support and to deliver the desirable goal and public value. (Joyce, 2012: 1, 19, 21, 140, 154-155)



**Figure 8.** The Heyman-Moore model of strategy and strategic planning.

The future does not just happen, it is made. This applies also when contemplating the essence of a city strategy. A city strategy wants to draw the picture of a city that can answer to the demands of the public services and also be vibrant and alluring place to live and make business at the same time. (Åhman & Raunola 2006: 13) It is not an easy task to sketch it because the picture is always in the reflections of the visionaries (Määttä & Ojala 2005: 48).

Public sector strategy is planned and realized in the interface between politicians, civil servants and public managers. For elected politicians, it is important to feel they can shape the day-to-day operation and for senior civil servants to feel they have a policy framework they can implement effectively. Setting the priorities right is of most importance to politicians. Civil servants can influence that along with other pressure groups. Strategic management is a political process in public sector. The arguments that go on about strategy are not in the best interest of the organization or even of the public. Rather, they are arguments about how different groups' interests are being affected. (Joyce 2012: 86, 91, 98, 126)

Strategic issues are events or development that can be considered as a threat or as an opportunity in public sector and they are not easily resolved. A strategic issue can also be the tension when the organization is pushed to different directions by opposing forces. Greater investments that affect the city in many ways both directly and indirectly can be such issues. In Tampere, in the recent past these issues have been related to land usage and planning in Lake Näsijärvi shores, building a traffic tunnel and investing to tramway and cover arena. A strategic issue can even turn out to be an urgent one by nature or it can require a rapid response because it emerges suddenly. (Joyce 2012: 133-134) Strategic agility is measured in real life in real life situations. In public sector, it is important that managers and leaders recognize and evaluate what the top strategic issues to address are.

Public services face continually a changing external environment and a public organization needs to keep adapting to it and responding to new requirements. The changes can be economical, technological and political or changes in society, lifestyle and in public attitudes. An ongoing dialog between the environment and the public organization is a necessity for the success in meeting the stakeholders' expectations. Also learning from experience, from previous strategic issues (not just operationally) and how they were handled or tackled is important. (Joyce 2012: 135-137, 139)

In the strategy implementation stage, the operational responsibility often shifts down to functional managers in lower strategic level (business units) in the organization, from few to many. This phase gives space to different interpretations of the strategy and they start to

flourish. According to many strategy researchers inadequate planning and communication and lack of support are major obstacles to successful strategic implementation. Not taking account the internal issues such as information system and organizational structure and adaptability is one of the reasons why strategy is not successful. (Campbell, Edgar & Stonehouse 2011: 247)

When strategy is implemented, it never goes according to plan. Everything seems to be done twice when looking the strategy process from planning to implementation. Implementation is about adapting and amending. It is the leaders' responsibility to create the right conditions for strategy implementation within the organization. The leaders easily underestimate the implementation challenge and do not thoroughly consider what needs to be done and stop doing what is not working. Implementation requires an extra effort but in reality, very few leaders can exempt enough time and resources to the implementation of a new strategy. Also, implementation is often delegated, not overseen by the managers planning the strategy and there exists no comprehensive implementing plan. (Speculand 2009: 3, 5-6, 8)

To fail does not mean that the strategy is wrong, it means that the implementation is poor. The strategy cannot be implemented if it is not understood. Effective communication fills the gaps and brings people together to hear the new agenda. Strategy is designed at the top of organizational levels but it gets implemented from the bottom up. (Speculand 2009: 117-121)

Strategy as the outcome of organizational processes sees strategy process from cultural, political and incremental dimensions. Strategies are the result of bargaining and negotiation processes between stakeholders and represent the compromises or wishes of the most powerful groups. Strategy is not developed as a result of analytical perceptions, but rather it reflects the past and routines, the way things have always been done in an organization. Strategies change in small steps over time and strategy development is built on current strategy. (Johnson & Scholes 2001: 19-21)

The vision of the future livelihood and welfare state is blurry and the requirements of the society (around municipalities) are changing fast from digitalization and globalization to environmental issues. Now in the 2010s Finnish municipalities are facing economic pressure and forced changes in public health and welfare system that will affect every municipality's

structure, organizational administration and economic base. There is an ongoing discussion of a better municipal structure and the changes that are needed and perspectives vary from political decision making to delegation of tasks between state and municipal level. (Sotarauta, Saarivirta & Kolehmainen 2011: 7) The fast pace of changes requires the city strategy to be agile and strong and an organization committed to it.

Strategy process or strategy making in cities involves different groups of people. This requires a lot of discussion and communication in different forums. The involvement in strategy making promotes commitment and the adoption of strategy in the organization. The essence of strategy should be visible in every city employees' work effort. According to Kuosmanen (2012: 10) a successful strategy process is ongoing, not a plan that is renewed from time to time as a separate project.

### **3. Research methodology**

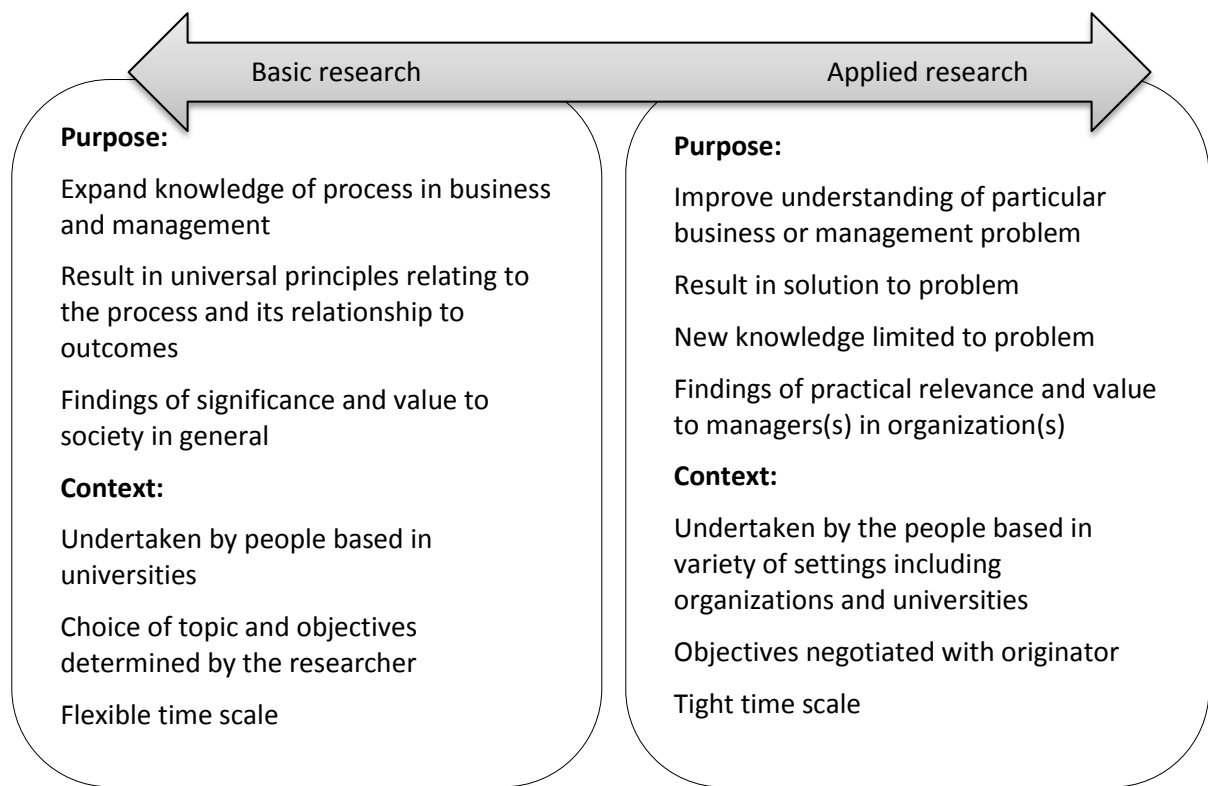
#### **3.1 Research methods**

Collecting data for research purposes is one part of research process, and the other part is to analyze it. Depending on research theme, purpose and data, the research requires an appropriate research method. Research is a process that begins with an idea and a formulation of a research topic and question. Getting access to needed material and primary data that answers the research question may be difficult. There is a variation of research approaches to choose from when conducting the study itself. The choice of the approach depends on particular research project. To be able to link the research to academic theory is also important. There is a difference in finding a suitable research model for qualitative and quantitative research. When quantitative research follows a well-defined structure, qualitative research structure is formulated as the research proceeds from data collection towards the analysis of it as an iterative process. (Bansal & Corley 2012)

The research method refers to the empirical material of the research, how it is collected and analyzed in a systematic and scientific way. Research material can broadly be categorized as qualitative or quantitative but these are not opposed to one another. The nature of the research can be descriptive or analytical. The purpose of the study can be basic (fundamental) or

applied research. A more detailed presentation of this is given in figure 9. The research question should guide the selection of the research method. What material can best give answer to the research question and with what methods is the analyzing of the material best conducted. Research is also about which choices to make and that those choices need to be well established. (Saunders, Lewis & Thornhill 2012: 160)

Saunders (2012) defines research with three characteristics. First, systematic data collection, secondly systematic data interpretation and thirdly clear purpose for the study. The purpose of research is to increase knowledge. All in all, it is important also to understand what the limitations of the systematically collected data are that inhibit understanding a certain phenomenon. Management research is dual in nature: it fulfills theoretic and methodic requirements and at the same time is relevant and useful for practice. Double challenge for the research is to serve both academic and practitioners interests. The comprehension of basic and applied research continuum in business and management is defined in the following figure 9. (Saunders et al. 2012: 4-8, 11)



**Figure 9.** Basic and applied research (Saunders et al. 2012).

In this master's thesis the double hurdle of research is acknowledged and choice made to lay more emphasis on the practitioner's voice. This research with applied nature contributes to enhance the strategy process in real life practice. According to figure 9, applied research purpose and context match up. Acknowledging the purpose and objectives in this master's thesis, the research process needs more defining and the methodological choices and strategies to use need to match the data collection and performing analysis.

### **3.1.1 Quantitative and qualitative methods**

Quantitative research describes and resolves problems by using numeric data (numbers) while in qualitative research non-numeric data (e.g. words, feelings, sounds and images) is used for the same purpose. In a narrow classification, quantitative research method refers to techniques in data collecting (e.g. questionnaires) or practice in data analysis (e.g. graphs and statistics) that generate numbers whereas in qualitative research method data is collected with interviews and observations and analyzed for example by categorizing non-numeric data. This narrow distinction is problematic because a combination of elements from both qualitative and quantitative research methods are used in business and management research. For example, a questionnaire can have both closed and open questions. (Saunders et al. 2012: 161) When taking a closer look at qualitative and quantitative research methods, the distinctions can be found on different focus points as table 2 below presents.

**Table 2.** Different focus points in qualitative and quantitative methods.

QUALITATIVE RESEARCH METHOD	QUANTITATIVE RESEARCH METHOD
To understand, interpretation, rational approach	Emphasis on experimentation and verification
Observations and measurements in the natural context	Concentration to facts and reasoning, controlled measurements
Subjective approach to data, information and knowledge, coming from the inside	Objective approach to data, information and knowledge, coming from the outside
Exploratory, processes	Hypothesis, deductive, results
Holistic perspective	Precise and analytical
Generalization through individual characteristics and content of a phenomenon	Generalization through population

Qualitative research starts from words and ends to words. Empirical data is qualitative by nature and collected non-standardized way and the research process is naturalistic and interactive. There are not enough observations of certain event and therefore it cannot be analyzed using mathematical techniques to gain reliable analysis through them. In qualitative research data is collected, analyzed and interpreted by observing what people say and do, how and when. Research is much more subjective by nature than quantitative research. Qualitative research design often takes place as the research work proceeds. Qualitative research is all about what happens in real life, discussions and events, phenomena and processes that occur naturally between people. (Gephart 2004)

As Saunders et al. (2012) refers, qualitative research focus to the meanings, definitions, characteristics, symbols, metaphors and description of things and events. That is why it is important for a researcher to clarify the subjective and social constructions where the studied phenomenon occurs. The nature of the research is exploratory and open ended and samples are small. In qualitative research, all approaches can occur depending on the research design. (Saunders et al. 2012: 163)

Qualitative research can be further categorized into five different types according to the method and purpose of the data collection, presented in table 3. There are also other ways to

categorize qualitative research. This example shows how complex and multi-dimensional qualitative research can be. (Marshall & Rossmann 1999: 2-3)

**Table 3.** Qualitative research types according to Marshall & Rossmann (1999).

<b>PHENOMENOLOGY</b>	A form of research in which the researcher attempts to understand how one or more individuals experience a phenomenon.
<b>ETHNOGRAPHY</b>	This type of research focuses on describing the culture of a group of people. A culture is the shared attributes, values, norms, practices, language, and material things of a group of people.
<b>CASE STUDY</b>	Is a form of qualitative research that is focused on providing a detailed account of one or more cases.
<b>GROUNDED THEORY</b>	Is an inductive type of research, based or grounded in the observations of data from which it was developed; it uses a variety of data sources, including quantitative data, review of records, interviews, observation and surveys
<b>HISTORICAL RESEARCH</b>	Allows one to discuss past and present events in the context of the present condition, and allows one to reflect and provide possible answers to current issues and problems.

The differences between qualitative and quantitative research methods are summarized in the approach to the data, in the nature of the information and knowledge that are different. In quantitative research method, the knowledge and result of the research is based on conclusions, and the meaning is derived from the data. The data is collected in a numeric and standardized form and the analysis is performed from diagrams and with statistical methods. In qualitative research method, the knowledge and result of the research is based on expressed meanings. Data is collected not in a standardized form but it requires categorization and classifying. The analysis is performed through conceptualization.

Koro-Ljungberg (2016) criticizes the qualitative research approach where the data is taken for granted as if the contents of it were already known when research process starts. Before even having any link to data the research process and methodology is thought and planned. This data centric qualitative research process is more closely illustrated in figure 10. In



qualitative research data presents both possibility and dilemma. Analysis of the data should be controlled in the same way as the data in qualitative research. (Koro-Ljungberg 2016: 45-46)



**Figure 10.** Data centric qualitative research process.

Some researchers consider that all research that is not quantitative is qualitative research (Tuomi & Sarajärvi 2009: 19). Qualitative research has often been seen as insignificant and less important by the scholars because of the diverse and constantly moving methodology. However, with qualitative research it is possible to explore, investigate and respond to complex social phenomenon. (Koro-Ljungberg, 2016: 6-8) Qualitative research and data can easily be referred to as a “*soft science*” and the researcher conducting a qualitative method as “*a maker of quilts*”. In qualitative data, social and cultural constructions and concepts are objectively examined and therefore more subject to bias than the data in quantitative research. Qualitative research is also more difficult to structure. (Brod, Tesler & Christensen, 2009)

In multiple method research design both qualitative and quantitative research methods are applied to gain better approach to data collection, analysis and interpretation. For example, quantitative method is used to analyze published data and qualitative research method to explore perceptions. The weaknesses related to mono method research can be overcome with multiple methods research. (Saunders et al. 2012: 164-166)

### 3.2 Research approach

The research method in this master’s thesis is qualitative and research approach is inductive. The philosophy behind this research is subjectivism. The main purpose of this study is to

understand how managers comprehend the city strategy process, especially the implementation phase and how they find the process itself and how it should be conducted in the future and what meanings they give to the process.

Considering the design of research process there are three forms of reasoning in research theory: deductive, inductive and abductive. In deduction, a theory is falsified or verified. Data is collected to evaluate proposition or hypothesis in an existing theory. Methodologically deduction is structured, operations are measured, problems reduced to simplicity and they are generalized. In induction, a new theory is built or developed by generalizing from micro to macro level. Data is collected to explore and understand a phenomenon or to recognize patterns and themes in order to generate a new theory. Inductive method is more commonly used in quantitative research. (Saunders et al., 2012, 143-148)

The relationship between data and theory is different with deduction and induction. In deduction, theory comes first and then data, while in induction the order is vice versa. Also with induction a smaller sample of research subjects is more suitable. In deduction, the construction of rigid methodology can be criticized for not allowing alternative explanations for events. The third research approach, abduction, is a combination of the two previous ones. The relationship between data and theory in abduction is more agile and altering. Data is collected to build a new theory or to alter and develop an already existing theory. (Saunders et al., 2012: 143-148)

In qualitative research, the methods for data collection must be carefully thought to maintain the sensitiveness and flexibility to the social context of the phenomena and interpretations. For example, qualitative interviewees are given an opportunity to talk about their experiences, views and meanings. (Hox & Boeije 2005) The qualitative method suits best to answer the research questions and it fits the purpose of this research. With quantitative data collection, the same in-depth and personal answers could not be achieved and subjective narratives told. With the collected data, the target is to explain and define themes and patterns in strategy implementation. The focus is on managerial point of view and the managers' own perceptions.

The role of the researcher is complex in this study. On the other hand, I, as researcher, am both internal and external researcher. The City of Tampere was my previous employer and during the time of these interviews I started to work with another employer. Some of the interviewees I knew through my previous official status, some not. The context where the city strategy process was conducted was familiar to me, but I myself was more of an object to the strategy in my operative work task. Although knowing the organization well, I didn't personally know the interviewees that well. In the interviews, it was made clear that the interview was conducted for the purpose of the master's thesis study and I as university student wanted to understand the strategy process and the managerial implications. The City of Tampere has a clear model for granting research permits to students and they support academic studies by trying to support the research topics important also for them. Likewise, the research permit for this study was applied and granted by the officials of the City of Tampere.

### **3.3 Data collection**

The nature and purpose of a research design can be exploratory, descriptive or explanatory. These designs relate closely to research questions. With exploratory study, open questions make it possible to understand what happens or understand a problem. Interviewing the experts in particular question is one way of untangling the problem. The research focus becomes narrower as the research progresses. Descriptive studies usually involve surveys that aim to identify the facts and give a clear idea of the phenomenon. Explanatory study is study that establishes relationships between different variables. The target is to study the event or problem to explain the relationship between variables. (Saunders et al., 2012: 170-172) Data collection and analysis is dependent on the methodological approach in the research. How the research process has proceeded has an influence on the reliability and validity of the research.

The type of data collected for the research can be classified into two types: primary and secondary data. Using qualitative research method, a vast amount of data is usually collected

of one specific topic. Primary data refers to the data that is collected for that specific study with methods that are best fit for the purpose. Primary data is derived from first-hand sources. Primary data can also be considered as the data that is being analyzed as itself. Secondary data refers to the primary data being reused in another occasion to enrich the existing pool of data by other researchers or using for example conclusions of a research article. Secondary data is collected for another purpose and therefore may not be optimal for a new research problem at hand. When utilizing secondary data, it is important to evaluate the quality of the data carefully. (Hox & Boeije 2005)

Collecting primary data for research has its advantages and disadvantages. For a particular theoretical problem or understanding a specific phenomenon, a researcher has a choice to collect own data relevant to the specific research question. This way the research design and the strategy to collect the data can be tailored to suit the study purpose and one can make sure that the research is coherent and the collected data helps to conduct the study. To collect a vast amount of data on a specific topic is time consuming and expensive. There is a point when an already collected data is suitable for use and that is when newly formulated research questions can be answered through it and also when broadening the sample base for interpretation is at place. (Hox & Boeije 2005)

### **3.3.1 Research interview**

According to Qu and Dumay (2011) research interview is an important method for qualitative data collection and it is used widely and for various purposes in academic qualitative research. For example, even if a survey is to be conducted, the interview method can be used e.g. as a pilot study to gather preliminary data to design the survey. The danger is that in the interview situation the data is simplified and idealized. The supposition that people who are interviewed are competent and telling the truth and giving their best knowledge and experience to be used in the research might be a misleading one. (Qu & Dumay 2011)

Interviewing requires planning, preparations and familiarizing with the concepts of the social structure and issues at hand. To conduct the interview situation requires also respect of the

interviewee and curiosity about what is being said, effort to hear and understand what people are communicating. A interview approach that is well-planned can provide a lot and multilayered data for the analysis. (Qu & Dumay 2011)

Individual interviews offer a private environment and encourage interaction between the interviewee and interviewer. To construct consistency in elicitation and evaluation in the analysis of the data, all interviews in the study should be conducted by the same interviewer. This supports understanding the issues handled in the interviews more deeply and supports learning. (Brod et al. 2009)

The primary empirical data for this study was collected with focused one-to-one theme interviews with ten senior and middle managers in the City of Tampere in 2016 from June to November during summer and autumn. The interviews were held face-to-face in Finnish with duration between 60-90 minutes. The interviews were recorded and transcribed for further content analysis. Before the interview the interviewees were contacted with e-mail and in some cases also by phone to set the date for interview and to give further information on this study as well as on the interview themes. The theme questions were send to the interviewees with e-mail well before the interview took place.

There were also other alternatives for the interview to take place and be conducted. As a researcher, I was prepared to have the interview in some other place than in the interviewees' workplace and also carry the interview on the phone or on skype, but all of the interviewees that accepted the interview invitation wanted to meet me face-to-face at their workplace, in the City office, and agreed the interview could be recorded. During the interviews also notes were kept.

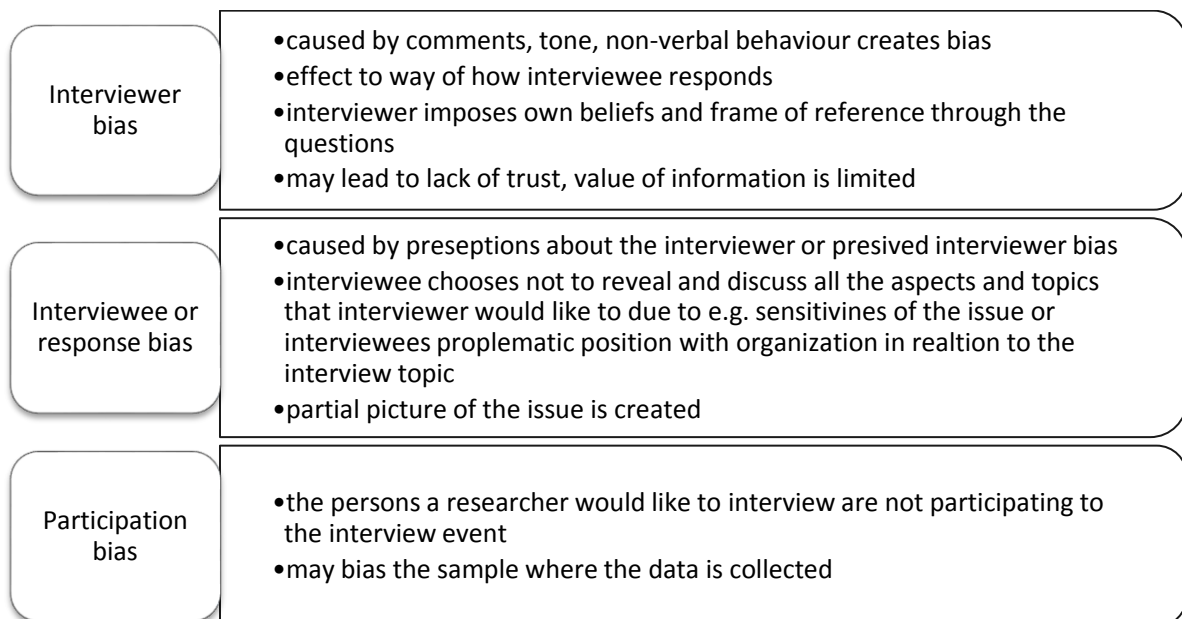
This research relays to the preliminary data, to the interviews. There was also a possibility to enrich the perspective and basic knowledge with secondary data by accessing the City of Tampere strategy work and documents related to that. When this study started to take shape and most of the interviews were held there was no need to gather secondary data. The focus point was in the interviewees' narratives and interpretations about the strategy process, not

in its preliminary documentation. This would be a topic for another research to take strategy related documentation under research.

### 3.3.2 Biases and quality of the research

Qualitative research is typically comprehensive information acquisition that happens in natural, real life conditions with methods that allow different perspectives and participants' voice to be heard. The more open the research method is, the more difficult it is to evaluate research ethics and morality of the researcher beforehand. (Tuomi & Sarajärvi 2009: 125)

There are three types of biases that threaten the reliability and that need to be considered: Interviewer bias, response bias and participation bias. These are presented more closely in figure 11. All these biases make the interview situation vulnerable and are critical for the success of the research. What data is collected, who is answering the questions and how are important factors to consider from research quality point of view. (Saunders et al. 2012: 381-382)



**Figure 11.** Data quality issues in form of biases (Saunders et al. 2012).

How then to be prepared for the biases and to reduce the effects in research? The themes of the interview questions are of importance in order to make it possible to collect valid information for the study. The interview situation is fragile and it can start to go wrong if mutual trust and respect is not found. Appropriateness in several issues e.g. location and behavior is important to consider. For the interviewer, it is important to recognize and set aside his or her own biases and concentrate on listening to the interviewee and on following the theme or questions in discussion. The interview theme needs to be constructed in a way that the interviewee can understand and relate to it. Answering should not need a huge effort and should not be too demanding or challenging from theoretical point of view. The persistence when approaching the participants may sometimes pay off. Finding other ways to collect data to overcome participation bias contributes also to the quality of the research. (Saunders et al. 2012: 381-382; Ruusuvuori et al. 2005)

How the findings of the research are applicable in other settings is a question of generalization. In qualitative research generalizability is an issue to be considered. The validity in this perspective refers to the researcher's capability to understand the meanings that the participant (interviewee) intends to give and validity means also that the access to the participant's knowledge and experience is granted, understood and utilized. (Saunders et al. 2012: 382)

### **3.3.3 Conducting interview**

Qu and Dumay (2011) say that conducting qualitative research interviews is not insignificant and easy. It requires various skills, careful planning and sufficient preparation, listening and note taking simultaneously in the interview situation. For the interviewer, it is important to gather as much expertise in relevant topic areas as possible so as to be able to ask informed questions to collect useful interview data for research purposes. (Qu & Dumay 2011)

For this master's thesis study the interviews were held in Finnish, all of the interviewees were Finnish speaking and Finnish by nationality as well as the interviewer. In all of the interviews the interviewer was the same. The interviews were held in the interviewees' work place or

office during working hours, the time that was reserved for each interview was 90 minutes and it was sufficient. The interviews were conducted with narrative approach where the interviewees were asked to tell freely and openly of the practices and their own ideas of the strategy process in the City of Tampere. The atmosphere during the interviews was professional, but still open and unreserved. The feeling of respect and credence was mutual.

Narrative inquiry approach was used in the interviews. According to Marshall & Rossman (1999, 122-123) narrative method requires openness and trust, mutual and sincere collaboration from both participants and the researcher. The aim is to explore the stories told by the participants. The criticism is pointed to the fact that this method focuses on the individual. Saunders (2012: 187) describes narrative inquiry as follows:

*“A qualitative research interview inevitably involves a participant in storytelling. In this way, the term ‘narrative’ can be applied generally to describe the nature or outcome of a qualitative interview.”*

The interviewees were contacted personally with e-mail at first. All interviewees got the theme questions beforehand. The interviewees had a really positive attitude towards the interview topic and clearly were clearly prepared for the interview. The theme questions were adjusted to fit the interviewee and the ongoing conversation. The purpose of the theme questions was to give the discussion a structure, a core line to follow but at the same time to give the interviewees the freedom to tell their experiences and interpretation of the events and the subject. In the interviews, the goal was to set the focus point into the narratives and the goal was to use words as data in the research to understand the phenomenon of strategy process in the City of Tampere within the managerial context (Clandinin 2007: 7, 44). The original theme questions are in appendix 1 of this study.

The interviewees evaluated openly the strategy work and strategy process in the City of Tampere as well as what the success points were in strategy work, if they became implemented in this strategy process and how they wanted the strategy work to develop further in the future. All except one of the interviewees had been in a way or another part of this strategy process, many of them involved already in previous strategy processes within the City of Tampere. The interest in the interviews was not only to discuss the strategy



process but also to discuss the comprehension of development of the process and what a manager's role is in it.

The information from the interviewees is gathered in table 4. All except the mayor were civil servants in the city organization. In the City of Tampere, the mayor has a political position and the person is selected among the winning political parties after elections. A new mayor for the City of Tampere was nominated in May 2017 from another party than the previous mayor. Also during the interviews, the city organization was going through a transformation. Two of the interviewed senior managers would continue their work in the new organization with new titles but the rest, their work would continue the same even after January 1<sup>st</sup> 2017.

In table 4, management level refers to the position within the organizational structure and management chain. Still, it is to notice that middle managers in this categorization don't have operational tasks and are the head of their branch, for example Director of Education and Learning. The manager's total duration of employment within the City of Tampere is categorized to under 1 year, 1-5 years, 6-10 years, more than 10 years. The gender of the interviewees is marked as F for female and M for male and age groups refer to age under 40 years old, between 40-50 and 51 and up.

**Table 4.** List of interviewees, their official position, gender and age group.

MANAGEMENT LEVEL	POSITION OR TITLE	EMPLOYMENT DURATION	GENDER	AGE GROUP
SENIOR (HIGHEST)	Mayor	1-5	F	under 40
SENIOR	Director of Development	more than 10	M	51 up
SENIOR	Director of Strategy	1-5	F	40-50
SENIOR	Director of HR	6-10	F	40-50
SENIOR	Executive Director of Welfare Services	more than 10	F	40-50
SENIOR	Executive Director of Growth, Innovation and Competitiveness Services	under 1	M	40-50
MIDDLE	Director, Education and Learning Services	more than 10	F	40-50
MIDDLE	Director, Vocational Education and Training	more than 10	M	51 up
MIDDLE	Medical Superintendent	more than 10	M	51 up
MIDDLE	Lead of Service Line/ Service Line for Senior Citizens	6-10	F	51 up

The educational background of the interviewees is more or less the same. They all have an academic degree from master level to doctoral level, some have even several academic degrees. They all have also studied further during their position in the City of Tampere, driving thus forward their theoretical perspective in their own field of management. Majority of the managers have started their career in the City of Tampere in a position of operative management for example as a manager of social services or a principal in a school and from there, progressed with their career in management. Several of the managers have also some kind of a political background.

In the interview situation, it is important to try to achieve an informal and relaxed atmosphere so that the narratives can be told, data quality issues fulfilled and the interview can be conducted in an ethical and confidential way. The interviewees' attitude towards the

interviewer and the discussion at hand was positive. They also communicated that it was good to discuss strategy related issues with an outsider and from a more theoretical perspective. Some even said they got a lot to consider and think about vis-a-vis their professional life and tasks. Conversation was useful for them too.

Because of the narrative approach, free discussion and the need to protect the identity later on in this study, only management level (position in organization) of the interviewee is mentioned when citations from the interviews are presented. The citations are translated into English from the original transcription that is in Finnish.

### 3.4 Data analysis

Content analysis is the basic analysis method in qualitative research (Tuomi & Sarajärvi 2009: 91). To analyze the preliminary data the options for the research approach are several. The final decision of the approach to the data analysis is made after the data is collected. The main options for usable data analysis approaches are data display and analysis approach, dialogue research practice or narrative analysis (Saunders et al. 2012: 564-566, 575-577). In its simplicity, the raw data analyzing begins with categorizing the data and compact the information to findings that are based on transcript. The levels of abstraction are presented in figure 12. Interviews are held to focus on a specific phenomenon and then the data can be examined for identifying patterns and narratives between respondents.



**Figure 12.** Levels of abstraction of data analyzing.

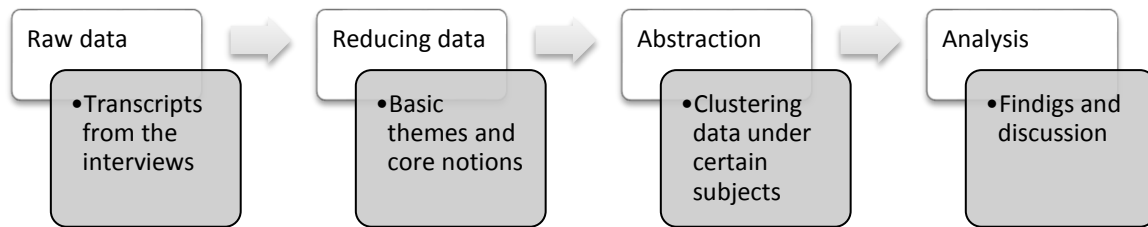
The interviews where the data for this master's thesis study was collected were all individual conversations between an interviewee and an interviewer. They were made in person and

professionally. This discussion like approach leads to a natural choice of dialogue research practice. The interview events were authentic meetings with a dialog between the interviewer and the interviewee. The theme questions were to guide the dialog, but the result of the interview was always open. There was always the possibility that the respondent didn't want to tell the narratives and own thoughts about certain subjects or the language used would turn out to be official talk. The dialog was carried out with participation, listening and talking to each other actively. (Tuomi & Sarajärvi 2009: 78-79)

Knowing the City of Tampere was beneficial to getting into relevant matters quite fast both parties in the interview were highly motivated. The discussion was guided through by the themes that were set in advance and interviewees had had the possibility to prepare themselves for the discussion. Before the interview took place, the interviewer made sure that the themes for the interview were delivered to the interviewee. The interview themes are attached in the end of this study in appendix 1. Interview themes were needed for the discussions not only to follow certain questions but also to try to get all the interviewees to answer to the same topics during the dialog. This procedure would assure getting the material for analyze, for finding similarities, contrasts and differences.

The Interviews were transcribed verbatim, without editing and correcting grammar and syntax. In the transcription, unintelligible speech was clearly indicated as well as its duration. It is important to recognize patterns from the data through content analysis of interview transcripts. It is not until the analysis phase when the consensus of issues should be decided not during the interview process. (Brod et al. 2009)

The inductive content analysis method was followed when analyzing the data. See also figure 13. First the transcripts were read through and basic themes and core notions listed to reduce the data by using the original sentences. This reduced data was clustered under certain subjects with reduced expressions. This way the data is abstracted for analyze and for making final findings according to the research questions. (Tuomi & Sarajärvi 2009: 91-92, 108-113) It was quite easy to follow the inductive content analysis with this amount of data when the structure of the interviews was at least partway predetermined.



**Figure 13.** The inductive content analysis method.

The way of making analysis of the interviews was thought out before all the interviews were conducted but final decisions were made after the transcriptions were at hand in March 2017. The transcripts of the ten interviews varied between 9 – 21 sized A4 pages. Going through the raw material required time and effort and it had to be systematic. When the data and material was this large it required many readings, marking, coding, making subject lists and notes. To listen to the interview recordings several times helped getting to know the data and in the analysis phase.

### 3.5 Challenges unique to this subject

At the moment, there are a lot of changes going on in the City of Tampere organization, and so it has been for more than a year. The city is preparing to change the organization structure from subscriber-producer model to a more streamlined structure. This transformation cannot be done within a year or so, the roots of the system are deeper. The subscribe-producer model has been implemented during the last ten years, since 2007 and it has influenced the way strategic process is conducted from planning to implementation in management structure and culture.

In the City of Tampere one particular feature reflects the two sides of decision making in public organization and management. Since 2007 the City of Tampere organization has been led by a politically elected mayor. The goal with mayor model was to elevate the participation of political decision making also to the preparation phase together with civil servants. The four deputy mayors were, together with civil servants, already preparing the strategy and

decisions. The target was to make it clearer where the line stands between political decision making and civil servants in decision making. For example, to consider the expediency belongs to political decision making. (Haveri, Majoinen & Jäntti 2009: 86-87)

At the moment Tampere is transforming subscriber-producer organization model to a more streamlined organization and weld these two to one again. This work has officially started January 1st 2017. Subscriber-producer organization model has brought more political aspects to everyday organizational decision making and management. The goal with subscriber-producer organizational model is to develop the city organization towards more customer oriented perspective and processes. Model to this fundamental change was sought out from private sector as well as from other European cities a decade ago. (Haveri, Majoinen & Jäntti 2009: 84)

From the strategic management point of view this time is challenging. The city needs to develop new organizational structures while the old strategy is still implemented. Also, the upcoming regional reform brings to surface issues of which the future and power positions are still unknown. At the same time the city needs to be prepared for major inner changes as well as changes in power structure and in municipal core tasks. This reform will drastically change features in the existence of the municipality and it is still unclear what really will happen and when.

Additionally, year 2017 was an election year for new city council and a starting point for yet again a new strategy round. The political power structure changed in the election, a new mayor with new deputy mayors started working step by step and the old political decision makers stepped aside. This changed power structure surely is to be seen in the mayor program, but how much it is to affect the city strategy remains to be seen. From this master's thesis research question point of view it would also be interesting to know if the civil servants that are preparing the city strategy have taken in notice the discussions related to poor strategic culture, lacking implementation, broken leadership chain and importance of communication and agility.

### 3.6 Concepts of validity and reliability

The role of researcher relates to issues regarding reliability and validity of a research. The research process should be clearly thought through and evaluated without logic leaps and false assumptions. The work should be conducted and reported fully transparently way every step of the way allowing others to replicate the study and judge for themselves the reliability of the study. The results should not be random. For example, if the research includes fieldwork, detailed notes of the fieldwork and events should be kept to ensure the control over the researcher's activities (Hox & Boeije 2005).

According to Saunders et al. (2012: 192)

*“Reliability refers to whether your data collection techniques and analytic procedures would produce consistent findings if they were repeated on another occasion or if they were replicated by a different researcher.”*

Weakness in reliability may be caused by non-systematic errors that result from the negligence in documenting the data. When comparing quantitative and qualitative research to each other, in quantitative research it is simpler to verify the reliability. Qualitative research is methodologically constantly moving and therefore it is hard to establish clear ways to compare it with quantitative research. (Koro-Ljungberg 2016: 6)

Where the concept of reliability refers to the quality of the research, the concept of validity and its different forms ensures the quality of the research by complementing reliability. They both relate to the research as source of sound knowledge. With validity the preoccupation lies in systematic problems in conducting the research and in analysis. Validity is usually defined as the measurement; it measures the things that it is meant to measure, thus the measurement is correct. Validity evidence is built over time and it extends also to the interpretations of the results of a measurement, and they are warranted. Generally, validity means the reliability of the conclusions drawn from the material. (Saunders et al. 2012: 193)

According to Saunders (2012: 193) *“Internal validity is established when your research demonstrates a casual relationship between two variables.”* This cannot be applied in exploratory and descriptive research as such. There can be various threats for internal

validity, for instance that the testing during the study has an impact on the participant's behavior, participants are withdrawing from studies or that there is no clarity about the cause and the effect. External validity is weighed up in a proposition if the research findings can be generalized or applicable to another group or framework. To make sure that external validity is not an issue researchers need to think closely about the population and sample in the study, if the sample represents the population. (Saunders et al. 2012: 193-194)

In qualitative research, the quality of research can be described in several ways. It is important for a researcher to step outside the research and thus look at the research from helicopter point of view and with the eyes of an outsider. Being logical in research design and in decisions, and standing up to questioning, criticism and observations creates validity in rigorous scrutiny. The same kind of concepts of validity as in quantitative research are not applicable in qualitative research. (Saunders et al. 2012: 194)

Validity can be improved by utilizing as many aspects as possible in the research topic, commonly referred to as triangulation. There are four generic ways for triangulation to answer the validity issues: data triangulation, researcher triangulation, theory triangulation and method triangulation. The same research topic can be studied by different researchers. If there is an issue of getting a comprehensive picture of the research area at hand, using multiple research methods may broaden the comprehension and establish validity. (Eskola & Suoranta, 1998: 69)

In qualitative research, it is worthwhile to think of the social processes. It helps keeping the research sincere and it enhances the quality and the validity of a particular study. As Norris states (1997):

*“Simultaneously research demands skepticism, commitment and detachment. To understand the object or domain of inquiry takes an intense degree of commitment and concentration. To remain open minded, alert to foreclosure and to sources of error needs some measure of detachment.”*

Research is always unfinished and other researchers have the possibility to carry it on. When thinking of the data, regarding the exactness, there is always an element of uncertainty



present in the research because of the nature of the interaction in the data. The conclusions are reversible and open for other or further interpretations. (Koro-Ljungberg 2016: 46, 54)

#### **4. Result and analysis**

Duality between theory and practice, planning and action is present in this master's thesis study. Strategy is all about making sense, creating understanding and getting a voice heard. Question relies on how organizational actors, also stakeholders, are mobilized to and by strategy discourse at multiple level (Belogun et al. 2014). In strategic management two approaches are on display. One that emphasizes the design and planning of the strategy and one that emphasizes the strategy being realized in organization's practices and activities. (Sorsa et al. 2010: 9)

To begin the analysis part of this master's thesis it is important to establish how strategy is generally perceived among the ten interviewees that represent senior and middle civil servant office holder management in the City of Tampere. To summarize, they see that strategy is important to the city for visioning the future city to be. It is also seen as a political declaration. The two key words that comprehend the meaning of the strategy to the city organization are important and central.

Strategy is considered a central tool for political discussion and an important document showing the direction of the development of the city and how it is led. Engagement and commitment are important in strategy work but at the same time the process is deemed difficult to conduct throughout the large city organization. First, how to engage both citizens and employees to the strategy work from the beginning, how to ensure their voice is heard? Secondly, how to keep the political decision-makers focused on strategic issues regarding the future and how to make the strategy that is implemented, a living tool for city organization?

Political and economic passions and targets are attached to strategy and strategic process. The objectives in city strategy are various from political parties to individual citizens, employees and other stakeholders such as government, the business community and entrepreneurs in the area. What is the vision of a city strategy to them? The environment is constantly changing and that sets new requirements for what a city strategy should cover and consider. Also, a more agile strategy process is called for in the interviews. However, there is a lack of strategic thinking and a need for strategic culture.

Several confrontations in strategy process in the City of Tampere rise up in the interviews. These are presented in table 5. Based on the interviews the strategy process can clearly be seen to follow the classical approach to strategy with a hint of processual approach. The decisions are rational and analytic and they establish the picture of where the city is positioned now and they set the target of where to be in the long run, ten years from now, and set a more short term goal, that is in the end of city council legislature in four years. The organization tries to learn from the previous strategy rounds and use this knowledge to make the process better. To see beyond what is known today is difficult. The decision-makers lack the courage to think strategically and to make choices and to give explicit guidelines to follow. The strategy process is cyclical, following the four years legislature of elected city council and political decision-making time span rather than the ongoing discussion with all the objectives.

**Table 5.** Confrontations in strategy process.

<b>TOP MANAGEMENT</b>	<b>MIDDLE MANAGEMENT</b>
Political leadership	Civil servants
City strategy	Mayor program
Managerial system	Culture
Managerial hierarchy	Strategic thinking
Document	Process
Making a plan	Implementing
A person who decides	Employee

To develop the strategy process within a city is difficult and time consuming and previous experiences may not be that rewarding. Strategy process is not something that can be benchmarked and then put into practice in a city. To develop strategy within an organization, it is important to take account of the local and micro organizational features and specialties. Developing strategic thinking demands getting the full picture of processes, structures, communication and culture. In city strategy process managers do know what to do, but the means and tools how to get there are lacking. As Sorsa (2010) says discourse does matter and

therefore it is also important to study it to establish the social interactions that affect to strategy process.

#### **4.1 Strategy process**

Strategy work in public sector is traditionally seen as a control mechanism, an attribute to hierarchy. Strategy is considered as a task for senior management. To implement and put strategy in action is a task for employees and line managers. This is a problem in an expert organization, because the employees do not identify themselves as implementers, but nevertheless they are partners in strategy work as well. The hierarchical way of viewing the strategy work is problematic and there is usually a gap between planning the strategy and implementing it. (Mantere et. al. 2011: 30, 33) This is also realized in the city of Tampere organization according to interviews.

In the interviews, the strategy is seen as a document and a process that guides the actions that are taken within the organization. It is also deemed that the strategy could guide even more and be considered more as a strategic management system. The involvement of various stakeholders is also considered important in the strategy process. Strategy means also brand work and marketing the city to potential new citizens as well as alluring business life. Strategy is considered to be more on a higher plan rather than setting the concrete action points to what to do and decide. Yet, leading with knowledge is not used enough at top level of city management which is also a point where strategy work falls short. At the same time city strategy is both a political tool for the political decision makers and citizens as well as a tool for operations within the city organization. Strategy needs to be allowing but directing. This dualistic essence of city strategy is seen throughout the strategy process.

In the interviews the managers talked about the importance of participation and commitment that are the success points in strategy process but also the shortcoming of it. The representative democracy does not succeed in getting the citizens' input and feedback to strategy work. Also, to get the employees' voice heard and enhance the commitment and even recognition of the strategy is important. Tools and leadership are lacking. It is the

implementation where the strategy process falls short the most. Implementation is not thoroughly thought on top management level and among political decision makers when the strategic plan is set. For the city decision makers it seems to be more important to get the strategy document done and approved.

When the interviewees compared previous strategy processes with the new strategy process they saw plenty more uncertainties and drivers for change in the beginning of the current strategy process than before. From strategic perspective the city strategy has evolved to a more tight-knitted form and the process is more elaborate than its predecessors. A collection of the narratives regarding the manager's criticism towards the previous strategy process is cited as follows.

*"The process tasted like paper and was stiff."* (Middle manager)

*"The process was gone through conformation first."* (Senior manager)

*"The strategy process fades towards the end of the four year election period."* (Senior manager)

*"More strategic discussion all together and continuing all the time is needed for better strategy process."* (Middle manager)

*"The process is too heavy and after one round there is a sense of a hangover. The strategy process is gone through too often immediately after the previous one."* (Middle manager)

*"Strategy process is a massive operation that is done once in every four years. It is both slow but at the same time conducted in a hurry."* (Senior manager)

*"Sometimes it is frustrating when you are asked an opinion but the answer seems to be given already, your answer does not seem to matter. No process for the sake of the process."* (Middle manager)

The greatest criticism in strategy process was given towards the stiffness of the process and setting the targets and measurements. Because the social community, environment and

situations are ever altering the targets are proven wrong or false quite fast. These targets need to be reviewed more often and redirected when the situation demands rather than just stick to what is decided and written way back. Strategy needs to be more like a living document according to the interviews.

The opinions scattered among the interviewed managers when asking about their mind about the strategy document itself, accepted by the city council in autumn 2013. About the language used in strategy one manager crystallized her thoughts as follows

*“If the strategy text still needs to be translated, then it has failed. Strategy has been drafted in official language and governmental phrase.”* (Middle manager)

Among the managers the strategy document was seen as

*“A clear, compact and comprehensive entity.”* (Middle manager)

*“A lighter version than the previous ones and the message was more condensed.”*  
(Senior manager)

*“There are good topics that work like catch phrases that guide the reader to the essence of the strategy.”* (Middle manager)

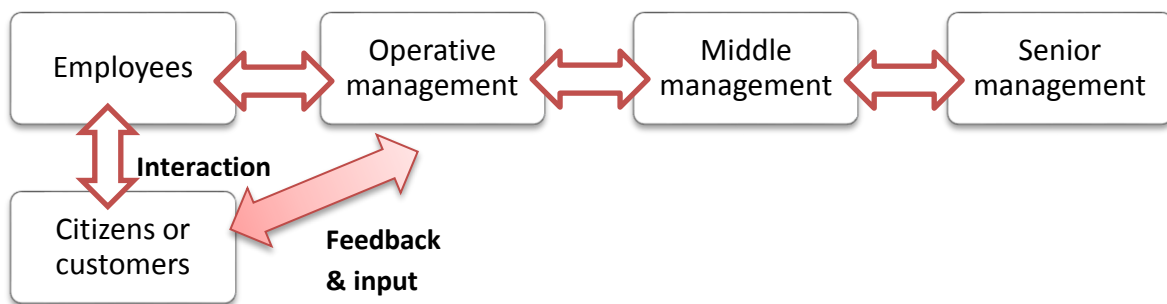
*“The document was full of compromises and the document could have been even more condensed and living in time with more alignments and choices done by the top management and political leaders.”* (Senior manager)

How then to develop the city strategy further, on which clear points could the strategy process be better according to the managers? First of all, the managers think that the strategy itself is not agile enough to handle and react to the pressure, changes and events from the environment outside, things that occur during the preset time frame, during the strategy period of four years. The things that are unpredictable require actions and can have an effect on strategy. Refocusing is needed. External factors are more influential than political choices. The structure of the city strategy process should not tie up the strategic thinking and strategic management. If there is a need to adjust the strategy it has to be possible to do it and not just

wait that the preset time frame of four years passes and a new strategy is about to get started together with new political decision makers.

To build up the vision for the future is also considered a difficult issue in the interviews. Although there are plenty of reports available about the existing situation, more information and broader vision of the future is needed. The decision makers easily consider things via the present situation, not through the possibilities in the future. It is difficult to see the new direction in the future when you are stuck with the vision at hand. Multiple interviewed managers express the opinion that decision makers, both political and office holders, should be braver in strategic choices and alignments.

To get closer to citizens and employees and get them to engage in the strategy is also seen an issue of development for the city management in the strategy process in the future in the interviews. Getting the grass root message and feedback is important. The connection between top and operative organizational levels must not brake or be divergent. The impact and visions of everyday life can be reached and used in strategy work and process via the employees who are close to the citizens. The strategy process can be seen as information and knowledge flow between different levels of the organization. This is illustrated in figure 14 below. The employees have an important role by having a direct interface to and with the citizens in this natural information flow. Why not use this opportunity more, by seeking out the connection of what is natural and enhance that also in strategic process?



**Figure 14.** Natural flow of information in an organization.

The city exists for the sake of the citizens, not for the organization, organizational structure or politicians. Strategy work and process should be structured and organized the way that it makes it possible for the employees to participate and give feedback and that way enhance the engagement. The employees need to feel the ownership of the strategy and not that it is given from outside. This encourages the employees to develop their work in line with the strategy and broadens the strategic thinking to cover all levels within the organization. For the citizens, it is important to feel being a part of a community and that way have an impact on what is happening in the city and what kind of services are developed with the tax money. To make this happen the strategy process itself needs to be developed and tools to use thought over. The culture for strategic thinking needs to be enhanced even on top management level. Strategy work or process is never really finished, a lot can be learned by analyzing what and how things were done before. It is important for managers too to be brave enough to do things differently and to be critical to one's own performance and actions, taking the leadership.

## **4.2 Strategy implementation and process follow up**

There are plenty of synonyms for strategy implementation or strategy realization in Finnish language with different echo or backload. For implementation in the interviews the term "*jalkauttaminen*" or straight loan from English, 'implementation' "*implementointi*" was used. In the interviews, the implementation phase was asked separately during the interview discussion to make sure that this phase of strategy process was well in mind rather than planning or documentation.

Strategy process falls short when it is not implemented and when it is not followed up to see the impacts of it and its further development. Discussing the implementation of the strategy and strategy process follow-up raises plenty of thoughts among the managers in the City of Tampere. The consensus is clear about the implementation among the senior managers. They feel implementation falls short on many levels in the organization. Major reason and the bottleneck in the implementation is the broken chain of management and leadership in the subscriber-producer organizational model. One senior manager even stated



*“I have lost my strategy belief... To strain the strategy automatically from top-down in a complex and multi-tiered hierarchical organization does not work... There is no chain to follow in strategic management, there is no strategic management system... We need to lower our hierarchical organizational structure.”* (Senior manager)

The tools and even the culture for implementation is lacking. To keep the strategy vivid in discussions during the full four years requires effort and strategic culture. Both citizens and employees stand in the core of the implementation. The problem in realizing the implementation is according to one senior manager that

*“After the starting phase the strategy is not pointed out anymore... The strategy is detached from the action. There is a need for a functional strategic management system and strategic thinking at all levels [of the organization] so that city strategy can really be said to be implemented... Once the strategy document has been approved by the city council and it begins to live, there is less effort to implement and lead it actively and to bring forward in the management system. It is trusted that supervisors will take it forward... Senior office holder managers have a role as a linker and a messenger for strategy. Strategy needs to be communicated and footed all the time in different ways to keep the message alive.”* (Senior manager)

When discussing strategy implementation with middle management the issues they point out are different from the senior managers’ notions. Lack of time and resources for strategy work alongside the everyday tasks is one. Surely there are plenty of official documents that communicate the strategic message but employees still don’t see the importance of it or consider it their own. Employees are just doing their every day job and strategy is felt separate from it. The relevance of the strategy is missing. The answer for better strategy implementation lays in making it possible for people to participate and encouraging the operative managers to discuss and enhance strategic thinking in their organization. Same model for implementation does not fit in all organizations. New ways and tools for strategy implementation need to be found. As one of the middle managers pointed out

*“It is underestimating the operative level managers if they are given ready to use material for strategy implementation or direct orders how to discuss about the strategy with their employees.” (Middle manager)*

The strategy process in the City of Tampere can be seen structured with different phases, see figure 15. According to the interviews, the greatest interest in the strategy process was all together in the document phase, creating the new city strategy, setting the targets and measurements and getting the document written and approved in the city council. Especially senior managers admitted taking a shortcut in strategy process, implementation was somebody else’s responsibility.



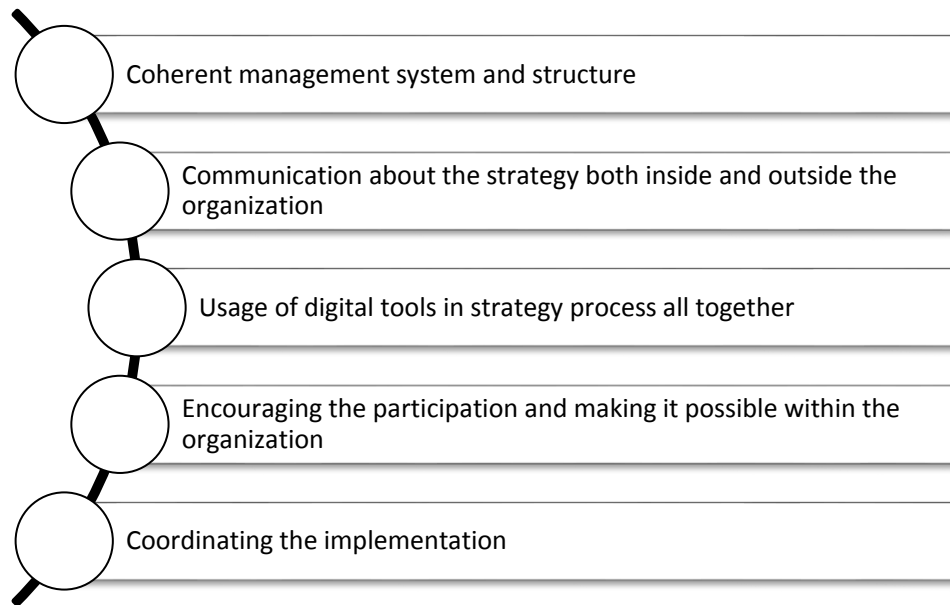
**Figure 15.** Phases in strategy process.

The interviewees give several reasons to this: lack of strategic culture and thinking, lack of time and commitment to communicate the strategy after the documentation phase. Implementation is considered a task of the operative level management and thus, the top management takes a shortcut towards a new or next strategy process after pushing the decisions through in political decision-making body. The implementation is not given that

much thought from the beginning with and it is still seen as separate from the bigger or more meaningful strategy process. To follow up the strategy process is not only getting the answer through the measurements, it is also getting people heard and seeing the impact of development, meeting the targets and direction.

*“I see that in this [current strategy process] we do not evaluate the strategy implementation terribly well. I don’t recall that I ever had participated to a conversation during this process where we had evaluated how well implementation has succeeded, or how we even evaluate the amount of people that have received this [strategy] message... I think our problem is as is in so many other organizations that implementation is then overpowered by other issues. To get strategy done is a terrible pressure and requires vast amount of work... for strategy implementation there is no charge left. We need to strengthen the implementation phase and evaluation, absolutely. This is acknowledged for sure, there is no charge left.”* (Senior manager)

Implementation does not automatically happen from top down in any organization. In a public organization implementation may need even more consideration than in private sector if change is wanted. For example, there are more legislative and governmental guidance in services and workflow. The city strategy and the governmental guidance are not controversy, strategy gives the validation for developing the work and performance in the organization and connects the individual employee to being a part of the community, serving the citizens and giving a purpose for the work. Strategy is communication. The interviewers have many ideas how to improve the implementation in the future strategy processes. These ideas are collected to figure 16.



**Figure 16.** Improving implementation.

The meaning and importance of strategy follow-up raises mixed opinions among the interviewees. Some think that setting targets and doing measurement is enough while others see that it would be important to collect feedback from the strategy process and analyze it better to develop future strategies. Of course, collecting more feedback would mean extra effort but there could be digital tools to be used more effectively in the whole strategy process. This, in turn, would help to create the continuance and would make it possible to analyze the material more efficiently and support the participation.

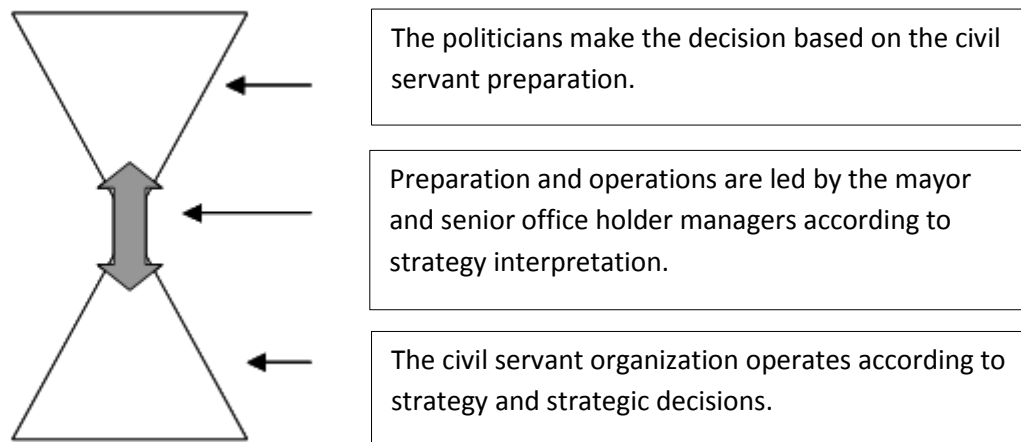
To collect the information throughout the strategy process and to evaluate it would give more perspective to the points where and why strategy falls short in practice and how to develop these issues further so that they don't hinder strategy work and culture in longer run. A lot of time is spent to create and set targets but the question is if the targets and measurements are the right ones and if they are met or if they should be redefined or altered during the strategic period in order to find more suitable ones. As the interviewees say there is a lot of valuation in measurements but it is not clear if they really contribute to the big picture. Measurements are one sided and narrow, and it is also important to collect other kind of information if strategic culture is wanted to be impeded to the organization. Also, it is important to know

how to spend time and resources most efficiently in strategy work, how to build up a structure or a system that allows participation. Creating reports needs rethinking, why and for whom those are created for and if the receivers really use the information. Creating a report is still not a same as evaluating a process.

### **4.3 Managerial perceptions**

Public service leader is a leader with a public service ethos. The credibility of a public sector leader is measured with his or her confidence on the vision of future public services, with the ability to create consensus and to believe in importance of serving the public and doing what is good for the society. Public service leader is in crossfire of understanding the elected politicians and listening and consulting the citizens and service users and facing the contradictory attitudes and interests of the stakeholders. (Joyce 2012: 286-288)

What there is to strategy process, private and public sector differ both in the system and in the process of making decisions. In the interview, this dualism between political and office holder civil servant management is also discussed. It is the city council that approves the city strategy after civil servant preparation. In following figure by Rannisto (2005: 102), that also applies to the city of Tampere case, the role of office holder management in city strategy work is illustrated: the duality and pressure between stakeholders. In political sense the city council is responsible for the city strategy and municipality is responsible for implementing it.



**Figure 17.** Implementing the strategic management in city organization (Rannisto 2005).

Concerning this subscriber-producer organization model, the interviewees bring up the perspective that the chain of managerial decision-making and leadership is broken and the message from upper level down to organization does not reach all levels, especially from the producer side. This is also a problem when looking at how the city strategy implementation is conducted in the organization from top down. In the new organization model this chain of management is wanted to be reassembled.

After the city council election, the mayor is chosen among the biggest parties and the mayor sets his or her own mayor program that is a political agenda for the four years legislature. The mayor program has also affected the strategy making process in Tampere and during the last strategy period (2014-2017) even more than the previous ones. This issue of duality between strategy work and mayor program as well as political and civil servant management is discussed with all of the interviewees during their interviews. The development of political leadership has gone to the direction where the political mayor program sets targets to the city strategy although mayor program is not a strategic program.

The interviewees speak with mixed thoughts about this duality between city strategy and political leadership as a form of mayor program. Where the middle management sees the mayor program and the strategic process more as influencing one another, done side by side, the senior management think differently: the perspective they offer are the reasons why the

mayor program is done by giving the direction to political short term period rather than giving long term future perspective for the city (civil servants). City strategy is a tool for management while the mayor program is for building the landscape for political decisions. This duality is also a question of power and how to use it.

City strategy is planned and prepared by the civil servants with deputy mayors and approved by the city council. Therefore the role of city servants is important and they really have a saying to the strategy process. They can have an influence on the issues that are brought up in strategy process. Important choices and decisions are made by the upper management. Office holder managers need to acknowledge more their role in pointing the way of strategic thinking, the decisions are not made somewhere else beyond their reach. The preparation is co-operation between the political leaders (deputy mayors) and civil servants as domain experts in their field.

The duality of city strategy process between civil servants and political decision makers is also an issue of clarity in the strategy.

*“The officials want to make more tight-knitted city strategy, but in political processing there was always something added to it. Readability and content are affected. Officials wanted to apply the emphasis, not to embrace the whole world.”*  
(Senior manager)

*“Now in this current city strategy it is seen that the targets that were set by the city council four years ago are funny targets, because the world has changed so much. But I still see that to have a strategy is important for a city in many ways. And I’m glad that it is even a more central tool for political discussion. Truly said the strategy was made in co-operation...”* (Senior manager)

In the interviews, it becomes clear that the relationship between mayor program and strategy process is not clear. Especially senior managers see this relationship problematic in the way that the mayor program itself is not a strategic document but it still gives the framework for the strategic process and issues. Mayor program and city strategy are made side by side and

they influence one another. Some interviewees say that the mayor program is directing and overpowering the strategy work itself. As one senior manager said

*” City strategy is a joint document of the whole city council, the mayor program is the governmental government program. Big lines are agreed in the mayor's program. Strategy is more of a management tool.”* (Senior manager)

The middle managers see the strategy work in the City of Tampere in a way that the goals and measurements are given by the city council but there are no tools and resources to fulfil particular goals and reach up to accepted level in measurements. They state it is important to think already in the planning phase how strategy can be realized and implemented and think how to assess, if the goals are right and the resources allocated in line with the strategic goals.

#### **4.4 Narratives of strategic management**

According to Pentland (1999) stories are important. They are constructs and help to explain events in a process. Stories also shape the process. With stories the underlining structure is made visible and is explained but they also help realizing the relationships between variables in a process. Narratives mirror the social world and offer insight to an organization. Stories are told from a specific subjective point of view and with a special narrative voice. (Pentland 1999)

As the interviewees stated in strategy process managers lead the way. They have a significant role to translate, they attach strategy to the organization and even enable the strategic discussion realizing it first among the employees within the organization. It is the manager's obligation to bring the strategy closer to the employees and translate the goalsetting and message suitable for the organization and individual employee. Strategy is not something that is given from above and is contradictory to other e.g. national regulations and norms that are also applied in city organizations to provide services. Strategy itself is a story for a city and strategy involves talking.



To implement city strategy is something that needs to be build inside the organizational structure and culture, to relate to everyone's everyday tasks. The middle managers are asking more resources to arrange time for strategic discussion within the organization. At the same time there already exist tools, such as development discussions between managers and individual employees, to use for strategy implementation. Intrinsically, strategy needs to be part of these discussions. Staff meetings are natural places for strategy communication. The manager's own attitude towards the strategy is meaningful as one senior manager said in her interview.

*"...If manager is not familiar with the strategy and has not internalized its purpose or thinks strategy is full of nonsense, it's not possible to communicate it further to the organization one is leading or make decisions through the strategy. ... Also, if there are no forums to discuss the strategy, manager is not fulfilling his or her own responsibilities as strategy leader, then it [the strategy implementation] is doomed to fail."* (Senior manager)

In the end of every interview the interviewees are asked to give advice to managers in strategy work, advice that comes from their own experience as manager in strategy process, especially about the implementation. This advice also reflects the managers' own thinking of leadership and role of strategic management within the organization. The managers are also asked to share their experience on what contributes and what prevents strategic implementation within an organization. This question is presented outside the question theme, but all the participants are willing to share their thoughts. This question also works as summary for the conversation, returning from the main issue of the study to the person in question, the interviewee.

*"... It is more important to think, how to implement this strategy. It needs to be a continuing process. One [a manager] has to be able to develop one's strategic thinking and skills in management and leadership. To have a holistic view and then think what is important and what we are really doing here. And also pay less attention to all minor details."* (Senior manager)

In as hierarchical organization as a city is, a manager has an important role to perform as leader in strategy discussions with his or her employees in the micro organization. Being

present, committed to the strategy and also giving a face to difficult decisions is important in strategic management. Implementing strategy is transforming the strategic phrases and words into action. Strategic management is also making choices and that requires courage and vision. For a manager, it is important to trust his or her own capabilities but also to make sure that basic things e.g. wellbeing is appreciated within the organization, because it is only after that that the implementing strategy can really happen.

To draw the picture of tomorrow, continuance and logic behavior strengthens leadership also in strategic work. For a strategy process to be successful the management needs to be coherent and predictable. The manager needs to be committed to the strategy and support the feeling that all employees are part of the big picture and have the possibility to develop and affect one's own work. Communication needs to be continuing and clear. It is dangerous to simplify too much. Learning from mistakes but also from successes is important, managerial skills develop through experience and practice. No one is a born leader. The comprehension of manager as a mediator in an organizational strategy process is reflected also in this following middle manager's experience.

*“Once in a personnel meeting I was telling about the concept of strategy, what it means in our work and what I thought was important in it. Then I got some feedback from one of our line managers and he/she told that he/she had never heard such a good presentation regarding strategy before. And that somehow it opened up to him/her what the strategy is, even the word is difficult to pronounce. This feedback I have taken as a guideline for me. First to understand the theoretical frame work. Then it is easy to continue towards what that means to us and when we are making a decision we will make it according to our strategy... and what the goal is that is pursued, not just leave the explanation to be “according to our strategy”. It is important not to leave ambiguity but to understand if we comprise the same.” (Middle manager)*

## **5. Discussion and conclusions**

### **5.1 Summary of findings**

In this master's thesis research the aim was to understand strategy implementation in public sector. The theoretical frame was strategy as practice and focus in activities and practice. Ten senior and middle civil servant office holder managers were interviewed. The purpose was to find out the narratives or discourses that prevent and enable the implementation of the strategy. Another purpose was to find out how senior and middle managers see the manager's role in strategy implementation. The research questions were: how senior and middle managers comprise strategy process in the City of Tampere and what narratives there are regarding strategic management especially strategy implementation in the City of Tampere.

The picture of current situation of strategy process and strategic management in the City of Tampere became clear from the interviews. Several challenges in strategy process relate to lacking strategy culture and broken leadership chain from organizational level to another level: lacking comprehensive strategic management throughout the organization. The message does not automatically flow from top down in hierarchical levels. An agile strategy process is called for, strategy needs to be allowing but directing, living in time and reflecting the environment. The structure of the city strategy process should not tie up the strategic thinking and strategic management.

Strategy process has developed over the years in the City of Tampere. Engagement and participation are seen as a must have and as an object of improvement in the future. Strategy is seen important, but it is not seen as a tool, but more of a document that pictures the future vision of the city. Communicating the strategy from different organizational levels varies and decreases with time. Implementation is not managed and planned in writing like the strategy document is. That is why strategy is only partially accomplished. It is more of a process for the sake of the process rather than a tool to really develop the whole organization. There is no real strategic culture that penetrates the city organization. The relation between the mayor program as political declaration and city strategy is unclear and that affects the strategy implementation.

Several issues regarding how strategy process and strategy implementation could be improved raised up from the data that was collected. The manager's role as a moderator towards the strategy and the organization is in center of the whole process. Leadership and management have been given quite a lot of consideration in the City of Tampere. For example, there is an extensive leadership program for managers that is mandatory for new managers in the city organization from operative level up. This program does not include strategy, strategic management nor even strategic thinking. If strategy is not known how can it be implemented? Creating opportunities to discuss and getting to know the strategy concept will lead to better strategy process and also to better implementation. Creating the culture for strategy is developing the organization as entirety. This means not only building a structure but also enabling things to happen, changing the mindset towards from what to how.

## **5.2 Conclusions**

A city organization is a complex entity of separate professional micro organizations. Bureaucratic, but still democratic and autonomous where the professional workers (operators) seem to lead rather than the managers. In strategy vice these organizations follow several strategies. Over all, the concept of strategy is stable but in detail continuously changing and complex. Coordination is the challenge.

The importance of strategy is realized and understood in theory but strategy as practice is still unreached, not a reality. The momentum from organizational structure perspective to enhancing full strategy process lies in changing the organizational model from subscriber-producer model to something simpler and also in encouraging the community to build a culture for strategic thinking and strategic leadership in the City of Tampere. To reach a full strategy process from planning to implementation requires more than just structures. The strategy process can be seen as information and knowledge flow between different levels of the organization, for example coming closer to the citizens, knowing their needs and responding them. Shortcuts are not acceptable in strategy process and top management needs to take the responsibility in showing how to do things, communicating the strategy and making it their own tool. That is also implementation.

Physical tools are lacking and that is also a choice. With modern digital tools it is possible to follow up the strategy process, keep the discussion flowing and even to develop more agile ways to react with the strategy to an evolving society. The same dilemma of modernization lies also behind the city strategy work: an old way of doing things and changing processes resist while modern digitalized tools would benefit the strategy work and add value to entirety. Participation needs to be more efficient both from employee's and citizen's perspective so that the strategy feels one's own and is worthwhile and commitment to it is easier to build.

The strategy is not felt alive, living in time and flexible enough to change in pace with the environment. It is difficult to see beyond what is known today. The decision-makers lack the courage to strategic thinking and making choices. The political ambitions bring in their own spice. To build up a culture for strategy demands also rethinking the decision making patterns and leadership chains in the City of Tampere. Communicating the strategy is not continuous and genuinely inclusive. Strategy is not known where it should be implemented. Much effort is put to the strategic plan, the need is put the effort into the implementation. Not to do the strategy for the sake of the process, strategy is for developing the city to meet the future.

### **5.3 Managerial implications**

Åhman & Runola (2006) stated ten years ago that in year 2020 implementation from top down is old-fashioned thinking. The implementation still seems to be lacking in real life. Creating values together and basing the decision on them, involving various stakeholders, partners, customers and citizens to the strategy process is important. To know the variables, possibilities and different scenarios in our environment has an effect on strategy.

Strategy is also branding like development is part of everyday life. The ground work must not be neglected in strategic development. Knowing where we stand and where we are heading opens up different paths to achieve the goals and to pick the right path requires intuitive decision making. It is important to be able to react to an emerging situation and that requires agility from the strategy process. It is even more important in the future

communication, networking and connection to end users. Strategies are created in the customer interface.

All the interviews reflected the same issues and pain points in strategic process in the City of Tampere today. The form of strategy process not being continuous discussion, nor relying on strategic culture and chain of management prevents implementation from actualizing throughout city organization. How to implement something that you don't have any knowledge of? Representative democracy does not easily provide for enough tools for input, involvement and commitment in strategic process. Strategy is not done for the sake of the process or that law requires so, strategy is needed to guide the development, decision making and actions within the organization. In public sector the political powers have the sovereignty and that makes the comprehensive strategy process development even more complicated. For the City of Tampere it would really be beneficial to think towards strategy as practice framework, to see strategy more as something that people in the organization do rather than what the organization has.

City of Tampere has a long and impressive history in managing strategic work. The development has been continuous and several academic researchers have been made from different perspectives regarding the strategic process in the City of Tampere. With this master's thesis the aim was to contribute to this tradition of academic research with providing yet another perspective to complement the full picture by pinpointing the implementation in strategic process and managers' own comprehension of strategy process and their roles as managers in the City of Tampere.

#### **5.4 Limitations and suggestions for further studies**

In this master's thesis study the research question and focus was in studying the strategy process, emphasizing more of the implementation and also understanding the conception of managerial role in the organization. Limitations reflect the research question and also the way that the data was collected. Further research topics would emerge by broadening both above-mentioned. As far as a master's thesis is concerned, it is important to mark out, set a

perspective and make choices suitable for the level of the academic basic research. To study the phenomenon from all possible or even multiple perspectives leads easily to a research that is too wide to manage.

It was really difficult to define what the middle management in the City of Tampere is in this changing time, and therefore it was particularly interesting to explore the discourse behind the strategy talk and how this current city strategy was planned to be implemented. The number of persons interviewed for this study was ten, positioned as senior office holders or middle managerial roles in civil service within the City of Tampere when they were interviewed. First, 16 inquiries were made to invite managers to participate to this master's thesis research. Ten of them accepted the invitation and eventually a suitable time was found to conduct the interview discussions. One exception not to interview the political decision makers was made when the opportunity to interview the mayor of the City of Tampere related to this study emerged. In addition, some areas were not covered or represented in the research material, for example land usage, planning and also, one manager positioned in financial management did not want to participate. The companies and subsidiaries (e.g. Tampereen vesi or Tilakeskus) owned by the city were not included to this study.

The originally thought time frame for this study could not unfortunately be kept. It took a longer time than expected to write this study due to several reasons. It took also a longer time to get the interviews done and then transcribed.

In data collection, the interviewees were asked to consider the latest strategy process meaning the process that started year 2014. That was several years ago and already the new strategy round that was about to get started was given some consideration – new strategy process would start in 2017 after city council elections.

The interviews were held by one and same person as one-to-one encounter, and therefore analyzing the interview situation, non-verbal messages, behavior and atmosphere was not possible from validity perspective. Also the fact that the interviews were voice recorded not video recorded narrows the non-verbal message comprehension. To concentrate on what was said and how it was said was a decision that also limits the narrative and understanding the

whole discourse of the phenomenon. The majority of human communication is still considered non-verbal.

The possibilities for future studies are various in this research field. Already in the beginning of this research process it was recognized that this case study representing one city in Finland can be broadened at least to three dimensions in future research: to other cities in Finland, as a follow up research during next strategy round or going through the organization's all levels (employees and line managers) interviewing them to describe the entire strategy process.

To enrich the data with political decision makers' interviews would give new perspective to how strategy process and implementation is comprehended from broader managerial perspective and in practice. The new organizational structure and its impact to strategy process and strategic culture within the City of Tampere would also be natural addition to this study. Can the new organizational structure and management really tackle the challenge of broken leadership chain between the organizational levels in the City of Tampere? This strongly reflects to the strategy process.



## 6. References

- Ansoff, H. (1980). *Strategic Management*. Hong Kong: The Macmillan Press.
- Balogun, J., Jacobs, C., Jarzabkowski, P., Mantere, S. & Vaara, E. (2014). Placing Strategy Discourse in Context: Sociomateriality, Sensemaking, and Power. *Journal of Management Studies* 51:2, 2014, pages: 175-201.
- Belogun, J. & Johnson G. (2005). From Intended Strategies to Unintended Outcomes: The Impact of Change Recipient Sensemaking. *Organization studies* 26(11), 2005, pages: 1573–1601.
- Bansal, P. & Corley, K. (2012). Publishing in *amj*—part 7: What’s different about qualitative research? *Academy of Management Journal* 55:3, 2012, pages: 509–513.
- Barry, D. & Elmes, M. (1997). Strategy retold: Toward a narrative view of strategic discourse. *Academy of Management Review* 22: 2, 1997, pages: 429-453.
- Brod, M., Tesler, L. & Christensen, T. (2009). Qualitative research and content validity: developing best practices based on science and experience. *Qual Life Res* (2009) 18 pages:1263–1278.
- Campbell, D., Edgar, D. & Stonehouse, G. (2011). *Business Strategy an Introduction*. (3<sup>rd</sup> ed). New York: Palgrave Macmillan.
- Chia, R. & Holt, R. (2006). Strategy as Practical Coping: A Heideggerian Perspective. *Organization studies* 27(5), 2006, pages: 635-655.
- Chia, R. & MacKay, B. (2007) Post-processual challenges for the emerging strategy-as-practice perspective: Discovering strategy in the logic of practice. *Human Relations* 60(1), 2007, pages: 217–242.
- City of Tampere home page [online]. [Cited 18.4.2016] Available from Internet: <URL <http://www.tampere.fi/> >

Clandinin, D. (2007). *Handbook of Narrative inquiry. Mapping a Methodology*. Thousand Oaks: Sage.

Dameron, S., Lê, J. & LeBaron C. (2015). Materializing Strategy and Strategizing Material: Why Matter Matters. *British Journal of Management*, Vol. 26, 2015, pages: S1–S12.

David, F. & David F. (2015). *Strategic management. Concepts and cases*. (5<sup>th</sup> ed). London: Pearson Education.

Einola, S. & Kohtamäki, M. (2015). *Osallistava strategiaprosessi kunnassa* [online]. [Cited 18.4.2016] Available from Internet: <URL

[https://www.vaasa.fi/sites/default/files/osallistava\\_strategia\\_kunnassa\\_loppuraportti.pdf](https://www.vaasa.fi/sites/default/files/osallistava_strategia_kunnassa_loppuraportti.pdf) >

Eskola, J. & Suoranta, J. (1998). *Johdatus laadulliseen tutkimukseen*. Tampere: Vastapaino.

Faulkner, D. & Campbell, A. (ed.) (2003). *The Oxford Handbook of Strategy. Volume 1. A strategy overview and competitive strategy*. Oxford: Oxford press.

Galbraith, J. & Kazanjian, R. (1986). *Strategy implementation. Structure, Systems and Process*. (2<sup>nd</sup> ed). St Paul: West Publishing Company.

Gephart, R. (2004). Qualitative Research and the Academy of Management Journal. *Academy of Management Journal* 47:4, 2004, pages: 454–462.

Golsorkhi, D., Rouleau, L., Seidl, D. & Vaara, E. (2010). *Cambridge handbook of strategy as practice*. Cambridge: Cambridge University Press.

Haberberg, A. & Rieple, A. (2008). *Strategic Management. Theory and Application*. New York: Oxford university press.

Haveri, A., Majoinen K. & Jäntti A. (ed.) (2009). *Haastava kuntajohtaminen. Suomen kuntaliitto*. Helsinki: Edita.

- Hox, J. & Boeije, H. (2005). Data Collection, Primary vs. Secondary. *Encyclopedia of Social Measurement*, Vol 1/2005, pages: 593-599.
- Jarzabkowski, P. (2005). *Strategy as practice: an active-based approach*. London: Sage.
- Jarzabkowski, P. (2008). Shaping Strategy as a Structuration Process. *Academy of Management Journal*. 51:4, 2008, pages: 621–650.
- Johnson, G. & Scholes, K. (ed.) (2001). *Exploring Public Sector Strategy*. Harlow: Pearson Education.
- Joyce, P. (2012). *Strategic Leadership in the Public Services*. New York: Routledge.
- Kaplan, R. & Norton, D. (2009). *Strategiaverkko*. Helsinki: Talentum.
- Koro-Ljungberg, M. (2016). *Conceptualizing Qualitative Research. Methodologies without Methodology*. Thousand Oaks: Sage.
- Kuosmanen, T. (2012). *Strategia johtamisen välineenä* [online]. [Cited 22.5.2016] Available from Internet: <URL <http://docplayer.fi/1450500-Strategia-johtamisen-valineena.html> >
- Mantere, S., Suominen, K. & Vaara, E. (ed.) (2011). *Toisinajattelua strategisesta johtamisesta*. Helsinki: WSOY pro oy.
- Marshall, C. & Rossman, G. (1999). *Designing Qualitative Research*. (3<sup>rd</sup> ed). Thousand Oaks: Sage.
- Mintzberg, H., Ahlstrand, B. & Lampel, J. (1998). *Strategy Safari*. New York: The free press.
- Mizberg, H. (1989). *Mizberg on management*. New York: Free Press.
- Määttä, S. & Ojala, T. (2005). *Tasapainoisen onnistumisen haaste. Johtaminen julkisella sektorilla ja balanced scorecard*. Helsinki: Edita.

Norris, N. (1997). Error, Bias and Validity in Qualitative Research. *Educational Action Research*, Volume 5, No. 1, 1997, pages: 172-176.

Pentland, B. (1999). Building Process Theory with Narrative: From Description to Explanation. *Academy of Management Review*, vol. 24, No 4, pages: 711-724.

Porter, M. (1980). *Competitive Strategy. Techniques for analyzing industries and competitors*. New York: Free Press.

Quinn, J., Minzberg, H. & James, R. (1998). *The strategy process. Concepts, contexts and cases*. New Jersey: Prentice hall.

Rannisto, P. (2005). *Kunnan strateginen johtaminen – tutkimus seinänaapurikuntien strategiaprosessien ominaispiirteistä ja kunnanjohtajista strategisina johtajina*. [online]. [Cited 18.5.2016] Available from Internet: <URL <http://tampub.uta.fi/bitstream/handle/10024/67477/951-44-6275-0.pdf?sequence=1> >

Reckwitz, A. (2002). Toward a Theory of Social Practices. A Development in Culturalist Theorizing. *European Journal of Social Theory* 5(2), 2002, pages: 243–263.

Ruusuvuori, J., Tiittula, L., Aaltonen, T., Alastalo, M., Rastas, A., Tienari, Janne., Vaara, Eero., Meriläinen, S., Lumme-Sandt, K., Alasuutari, M., Hyvärinen, M. K., Löyttyniemi, V., Valtonen, Anu. & Nuolijärvi, P. (2005). *Haastattelu : tutkimus, tilanteet ja vuorovaikutus*. Tampere: Vastapaino.

Sandy Q. Qu, John Dumay, (2011). The qualitative research interview, *Qualitative Research in Accounting & Management*, Vol. 8 Issue: 3, pages: 238-264

Saunders, M., Lewis, P. & Thornhill, A. (ed.) (2003). *Research Method for Business Students* (3<sup>rd</sup> ed). Harlow: Pearson Education.

Shi, W., Markoczy, L. & Dess, G. (2009). The Role of Middle Management in the Strategy Process: Group Affiliation, Structural Holes, and Tertius Iungens. *Journal of Management* 35(6) pages: 1453–1480.

Sorsa, V., Pälli, P., Vaara, E. & Peltola, K. (2010). *Strategia mahdollisuutena ja rajoitteena kuntaorganisaatiossa. Kielestä, kommunikaatiosta ja vallasta*. Helsinki: Hanken.

Sotarauta, M. (1999) *In search of strategic consciousness and using plans as mirrors: the case of Raisio town. Sociedade e territorio*. 29, 16-35. [online]. [Cited 22.5.2016] Available from Internet: <URL

[http://tampub.uta.fi/bitstream/handle/10024/98847/in\\_search\\_of\\_strategic.pdf?sequence=1](http://tampub.uta.fi/bitstream/handle/10024/98847/in_search_of_strategic.pdf?sequence=1)

>

Sotarauta, M. (2016). *Leadership and the city*. London: Routledge.

Sotarauta, M. Saarivirta T. & Kolehmainen J. (2011). *Mikä estää kuntia uudistumasta? Kaks – kunnallinen kehittämissäätiön Tutkimusjulkaisun-sarja julkaisu nro. 66*. Sastamala: Vammalan kirjapaino oy.

Speculand, R. (2009). *Beyond Strategy. The Leaders role in successful implementation*. San Fransisco: Jossey-Bass.

Statistics Finland [online]. [Cited 26.10.2017] Available from Internet: <URL <http://www.stat.fi/tup/alue/kuntienavainluvut.html#?year=2017&active1=837> >

Stewart, J. (1993). *Kuntien uusi johtamistapa – muutos ja johtaminen*. Jyväskylä: Finnpublishers.

Vaara, E. & Whittington, R. (2012). Strategy-as-Practice: Taking Social Practices Seriously. *The Academy of Management Annals*, 6:1, 2012, pages: 285–336.

Whittington, R. (1996). Strategy as Practice. *Long Range Planning*. Volume 29, Issue 5, October 1996, pages: 731–735.

Whittington, R. (2001). *What is strategy – and does it matter?*. (2<sup>nd</sup> ed). London: Thomson.

Whittington, R. (2015). Big Strategy/Small Strategy. *Strategic Organization*, 10(3), 2012, pages: 263-268.

Vuorinen, T. (2014). *Strategiakirja – 20 työkalua*. Helsinki: Talentum.

Åhman, H. & Runola, J. (2006). *Strategia on kuollut? Eläköön tulevaisuus*. Helsinki: Edita.

## Appendices

### Appendix 1.

#### TEEMAHAASTATTELUIJEN RUNKO

Teemahaastattelut Tampereen kaupunki

Haastateltavan nimi:

Haastateltavan asema:

Haastateltavan ikä: alle 40, 40-50, yli 50-vuotta

Aloitukseksi:

1. Kertoisitteko taustaa itsestänne, mm. koulutuksenne ja työkokemuksenne, miten päädyitte tähän tehtävään?
2. Mitkä ovat keskeisimmät työtehtävänne ja vastuunne tässä tehtävässä?
3. Mitkä asiat koette olevan tämän kaupungin suurimmat haasteet tulevaisuudessa omasta tehtävästänne katsottuna?

Kaupunkistrategian laadinta:

4. Minkälaiseksi näette strategian roolin kaupungille?
5. Miten strategiatyö etenee tässä kaupungissa?
  - a. Onko tässä strategiatyössä ollut jotain teille erityisesti mieleenpainuvaa tai erilaista?
  - b. Mitä odotuksia teillä on tässä strategiaprosessissa?
6. Miten olette itse osallisena strategiaprosessissa?
7. Koetko, että strategiaprosessissa on onnistuttu?
  - a. Missä asioissa on onnistuttu, miksi?
  - b. Missä asioissa on epäonnistuttu, miksi?
  - c. Mitä odotuksia teillä on strategiaprosessissa oman roolinne osalta?
8. Miten ajattelette, että strategiaproessin tulisi nyt edetä? Mitkä ovat seuraavat tärkeät askeleet?
9. Miten koette, että strategiaproessia tulisi kehittää tulevaisuudessa?

Strategian jalkauttaminen:

10. Miten kaupungin strategiaa tällä hetkellä jalkautetaan koko kaupungin organisaatioon?
11. Miten näkisitte, että uutta kaupunkistrategiaa tulisi jalkauttaa kaupunkiorganisaatioon?
12. Onko strategian jalkauttamisessa käytössä erityisiä menetelmiä ja työkaluja tässä kaupungissa?
  - a. Miten koette näiden työkalujen toimivuuden ja toisaalta koetteko onko niitä tarve uudistaa tai muuttaa?
  - b. Huomioidaanko strategian jalkauttamisessa erilaiset organisaatiot, jos näin on, miten?
13. Miten tärkeäksi itse koette strategian jalkauttamisen?
  - a. Minkälaisena koette teidän roolinne johtajana strategian jalkauttamisessa?
  - b. Mitkä seikat mielestänne mahdollistavat strategian jalkauttamisen?
  - c. Mitkä seikat mielestänne estävät strategian jalkauttamista?
14. Miten strategian jalkauttamista tulisi mielestänne seurata ja arvioida?
15. Miten strategian jalkauttamista koko organisaatioon voisi mielestäsi edistää ja kehittää?
16. Mitä ohjeita ja neuvoja antaisit johtajille strategiatyöhön?

Kiitos ajastanne ja haastattelusta.