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The Effect of Strategy Practices on Conflicts

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ABSTRACT

Aim The objective of the research is to study the role of conflicts in strategizing and examine how the potential conflicts occur during strategizing in high empowerment conditions. The research questions are the following: Why might conflicts arise? How are strategizing practices affecting conflicts?

Framework The theoretical framework of the study builds upon strategy as practice research direction's premise viewing strategizing on micro level and focusing on human interaction. The framework consists of the task and affective conflicts, two strategy paradigms in strategy process research – the business policy paradigm and the learning paradigm, strategizing practices, strategy tools and actors involved in the strategizing.

Methodology The study was conducted as a single-case study using semi structured interviews and observation of strategy work and implementation in the case company. The paradigm of the study is subjectivist approach to gain a proper insight on different perspectives of the strategy development process from different organizational levels and roles. The research design is based on abductive reasoning. The analysis method was systematic content analysis. And the unit of analysis was the strategizing process.

Findings and contribution The conflicts in the organization were born in situations where there was a major difference in goal attainment, difference in opinions, differences in organizational cultures and old organizational structures. The type of conflict, task-related or affective, is dependent of the situation and the history of participants. In this case deeper perceived differences in goal attainment and organizational culture seemed to create potential for affective conflicts. The lack of major conflicts is explained by the high empowerment.

The reflective strategy practices affected to some extent the appearance of an escalated conflict in the strategy creation. However, in the implementation phase when the organization utilized reflective and routinized strategy practices there were not any conflicts.

As a rule of thumb, the more and clearer the strategy communication was, the less were there conflicts that were considered as negative forces. So the quantity and frequentness of the strategy communication is related to the existence of conflicts. The main contribution of the research is the relations between strategizing and conflicts, especially between strategy communication and different conflict types. The preliminary results may be used to conduct a quantitative study to verify or falsify the relations portrayed in these conclusions.

KEYWORDS: conflict, strategy as practice, strategy practices, strategy communication, empowerment

1. INTRODUCTION

1.1. The background of the study

A recent Hollywood blockbuster Inception surprisingly demonstrated a management challenge: "'How do you translate a business strategy into an emotion?' 'That's what we're here to figure out, right?'" During a killer brainstorming session the characters end up to discussing about the most basic human emotions and relationships. After all it became obvious that even in the most traditional industry-based competition between entities described as corporate dictatorship; there are still emotions behind strategic decisions. So the problem in finding emotions in strategizing is merely just a problem of being detached of an organization and its activities. There has been same kind of situation in the mobile phone industry during last years: the passing of Steve Jobs after Apple's rise to market leadership, patent wars between Apple, Samsung and Nokia and also the rapid fall of former market leader Nokia. These events have generated documentaries, narratives and sagas about the strategy development and people leading the companies – and the story is filled with emotions, power struggles, differences in opinions and also inevitably conflicts. Also Golsorkhi, Rouleau, Seidl and Vaara (2010: 13) see coping and resistance in social processes in strategizing as one of the future direction of strategy as practice research.

Traditionally strategizing literature has presented strategizing as rational activities conducted by the organization (Prahalad and Hamel 1994: 11). There has developed a mythical haze around strategizing as something extraordinary efforts that are carefully calculated and planned, like a game of chess (for example Hoffjan 2003). However, cases like Apple's evolution as a company often contain a lot of passionate and visionary thoughts. The visionaries may collide with other people in the company which creates potential for differences of opinions in goal attainment and therefore conflicts. To gain insight in strategy activities, this research takes a strategy as practice research perspective.

The strategy as practice research was born as a counter reaction to the alienation from practical strategy work in traditional strategy research which usually describes strategizing as a planned top-down process that utilizes analytical tools and processes in decision making. (Jarzabkowski 2005; Johnson, Langley, Melin and Whittington 2007). The main focus of this research direction is the actor involved in practical strategizing

and their work – so in other words strategy as practice researchers are interested in actions, actors and activities in strategizing (Jarzabkowski 2005; Johnson et al. 2007; Whittington 1996, 2002). The central themes for strategy as practice research addressed by Jarzabkowski and Spee (2009: 69) are: "who make, what they do, how they do it, what do they utilize and what importance does this have for formation of strategy." The key research fields for the research direction have been strategy processes, strategy tools, the people implementing strategy, communication between members of organizations for implementing strategy and the discourse research of strategizing (Johnson et al. 2007). For example Mantere and Vaara (2008) have researched critically the effect of practical strategic management discourses on participation in strategizing whereas Patrick Regnér (2003) has studied the creation process of strategy from practical strategizing perspective in the core and peripheral parts of multinational companies.

To understand the context where the strategy as practice research stream was developed it is necessary to explore how the research and development of strategic management has been progressing. Hoskinsson, Hitt, Wan and Yiu (1999) use a metaphor of pendulum to describe the development process in which strategic management has been developing from a novel research direction to a more established and refined research field. They state that the strategic management research first began as a qualitative and inductive research in the 60s, after which the research designs shifted to a positivist and quantitative design at the end of 70s (Hoskinsson et al. 1999: 418–431). The positivist and deductive orientated studies were mainly interested of the content of the strategy, not so much of process (Hoskinsson et al. 1999: 418–431). The positivist quantitative studies were followed by the resource-based view and the knowledge-based view, and with these two research directions the pendulum started shifting back to the qualitative research direction (Hoskinsson et al. 1999: 437–442). This constant search for new explanations and research directions is present in many of the studies that explore the history and research paradigms of strategic management (for example French 2009; Herrman 2005; Johnson, Scholes and Whittington 2008; Mintzberg, Ahlstrand and Lampel 1998; Rumelt, Schender and Teece 1994). As a generalization it could be said that research directions that were orientated to qualitative studies with smaller sample sizes were more process-orientated than the quantitative studies with large sample sizes. The studies that were interested in strategy processes are a part of the continuum that precedes the strategy as practice (Chia 2004: 29; Chia and MacKay 2007; Hutzschemreuter and Keindieust 2006: 703; Jarzabkowski and Spee 2009: 70; Johnson, Melin and Whittington 2003: 5, 10–13; Whittington 1996: 732; Whittington 2006:627–

629) So therefore this study is also a part of this continuum – with an exception that the focus of the study is on activity that relates to conflicts in strategizing.

As the division between strategy content and process research developed in the 70s when systematic research of strategic management started, it has been planted deeply in the strategic management (Hoskinsson et al. 1999: 418–431; Huff and Reger 1987: 211–212; Rumelt et al. 1994: 19–20). As main research streams of strategy process research Huff and Reger (1987: 211–213) point three dichotomies: 1. Formulation or implementation, 2. normative or descriptive and 3. analytical rational or rationality reflecting individual, organizational or political characteristics. At that time they suggested that process research should take a turn into viewing both formulation and implementation processes simultaneously (Huff and Reger 1987: 211). As the strategy process research has developed during the years, it has gained pluralism from many different discplines (Hutzschemreuter and Keindieust 2006: 673–674). It has created new insights, but also more complexity which creates challenges for research to maintain focus (Hutzschemreuter and Keindieust 2006: 674). Compared to earlier dichotomization of the strategy process research, Hutzschemreuter and Keindieust (2006: 676) present the current process research in three major themes: antecedents of processes, processes and outcomes of processes. In the process theme there can be found three different elements: the strategist itself, the issue and the sequence of actions. It is notable that there is also research that studies some of these elements together how they are interlinked (Hutzschemreuter and Keindieust 2006: 677). Also it is interesting that the division between formulation and implementation processes is still present in the research (Hutzschemreuter and Keindieust 2006: 677).

1.2. The purpose of the study and research questions

The objective of the research is to study the role of conflicts in strategizing and examine how the potential conflicts occur during strategizing in high empowerment conditions. The research focuses on both conflicts during the strategy creation and strategy implementation processes. The study focuses on conflicts that appear on intrapersonal, intragroup, interpersonal and intergroup levels. The most prominent strategizing practices in the study are actors who are involving in the strategizing, strategy tools and strategy communication. The proposed research questions are:

1. Why might conflicts arise in strategy creation and implementation?
2. How are strategizing practices affecting conflicts?

The value to examine strategizing from the strategy as practice research is the focus on micro-activities, organizational situatedness and people who are participating in strategizing. Therefore it is possible to get more information and insight how strategizing is really done in the organization. In this case it is extremely important to get deeper insight of organizational activities and people's feelings when the study's main focus is on conflicts and the study is an explorative case study. Also studying practical micro-activities creates more value for practitioners. The examination is loosely based on Jarzabkovski's (2005) three levels of strategizing – actions, practices and actors.

The main contribution of the study is a creation of understanding what the role of conflicts in strategy development is. There is a small amount of preceding research of conflict orientated strategy research, although there are decades of studies in conflict management, strategy process and strategy as practice. This shows as a gap in existing research represented in the figure 1. So this study contributes to existing research by filling a part of the gap in the current research of strategy. On one the closest study is for example Amason's (1996) study about conflicts in top management groups. In this study Amason (1996: 143) suggests that task-related conflicts are creating value for strategizing whereas affective conflicts decrease the value created by positive effects of conflict. While Amason's (1996) study may not solely focus on conflicts in strategizing, it offers a view on the effect of conflicts in the level in which strategy creation happens in most cases. Amason followed his study with another together with Sapienza in which they suggest that cognitive and affective conflicts in top management teams are affected by its size, the openness of its interactions, and its level of mutuality (Amason and Sapienza 1997). Eisenhardt, Kahwajy and Bourgeois III (1997) have also studied the topic of conflict in top management teams. They discovered that task-related conflicts are likely and valuable in top management teams. The high performance of top management teams having task-related conflicts is related to consideration of more alternatives, better understanding of the choices, more distinct viewpoints, creative discussions, avoidance of premature closure and understanding of strategic decisions (Eisenhardt et al. 1997: 43, 59–60). However, for example the role of middle-management and other stakeholders in strategizing has been increasing (Hodgkinson, Whittington, Johnson and Schwarz 2006; Johnson et al. 2007: 13–14; Kuratko, Ireland, Covin and Hornsby. 2005; Woodridge, Schmid and Floyd 2008). Therefore the possible

collisions of different interests of shareholders, management, employees and other stakeholders come into play. The study also offers contribution related to the relationship between strategy communication and conflicts and an illustration about on which organizational level the potential contradictions could most probably arise. Also the study is a vivid example of a company's strategy process so there are also illustrations about the usage of different strategy tools and ways of developing strategy through high empowerment and involvement of organizational members.

The study contributes to strategy as practice literature which has been applied to for example strategizing and strategy creation in multinational companies (Patrick Regnér 2003) and numerous studies about use of strategy tools a part of strategizing practices (Gunn and Williams 2007; Hodgkinson, Whittington, Johnson and Schwarz 2006; Jarratt and Stiles 2010; Price, Ganiev and Newson 2003). In this case the study fills a gap in the research between conflict, strategy process and strategy as practice research (Figure 1). There are many studies in which the strategy as practice perspective is combined with the strategy process research, whereas there are only a few studies which connect the conflict and strategy process research. However, there is a distinctive gap in the research on the area which combines all of these research subjects. Also these studies, except Regnér (2003), have been exploratory and broad surveys about use of strategy tools. There has not been formation of deeper understanding and analysis of strategizing practices, let alone potential conflicts during strategy development. Jarratt and Stiles (2010) have succeeded to describe interaction relationships occurring during strategy process in more detail than for example Gunn and Williams (2007) or Hodgkinson et al. (2006), but still Jarratt and Stiles (2010) stated that the analysis of their study was not deep enough. Strategy process from strategy as practice perspective has been studied by for example Jarzabkowski (2008) basing on structuration theory, and by Maitlis and Lawrence (2003) about failures in strategizing. The effects of strategy communication to practical strategy work have been studied by Mantere and Vaara (2008) and Sminia (2005). Sminia's (2005) perspective builds on conversations in organizations in strategizing whereas Mantere and Vaara (2008) have focused on discourses in strategy communication.

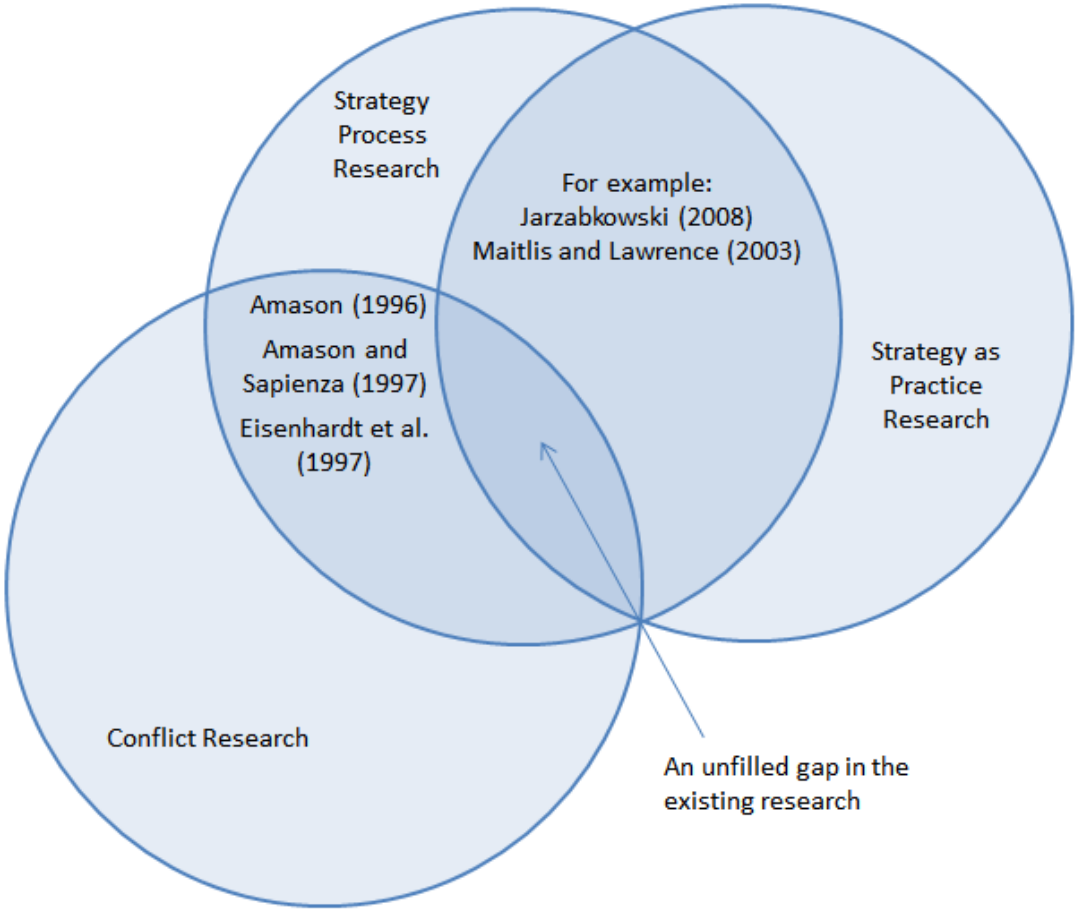


Figure 1: A gap in the research of strategic management.

1.3. The structure of the study

In the first chapter the background of the research and significance of the research are presented. After that the purpose of the research is presented which acts as a guideline for the research questions. The research questions are followed by the presentation of the structure of the study. In the second main chapter the theoretical framework for empirical data collection and analysis is formed. The 2.1. and 2.2. chapters of the framework define the conception of conflict: what is a conflict and what kinds of conflicts there are. This conflict literature is then linked to strategy paradigms and tools in chapter 2.3. to set a well-educated estimation how conflicts and strategy paradigms could be linked. The 2.4. chapter is constructed on strategy as practice research. In the chapter 2.4. strategizing is examined by strategizing practices, strategy discourses and actors involved in strategizing. Combined these theoretical frameworks provided a basis

for data collection and analysis. The third main chapter explores methodological and ontological underpinnings related to the study. In the fourth section the analysis of collected qualitative data is presented and analyzed by using systematic content analysis and knowledge gained from the theoretical framework. The fifth main chapter is consisting of discussion in which the findings of the previous chapter are discussed further. The sixth chapter sums up the study by answering the research questions presented in the first section and presenting the limitations, contribution, and future research suggestions.

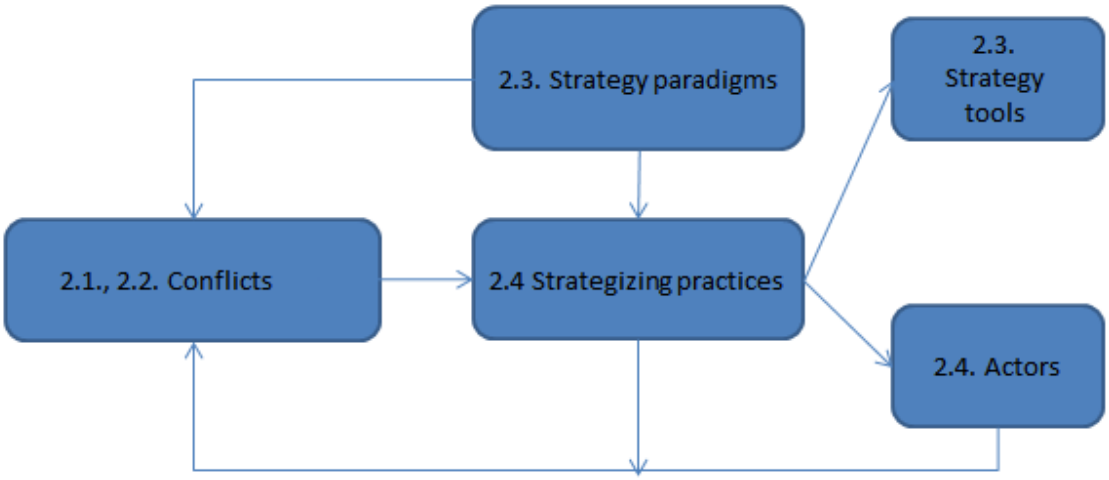


Figure 2: The structure of the theoretical framework.

2. THEORETICAL BACKGROUNDS

The theoretical concepts used in this research build upon a compact view on conflict, strategy process and strategy as practice research which have been developed fairly extensively in the past. These are supplemented with the strategy as practice literature which focuses on the human interaction in strategizing. During these chapters the strategy process research is linked to strategizing practices through strategy paradigms. Also some deductions about the links between paradigms and conflicts and practices and conflicts are made. Some of the linkages shown in the figure 3 are somewhat trivial and already well-known, but especially the relations to conflicts are anything but well researched. First the conflict is defined and the classification of task and affective conflicts is argued. Then the conflicts are linked to the strategy paradigms. After which both the paradigms and conflicts are linked to the strategizing practices presented in the chapter 2.4. Then finally it is explored how strategizing practices reflect on strategy tools, actors and how the strategizing practices are potentially affecting the existence of conflicts.

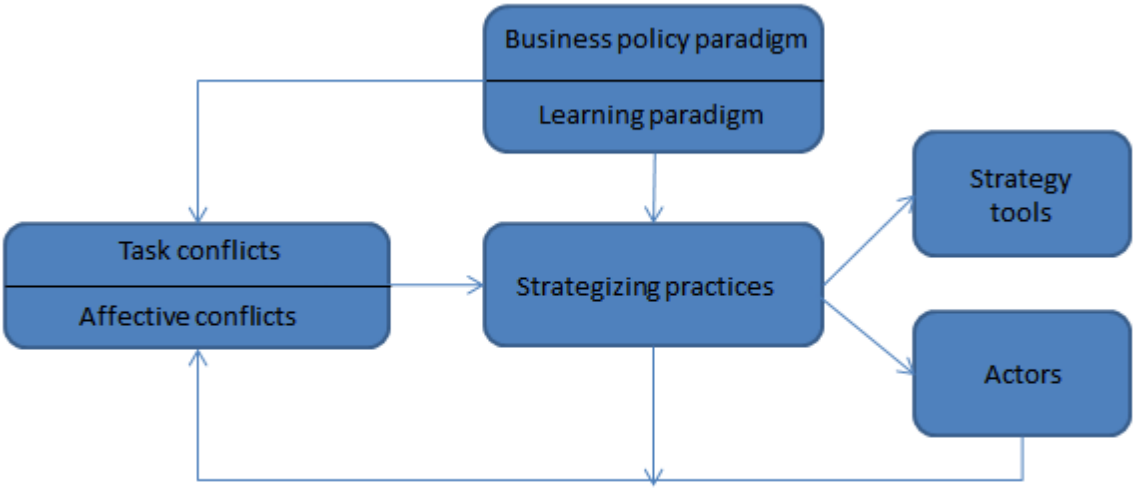


Figure 3: The connections between the phenomena in the study.

2.1. Defining conflict

Barki and Hartwick (2004: 240) argue that there is often a weakness of poorly specified definition of interpersonal conflict and how the chosen conceptualizations differ from other researchers' conceptualizations. They point out that there can be seen three themes of conflict: disagreement, negative emotion and interference (Barki and Hartwick 2004: 240). In their opinion a good conflict definition covers situational, cognitive, behavioral and affective elements describing conflict (Barki and Hartwick 2004: 240). So they define interpersonal conflict as "a dynamic process that occurs between interdependent parties as they experience negative emotional reactions to perceived disagreements and interference with the attainment of their goals" (Barki and Hartwick 2004: 234).

Deutsch (1973: 10) states that conflict is the existence of perceived incompatible activities. It is always a social-psychological phenomena and it can be intrapersonal, intragroup or intranational or in a case of two or more parties interpersonal, intergroup or international (Deutsch 1973: 8, 10). Deutsch's definition shares two properties with the definition of Barki and Hartwick (2004): incompatible goals and social dimension. Also they both define same potential levels that conflict can exist, from intrapersonal to conflicts between national countries. Similar definition to Deutsch's is the definition of Rahim (2002: 207) in which he outlines conflict as an interactive process which is manifested in incompatibility, disagreement or dissonance within or between social entities. He clarifies that this definition also includes intrapersonal conflict, because conflict within an individual contains interaction with oneself: in a same way as the interaction in an interpersonal conflict (Rahim 2002: 207). Compared to other definitions Scmidt's (1972) definition is more resource-focused. He defines conflict as a process that occurs when two parties share incompatible goals and/or resources that are used to gain those goals (Schmidt 1972).

Pruitt and Kim (2004: 5–15) view conflict as a dyadic phenomenon which is caused by opposing aspirations by two different parties, so in other words they state that conflict is a perceived divergence of interest. They state that interest, what people feel desirable, must turn into aspirations and goals before turning into conflict (Pruitt and Kim 2004: 15). They themselves acknowledge that this definition is being influenced by their backgrounds as social psychologists (Pruitt and Kim 2004: 8). This definition is in line with the previous ones emphasizing conflict as a phenomenon happening between two different sides. Wall and Callister (1995: 517) use a somewhat same definition as Pruitt and Kim (2004). They summarize conflict as a process in which a party perceives that

its interests are being opposed or negatively affected by another party (2004: 517). The main difference compared to Pruitt and Kim (2004) is that Wall and Callister (1995) do not emphasize interaction between the parties; the conflict is created by one party that perceives an incompatibility between aspirations of parties.

Pinkley (1990) states that he is following the thoughts of Mather and Yngvesson who view conflict as a bargaining process during in which the objective and normative framework of disagreement must be negotiated. However, Pinkley's definition of conflict follows the classic definition in which conflict exists when there are incompatible goals between parties and at least another of parties acknowledges the existence. His definition is closest to Wall and Callister (1995) because he also points out that conflict can exist also when the other party is not aware of conflict.

As typical ***antecedents*** of conflict Deutsch (1973: 15–17) describes the right to control resources, preferences and nuisances, values, beliefs and the nature of relationship between parties. Similarly also Pruitt and Kim (2004: 21–25) state that scarcity is one of the antecedents of conflict, but they also describe in more detail what antecedents in the nature of relationship precede conflict. These factors are: "rapidly expanding achievement", faulty thinking of zero-sum game, ambiguity of relative power relations, invidious comparisons, status inconsistency, distrust, lack of an effective third party protection, lack of normative consensus and the presence of an out-group (Pruitt and Kim 2004: 21–25). Rahim (2002: 207) supports also Deutsch by stating that mutually desirable resources, values, skills or goals that are exclusive to the other party and two different behavioral preferences are common antecedents of conflict. Also engaging in an action that is incongruent with a person's interests is a common antecedent of conflict. (Rahim 2002: 2007; Scmidt 1972: 362).

Compared to general conflict definitions Hjertø and Kuvaas (2009: 5) define ***intra-group*** conflict in the same way as the previous writers have defined other types of conflicts: intra-group conflict is reactions incompatible to wishes or impulses. The main difference is the level in which conflict occurs: an individual's perception of divergent goals between oneself and organization. To compare this with another conflict definition than intergroup conflict, De Dreu and Weingart (2003: 741) use a simple and short definition of intragroup conflict: "It is the tension between team members because of real or perceived differences" (De Dreu and Weingart (2003: 741). Compared to other definitions they view conflict as a tension, not just as an existence of goal

divergence or general negative emotions or disagreement. But also the tension describes conflict as a somewhat passive phenomenon, not an active argument or dispute.

Tjosvold (2006) challenges the traditional definitions of conflicts by stating that the traditional definitions all share same weakness: defining conflict as opposing interests. He argues that it is unrealistic to state that conflict is always based on differing goals. In the previous studies it is shown that people can be in a significant conflict without opposing goals. He also proposes that it is essential to differentiate conflicts in competitive and cooperative situations because cooperative conflicts can produce positive results more often than conflicts in competitive situations. (Tjosvold 2006)

All of these definitions were summarized in table 1. This table was then further edited to form core dimensions of these definitions; this is done in table 2 on page 19. Then after grouping the core dimensions together the definition of conflict is presented and justified for the purposes of this study.

Table 1: Definitions of conflict.

Study	**Definition**
Schmidt (1972)	A process in which parties' goals are incompatible and/or they share resources to attain these goals.
Deutsch (1973)	Existence of perceived incompatible activities
Pinkley (1990)	A bargaining process in which the object and framework of disagreement must be negotiated
Wall and Callister (1995)	A process in which party perceives its interests being opposed or negatively affected by another party
Rahim (2002)	An interactive process which is displayed in incompatibility, disagreement or dissonance within or between social entities
De Dreu and Weingart (2003)	A tension between members of a group caused by real or perceived differences
Pruitt and Kim (2004)	Conflict is caused by opposing aspirations by two different parties
Barki and Hartwick (2004)	A dynamic process between interdependent parties that occurs when they experience negative emotional reactions to perceived disagreements and interference to attain their goals
Hjertø and Kuvaas (2009)	A reaction to incompatible wishes or impulses

Table 2: The dimensions of conflict found in the definitions.

Interference in goal attainment	Disagreement	Social phenomenon	Dynamic/ interactive process	Cooperation vs. competition	Negative emotion	Perceived incompatible activities
Schmidt (1972)	Pinkley (1990)	Schmidt (1972)	Wall and Callister (1995)	Pinkley (1990)	De Dreu and Weingart (2003)	Deutsch (1973)
Pinkley (1990)	Wall and Callister (1995)	Deutsch (1973)	Rahim (2002)	Tjosvold (2006)	Barki and Hartwick (2004)	Rahim (2002)
Wall and Callister (1995)	Rahim (2002)	Rahim (2002)	Barki and Hartwick (2004)			
Barki and Hartwick (2004)	De Dreu and Weingart (2003)	Pruitt and Kim (2004)				
Pruitt and Kim (2004)	Barki and Hartwick (2004)					
Hjertø and Kuvaas (2009)						

From the definitions presented in the tables 1 and 2, it can be said that there are number of distinctive different emphases in the definitions. Some of the definitions are more process orientated whereas the others are more descriptive. The incompatible goals or aspirations are used as the most common attribute to conflicts, although for example Tjosvold (2006) argues against it. It is also notable that some of the authors emphasize

disagreement as perceived disagreement between parties as opposed to an actual realized disagreement: from these authors only Pinkley (1990) and Rahim (2002) use only the term disagreement whereas the others present it as perceived disagreement. Surprisingly only Schmidt (1972) define conflicts to be realized through shared resources. Shared resources may be somewhat linked to dimension of the cooperation/competition dimension that is present in Pinkley's (1990) bargaining and Tjosvold's (2006) proposition that conflicts differ in cooperation and completion. But of course shared resources are linked to other dimensions present in the presented dimensions, for example in goal attainment and disagreement. As the shared resources is interlinked to many dimensions, and it is left out from the most definitions it is not suitable to be used in the dimensions for the definition. As a conclusion of the previous definitions and the dimensions used in those definitions, conflict is defined in this research as *a social process which is caused by disagreement, negative emotions and opposing wishes in goal attainment.*

2.2. Conflict types

Amason (1996: 127) states the importance of specifying dimensions and type of certain conflict in research, because conflicts seem to have different effects on decision making depending on the dimensions of conflict. Usually the conflict literature divides conflict types into two types: task and affective conflict.

Table 3: Conflict typologies in the literature.

Study	**Conflict types**
Guetzkow and Gyr (1954)	Substantive and affective conflict
Pinkley (1990)	Task or intellectual and emotional or relationship conflicts
Amason (1996)	Cognitive and affective conflict
Jehn (1997)	Task-, relationship-focused and process conflicts
Rahim (2002)	Task and emotional conflict
De Dreu and Weingart (2003)	Task and relationship conflict
Barki and Hartwick (2004)	A six type typology consisting of the focus and the properties of conflict: Task or interpersonal focused conflicts with cognitive, behavioral or affective properties.
Hjertø and Kuvaas (2009)	Cognitive and emotional task conflict and emotional and cognitive person conflict
Behfar, Mannix, Peterson and Trochim (2011)	Task, relationship and process conflict

The task related conflict is generally portrayed as intellectual opposition, whereas the second conflict is often described by different names for example affective, emotional, relationship, but they are described in the same way. Affective or relationship conflict consists from usually emotional clashes between people and personalities. The biggest argument and difference among authors is the existence of a distinctive process conflict which is described to be conflict about ways to achieve organizational goals (Jehn 1997: 10–12). For example Jehn (1997) and Behfar, Mannix, Peterson and Trochim (2011) are supporting the existence of a separate and distinctive process conflict. The opposing side argues that a process conflict does not differ enough from task conflict to be its own type of conflict. So usually the supporters of traditional classification of task and affective conflicts view process conflicts as a part of task related conflicts. For example Rahim (2002: 211) argues that the classic division between task and emotional/relationship conflict is a valid and sustainable construct which can be used as a framework to categorize conflicts.

One of the examples of the traditional conflict typology is the study of Guetzkow and Gyr (1954). They define substantive conflict as intellectual opposition and affective

conflict as a tension caused by emotional clashes (1954). In this early example of conflict typology the biggest difference to other classification is the use of different terms to describe conflicts but the contents are the same: according to Guetzkow and Gyr (1954) there are two distinctive conflict types, task and affective conflict. Also Priem and Price (1991) separate conflicts between cognitive task-related conflicts and social-emotional conflicts which are caused by interpersonal disagreement or dissonance.

As a result of Jehn's (1997) study that consisted of interviews, observation and the tree diagrams build by the participants, Jehn (1997: 540–542) represented three main types of conflict: task- and relationship-focused conflicts and also process conflict. The first two types of conflict support previous conflict studies but the discovery of a separate process conflict differs from most conflict type classifications. The task-focused conflict is described often to be based on differences of opinions and different viewpoints on work related matters, while relationship-focused conflict builds on problems with other's personalities or dispositions (Jehn 1997: 541). The separation of a process conflict is identified on the tree diagrams drawn by organizational members of the study. It is described to consider about the means by which the goal is achieved, not the goals themselves. Jehn (1997: 541) also describes process conflict as a conflict of alignment of resources, responsibilities and task delegation. (Jehn 1997: 540–542)

Hjertø and Kuvaas (2009) challenge the typical thinking of task-conflict always being cognitive and relationship conflict being emotional in their conflict typology. It is consisting of cognitive and emotional task conflicts and emotional and cognitive relationship conflicts. The two new conflict types and the two more traditional ones are based on a factor analysis made of four different companies and two student samples. However, their division of conflict into four types is not problematic: they acknowledge that cognitive person conflict may overlap between another conflict types (Hjertø and Kuvaas 2009: 10). It is true that the cognitive person/relationship conflict may be hard to distinguish from the other conflicts – statistically measured the emotional conflicts were almost identical (Jehn 1997: 549). The sample size for the study was also relatively small, so it cannot be drawn final conclusions based on this study.

Barki and Hartwick (2004: 236) form a same kind of structuration of interpersonal conflict types as do Hjertø and Kuvaas: the main difference is the existence of including behavioral or interfering aspects of task and interpersonal conflicts to their typology. The basis is the classic division between the objectives of the conflict: task or

relationship conflict. To create more specific conflict types, three properties of interpersonal were added to the defitional axis. (Barki and Hartwick 2004: 232–236). The main purpose for creating a more detailed conflict typology is a framework by which clearer results can be achieved on the effects of conflicts for organizations (Barki and Hartwick 2004: 237). So in other words the main motivation for this model is to challenge the oversimplification which is always an issue when forming typologies for basis of future research. Also interestingly Barki and Hartwick (2004: 236) place both task and process conflict on the first type of conflict in their typology – contrary to Jehn's (1997) separation of task and process conflict.

The findings of a study conducted by Pinkley (1990: 117) determine conflict to consist of potential three dimensions: 1. relationship or task, 2. emotional or intellectual and 3. compromise or win. The last dimension describes a result or goals of a party involved in a conflict whereas the first two dimensions describe the conflict itself. Also the last dimension suggests that parties involved in a conflict see conflict as a zero-sum situation in which potential value cannot be created. The first two properties are similar and in line with for example both Barki and Hartwick (2004) and Hjertø and Kuvaas (2009). Pinkley (1990: 122) sees the potential limitation in his findings when compared to Deutsch's dimensions which include also emotional task conflicts and cognitive relationship conflicts. He also states that the findings of this statistical study are only preliminary; there is a need for a proper causal analysis (Pinkley 1990: 124). Therefore the conflict dimension or type construct may be more complicated than suggested in Pinkley's study.

Amason (1996: 127–130) divides conflicts to cognitive and affective conflict types. He defines cognitive conflict as task orientated. It consists of judgmental differences about achieving goals (Amason 1996: 127–130). Amason (1996: 130) argues that affective conflict is based on disagreement about personal criticism, political games of gaining more influence and emotional disputes. He also claims that most of the affective conflicts are born through cognitive conflicts which escalate into affective conflicts. Amason's (1996: 139–142) findings support the previous studies' conception of the positive effect on decision making produced by cognitive conflict and the negative effect of affective conflict. He also found support for coexistence of both cognitive and affective conflicts: there was a significant correlation between cognitive and affective conflicts (Amason 1996: 135).

Table 4: The division of different conflict typologies under the task and affective conflict.

Study	**Task conflict**	**Affective conflict**
Guetzkow and Gyr (1954)	Substantive conflict	Affective conflict
Pinkley (1990)	Task or intellectual conflict	Relationship or emotional conflict
Amason (1996)	Cognitive conflict	Affective conflict
Jehn (1997)	Task-focused conflict	Relationship-focused conflict
Rahim (2002)	Task conflict	Emotional conflict
De Dreu and Weingart (2003)	Task conflict	Relationship conflict
Barki and Hartwick (2004)	Task content or task process focused conflicts with cognitive, behavioral or affective properties.	Interpersonal relationship focused conflicts with cognitive, behavioral or affective properties.
Hjertø and Kuvaas (2009)	Cognitive and emotional task conflict	Emotional and cognitive person conflict
Behfar, Mannix, Peterson and Trochim (2011)	Task conflict	Relationship conflict

For the purpose of this research, both the traditional separation into task and affective conflicts is accurate enough because the verification of process conflict's existence is not the focal point of the research. Also it would not be feasible with a single-case study. The divide between task and affective conflict is deeply rooted and often used conflict typology in conflict studies, as can be seen from the conflict studies in the tables 3 and 4. There are some studies which have refined the typology of two different dimensions to more detailed typologies. Still the typologies of these studies can be classified with the simpler typology of task and affective conflicts. If the typologies of Barki and Hardwick (2004) or Hjertø and Kuvaas (2009) would be used the analysis and theoretical framework would result too complicated compared to the potential advantages of more detailed theoretical framework. Also there are not many studies supporting these two typologies and the more detailed conflict types are sometimes

extremely hard to separate from each other, so therefore the task and affective conflict types are used in this research.

Based on task and affective conflict typology and the conflict definition, which was defined as *a social process which is caused by disagreement, negative emotions and opposing wishes in goal attainment*, the conflicts may arise for example from following situations: opposing opinions about target setting and goal attainment in strategizing may cause task-related conflicts whereas affective conflicts may be born from negative feelings about the strategizing practices, decisions related to strategizing or incompatible personal chemistries between the participants. To connect the conflicts in different strategizing practices and processes, strategy paradigms are presented to explore strategy process. By viewing strategy process literature, the conflict research can be rooted in well-developed strategy research.

2.3. The insights of strategy process studies about conflicts in strategizing

The research on strategic management has had a few distinctive paradigms and multiple research directions[1] (French 2009; Herrman 2005; Hoskinsson et al. 1999; Johnson, Scholes and Whittington 2008; Mintzberg, Ahlstrand and Lampel 1998; Rumelt et al. 1994). There are differences in the theories of strategic management, because each theory was formed from observation of organizations that were in different environmental settings (Ansoff 1987: 501; Prahalad and Hamel 1994: 6–7). As mentioned in the introductory chapter the emphasis of the research has shifted back and forth between qualitative and quantitative studies (Hoskinsson et al. 1999). However, it is also important to note that there was at the same time swings between interest on strategy content and strategy process (Herrman 2005: 126). The distinct separation into content and process directions was made during the 1970s (Rumelt et al. 1994: 19–20)

[1] To be clear about the evolutionary phases of strategy research, we must first define the difference between a paradigm and a research direction, stream or school of thought. The Oxford English Dictionary defines a school of thought as "a particular belief or way of thinking; (esp. in earlier use) a group of people identified by this". So it is basically a shared view about something with a group of people. A school of thought, research direction or stream is something that may not be shared with the whole scientific field, so there are probably many different views about research subjects which are competing against one other. In contrast a paradigm unites the contradicting theories into a common perspective and shows new areas for the research (Ansoff 1987: 501–502). Kuhn (1970: 9) states that there can be some rare times when two or more competing paradigms live peacefully together for a longer time period. Also it is common that during an emergence of new scientific discoveries there are multiple paradigms competing against one other (Kuhn 1970: 52–91). In general a good paradigm can refocus energies of competing schools of thought, stimulate new research directions and previously conflicting theories can coexist and prosper (Ansoff 1987: 514).

As a systematic example of the development of schools of thought in strategic management the work of Mintzberg et al. (1998) and French (2009) are presented in table 5 below.

Table 5: The division of strategy schools of thoughts adopted from the works of Mintzberg et al. (1998) and French (2009).

Mintzberg et al. (1998)	**French (2009)**
Prescriptive schools of thought	*Classical schools of thought*
Design, planning and positioning	Design, planning and positioning
Descriptive schools of thought	*Neo-classical schools of thought*
Entrepreneurial	Contingent
Cognitive	Resource-based
Learning	*Post-classical schools of thought*
Power	Learning
Cultural	Emergence
Environmental	
Configuration	

Mintzberg et al. (1998) divide the schools of thought to prescriptive and descriptive schools of thoughts whereas the classification of French (2009) consists of classical, neo-classical and post-classical schools of thought. The differences in their classifications are in schools of thought following the first three. The main similarities of the two classifications are classical schools of thought, learning school of thought and French's emergent strategy school which is directly connected to the breakdown of planned and emergent strategies made by Mintzberg and Waters (1985). Although also the classification to ten schools of thoughts by Mintzberg et al. (1998) is based on the exact same idea: the first three describe planned strategy while the rest seven try to depict emerging strategies which are shaped through practical strategizing activities. From the ten strategy schools of Mintzberg et al. (1998) only the first three and maybe the learning school accompanied by ideas from the other six schools can be seen as general paradigms of strategic management.

If we compare the presentation of Mintzberg et al (1998) and French (2009) to for example Hoskinsson et al. (1999) or Herrman (2005), we can see major differences.

Hoskinsson et al (1999:421) divide the research on strategic management to four phases: 1. early development, 2. industrial organization economics, 3. organizational economics and 4. resource-based view. In this classification they choose to present the schools of thought by grouping research by theoretical and methodological choices. The early development phase contains many of the same researchers and studies as the design and planning schools of thought presented by Mintzberg et al. (1998) and French (2009). Also IO economics is close to positioning school of thought, but then organizational economics is something that neither Mintzberg et al (1998) nor French (2009) explicitly included in their classifications. As a fourth way to view the research directions Herrman (2005) classifies the research directions by viewing those by focus points of the research which are according to him: 1. focus on environment (early research), 2. focus on resources (resource-based view) and 3. focus on knowledge, learning and innovation.

As this study is extremely process orientated, we utilize only strategy paradigms which are interested in strategy processes. So therefore for example the positioning school of thought is not particularly useful for examining conflict processes. In this case we use two paradigms: one that we choose to call **the business policy paradigm** and the other that is **the learning paradigm**. The first uniform paradigm of strategic management is consisting of the early research, which includes the first two schools of Mintzberg et al. (1998) and French (2009) and the first research directions presented by Hoskinsson et al. (1999) and Herrman (2005). The first clear strategy paradigm has had many different names according to different authors, but in this case the term "business policy paradigm" is adopted from Schendel and Hofer (1979: 1–11), as it is probably the most accurate name for the strategy paradigm that concludes the early research on strategic management from process perspective. The other schools presented by Mintzberg et al. (1998) cannot be seen as paradigms by themselves because they consist of separate studies from research directions that have not been connected to a distinctive paradigm. However, the other six schools have provided ideas and novel ways to view strategizing which can be linked to the research directions linked to learning, knowledge, entrepreneurial or innovation. A part of this research direction is also strategy as practice research stream. So we propose that the other process-orientated paradigm is based on these four perspectives, and it is referred from now on as the learning paradigm. The resource-based view of the firm or resource-based paradigm is left out of the framework for this study, because RBV is focusing on the content of the strategy, not the process.

2.3.1. The business policy paradigm

The first supposition of rational paradigm's strategy process is a supposition of a clear detailed process which has an owner that has a full responsibility over the process. The owner of the strategy process has to be a part of top management, not for example a part of middle or operational management. The strategy has to be designed to be unique and easy and ready to be communicated for the organization. In a sense strategy cannot be emerging or forming incrementally in practice. Mintzberg's main critique for the business policy paradigm is that in a rapidly changing competitive environment the strategies emerging from the operational activities yield a better performance level than conventional formally planned strategies. (Mintzberg 1990; Mintzberg et al. 1998; Table 5)

Compared to the strategy as practice research stream the business policy paradigm view strategy formation as a process that has a distinctive beginning and ending (Mintzberg et al. 1998: 28). The design school states that strategy is created by a small number of actors – not the whole organization (Mintzberg et al. 1998: 28–33). Strategy as practice can even been seen as a straight reaction and answer to critique stated by Mintzberg et al. (1998) about the weaknesses in business policy paradigm: the main contribution of strategy as practice are those exact things stated by Mintzberg et al.(1998). There are some similarities between the responsibilities of top management, uniqueness requirement of strategy and in some ways the work associated with strategy creation. Freely interpreted and applied the business policy paradigm could support and create order in strategizing when applying more informal policies of strategy as practice – for example Henri (2006) states that in some cases the best performance in strategy creation is achieved by a combination of formal and organic control systems.

2.3.2. Strategy tools of the business policy paradigm

The main premises of business policy paradigm are present in the strategy tools created by the researchers and practitioners that created the business policy paradigm. Strategy tools are traditionally used as analytical frameworks, concepts techniques and methodologies whose aim is to assist in strategizing (Gunn and Williams 2007: 201–202). So they are a part of strategy practices and an integral part of communication during strategizing and even in strategy communication for stakeholders. Therefore it is valuable to view strategy tools as mediators of human interaction in strategizing. The tools are in most cases hybrids of different strategy paradigms (Jarratt and Stiles 2010:

28–30). Jarratt and Stiles (2010: 40–41) also reported that tools used in business policy paradigm were often used in new ways in situations where company's competitive situation was severely in danger. So in this study the tools are explored in two sections alongside with the two paradigms: the tools that are utilizing the business policy paradigm and then the tools of learning paradigm which are accompanied by tools based on entrepreneurship. In the following paragraphs two of the most influential classic strategy tools are presented – these two are SWOT- and scenario analysis.

SWOT-analysis is probably the most widely known strategy tool. Originally SWOT-analysis was designed to be preceding the strategy creation as a phase of analysis of internal strengths and weaknesses and external opportunities and threats. The four stages of analysis are followed by creation of fit between the four factors. This type of analysis gained popularity and achieved a pivotal role in strategizing. The framework has then been applied to many other situations in countless ways because of the model's relative simplicity. Some of the potential situations are for example the analysis of the current situation when creating a new strategy or developing an old one, or even parts of the SWOT-analysis have been used to analyze industry or segments of a certain industry. At its best SWOT-analysis is when used as a flexible support tool for strategic planning (Ghezzi, Balocco and Rangone: 216). The pivotal status of SWOT-analysis is shown on the studies of Price, Ganiev and Newson (2003), Hodgkinson, Whittington, Johnson and Schwarz (2006) and Gunn and Williams (2007) about strategy tools used by British companies – in those studies SWOT was used in 62–71 % of the organizations and it was either the most used or one of the most used strategy tools.

Regardless of the analytical nature of SWOT it is extremely often used in strategy workshops. SWOT-analysis' compatibility to creative or interactive process may not be the best but it offers a common starting point for strategists in strategy process (Hendry, Kiel and Nicholson 2010). So as the opposite of quantitative SWOT-framework can be seen a simplified four-field which is not supposed to be used for deep detailed analysis or detailed specification of cause-effect relationships. When SWOT-analysis is used in a simplified qualitative manner, the purpose is to focus attention on the most important perspectives and create a platform for further discussion and brainstorming. As a conversational starter the SWOT-framework functions just like PESTEL-analysis. As a simplified framework SWOT can give participants some common ground without being too overwhelming like complicated statistical models can be. So ideally SWOT can be used to enhance interaction at the beginning or it can guide actors to formulate a result of general analysis of the company.

Scenario analyses can be divided into two different interpretations: intuitive thinking and formal scenario models. Formal scenarios are usually based on exact forecasts and calculations which the decisions are based on. Whereas the meaning of an intuitive scenario analysis is learning by forming different scenarios which shape cognitive mind maps related to matter analyzed. The differences in the two ways of conducting a scenario analysis have been underlined by stating the formal scenarios being scenario planning whereas the intuitive analysis would be scenario thinking. (Verity 2003) Intuitive scenario thinking is more in its nature affected by learning paradigm in strategy than actual formal and analytical strategic planning. So if we separate these two ways to the utmost, only the analytical quantitative scenario planning is equivalent to original premises of strategic planning process. It has to be taken account that exact forecasting of the future by scenario analysis is extremely hard, or even impossible in some situations for a long time period (Mintzberg et al. 1998: 66–68).

2.3.3. Conflicts related to the business policy paradigm

As the business policy orientated strategizing is strictly divided into two separate phases, it is then natural to examine conflicts separately in planning and implementation phases. In the planning phase the potential conflicts would be most likely about differences of opinions in purely factual things or individual's aspirations that are incompatible to organization's or other individuals' goals. So in practice potentials conflicts can be power struggles in the management; who gains most power, resources or respect and status through new strategy. So the task-related conflicts in planning are caused by somewhat altruistic desire to gain success to the whole organization whereas the affective conflicts are caused by individualistic desires to win a game played through strategizing. This assumption is also supported by Amason (1996: 144) who suggests that top management teams tend to succeed in preventing the escalation of task-related conflict to affective conflict. Therefore strategic decisions made in top management teams tend to be more effective and benefit more from task-related conflict than other teams (Amason 1996: 144). If the strategy is formulated and controlled by a clearly directed chain of events like some studies of planning school of thought present, as a result the likelihood of conflicts caused by unclear or vague responsibilities and processes is lowered. Also it is easier to activate certain key people into the process if there are clear boundaries in the process; a certain specialist can just participate in a part of the whole process. However, at the same time the possibility of conflicts related to communication is increased if the process is cut into separate pieces. Also there is a

chance of conflicts during the implementation because of resistance to the decisions made earlier in the planning phase. But on the other hand the implementation may be easier if key people are taken into the process.

When switching to implementation phase, strategizing suddenly involves a huge amount of new people compared to planning; there are other organizational members than just the top management who are participating directly in the implementation of strategy. Therefore the potential for different kinds of conflicts rises drastically. First some of the organizational members will probably show resistance to change, like in every process that involves changes in the everyday work practices. Some will just avoid a new strategy just because in their minds strategy is fancy and abstract words and thoughts that do not concern their work. The exact opposite might also be possible; a massive resistance and conflict may be born because organizational members disagree on the decisions made in the new strategy. The resistance might be amplified because people feel that they have not been taken account or listened and that they feel the strategy is steering the organization to completely wrong way. So the conflicts are probably both task related and affective conflicts. The other stakeholders outside the organization may be provoked by strategic decisions that may change company's activities against their values or goals; influential investors can see company's future as too risky or that the chosen strategy is not suitable, key customers may feel that company's new products or ways of operating are not aligned to their wishes or values or the new strategy may have effects on company's local area that are harmful for the local community.

As a benefit of a controlled strategy process that is divided into two distinctive parts there is probably a low likelihood of conflicts related to ambiguity of responsibilities and roles in strategizing. Conflicts of business policy paradigm differ in the planning and implementation phase: during planning the conflicts are probably more task-related whereas in the implementation phase affective conflicts related to resistance to change increase. The affective conflicts during planning may most likely be power struggles inside the top management.

2.3.4. The learning paradigm

As learning paradigm's basic questions Mintzberg et al. (1998) describe relatively same kind of questions that strategy as practice researches have: Who really creates strategy? Where does the strategy formation actually happen in the organization? Also one of the interests of the paradigm is to which level the strategy is formulated incrementally and

to which point strategy implementation and creation are separated (Mintzberg et al. 1998). French (2009) defines learning paradigm as a counteraction to classical and neoclassical strategy paradigms: the constant need for dynamic change has formed a new need for a search of competitive advantage. As a way to create a new mindset French (2009) proposes innovation of strategizing process studied by Hamel which can be used to question dominant business models and create competitive advantage based on learning and innovation in strategy process. However, the starting point for Mintzberg et al. (1998) and French's (2009) definitions and perspectives is the same: learning paradigm's core is in incremental learning in strategizing, both on the organizational and individual level.

The first influential author of the learning paradigm is Mintzberg, but another influential early author is Quinn. With his logical incrementalism he changed the perception of strategy formation from intended strategy perception of business policy paradigm to emerging strategy. (Mintzberg et al. 1998: 180–185). According to Quinn (1978) strategy is being formed within strategic subsystems as an incremental learning process, which he calls as logical incrementalism. Strategic subsystems are according to Quinn (1978) substantially affecting strategic decision-making processes, such as corporate acquisitions or large reorganizations of operations. Conscious incremental analysis in strategy process simplifies the problem of the limited scope of information processing capabilities in decision-making. It also adds more analytical information processing to decision-making. As a byproduct of incremental learning process individual and organizational knowledge for strategy implementation is born. The strategy process presented by Quinn (1978) is a chain constructed of individual significant decisions in which strategy forms step by step through the important decisions. At the end the unified direction is formed by these individual steps. (Quinn 1978)

A rather similar model to Quinn's logical incrementalism is also Nonaka's knowledge spiral (1994). He describes organization's knowledge creation as a learning process which consists from turning tacit knowledge into explicit knowledge, explicit knowledge into tacit knowledge and transferring tacit knowledge in the same form forward. The knowledge creation requires commitment from an individual to form and gather new knowledge. The commitment consists of an autonomic position which enables person's meaningful knowledge creation by structuring surrounding world. Also the knowledge creation requires some sort of uncertain conditions or changing environment to support inspiration with unexpected observations. The knowledge creation is a spiral process in which the four phases of tacit and explicit knowledge

occur one after another. Reflection and knowledge creation can be made more effective by creating structures enabling reflective activities, for example autonomous or cross-functional teams. In an organizational structure the knowledge creation structures could be based for example on middle-management's knowledge creation, internal entrepreneurial activities or a hypertext organization. (Nonaka 1994)

The learning paradigm views strategy creation and development as a learning process in which organization learns and gathers knowledge, both in individual's and organization's level. The process is emergent: learning related to strategizing can be born anywhere and anytime in the organization (Mintzberg et al. 1998). As result of the process innovations are born which in turn lead to new strategies and new kinds of strategy development processes. Therefore the most important strategy tools in the paradigm are structures and activity models supporting learning and organizational culture. As a next step of learning frameworks French (2009) supposes complex self-adapting systems through which organization adapts effectively to changes in competitive environment.

2.3.5. Strategy tools of the learning paradigm

The organizations applying strategies based on learning paradigm and visionary strategizing based on and entrepreneurship do not prefer to use strategy tools that are following strictly analytical and formal processes. The purpose of strategy tools used in these organizations is the ability to react to fast market development and the ability to create organizational learning capabilities.

The intuitive scenario analysis avoids pitfalls of exact future predictions. It also enables creativity during strategizing. However, this comes with demands for participants: for creative thinking the team should consist of participants with diverse backgrounds. (Verity 2003). Also to enhance creativity there should only be two possible scenarios created for the analysis because in the case of three possible scenarios usually the alternatives are good, middle grounds and the worst situation. It creates a distorted black and white view on the situation. In case of two possible scenarios both are potentially equally believable and actual. (Verity 2003) A scenario analysis is extremely flexible and easy to apply (Verity 2003). Because of the flexibility and different ways to conduct scenario analysis, there is not a strictly defined process, therefore interactive scenario analysis is often used together with another strategy tools in strategizing. It is ideally

used together with the strategizing practices of learning paradigm, such as in different strategy workshops.

According to Hodgkinson, Whittington, Johnson and Schwarz's (2006) observations strategy workshops are extremely important strategy tools especially during strategy creation. Of the 1337 organizations in the study approximately four out of five of the organizations had organized strategy workshops. The most common goals of strategy workshops were the development of new ideas and solutions, rethinking of a current strategy and formation of a new strategy – so in other words the main purpose of strategy workshops is the development of new solutions and strategies. In the organizations of the case-study the strategy workshops are a part of a formal strategy process, approximately in 60 percent of the companies the strategy workshops are a part of normal process. During workshops the most commonly used strategy tools are classical tools such as SWOT-analysis, stakeholder analysis and scenario planning. The participants in strategy workshops had felt that the strategy workshop work had the biggest benefits in strategy and business plans whereas for example themes involving innovation, productivity or profitability benefited the least from strategy workshops. However, the perceived benefit for strategy did not reflect as an analytical strategy development but as a discussion forum for the top management. Maybe the most appropriate use for strategy workshops would be to utilize more tools supporting discussion and communication than analytical frameworks, if the biggest achieved benefit is not formation of analytical knowledge. (Hodgkinson et al. 2006). As a potential disadvantage of strategy workshops is the possibility to form structures impeding participation in strategizing – strategy is transformed into mystical rite that is separated from the everyday work, just like Mantere and Vaara (2008) described.

The most common participant in strategy workshops where strategy is created is the top management whereas in strategy communication and clarifying workshops the participants consist from top, middle and operative management. In large organizations also the middle management participates more actively in strategy creation than in small and middle-sized organizations. So in other words strategy workshops are naturally restricted for a small group of actors, they are not designed for a large participation of the whole organization. Strategy workshops are usually led by top management: only one of sixth workshop was led by for example an outside consultant. There could be created more added value with the help of workshops by introducing more and wider perspectives than just the top management perspective for example by empowering middle management actively to workshop activities. Also the use of outside consultants

may bring a neutral opinion to reduce need for politics in which case challenging and bringing new perspectives could be done without social pressure in strategy discussions. (Hodgkinson et al. 2006) Also using an outside consultant may create prejudices which may hinder the participation. An innovative example of strategy workshop lead by outside consultant is the workshop presented by Bürgi, Jacobs and Roos (2005).

One of the most interactive forms of strategizing is brainstorming. The purpose of brainstorming is to create as much ideas as possible without caring about the quality of the ideas. The efficiency of the method is founded on statistics and inspiration generated from the ideas of participants: in a large sample of ideas there are probably more valuable ideas than in small sample, and a participant can merge different ideas from other participants and create innovations out of them. However, a large quantity of brainstorming studies have found out that most of the brainstorming sessions underperform or perform on the same level as control groups. The reasons for ineffectiveness of brainstorms are the reduction in motivation and productivity caused by social pressure and group's communication. Also the distraction in thought processes and therefore interruptions in innovation lower the creation of ideas in the brainstorming groups compared to the control groups. So in other words the advantages achieved in brainstorming can drain away because of ineffective group dynamics. The effectiveness of think tanks can be increased by nominating restrictions and hypotheses based on facts. In the study of McGlynn, Effland, Johll and Harding (2004) the brainstorms conducted in groups were observed to be more efficient than brainstorming done by alone. (McGlynn et al. 2004)

2.3.6. Conflicts related to the learning paradigm

Strategizing in learning paradigm is significantly different from the business policy paradigm. The emphasis is on communication and human interaction which is supported by enabling structures. Strategizing is something that evolves during a longer time frame, not a clearly defined and documented process. Therefore we can assume that there is a higher possibility of affective conflicts during strategizing, but most likely fewer conflicts during the strategy implementation, because strategy is born through interactive practices that reflect opinions of organizational members from different organizational levels. It is also possible that there is more ambiguity about power relations in the process which creates a vacuum that some people may try to exploit to gain more power in the organization. So potentially learning paradigm has fewer conflicts during implementation but the conflicts may be affective conflicts in general.

2.3.7. Summary of strategy paradigms

In this chapter different strategy paradigms were explored to identify the main characteristics of strategy processes. Also at the same time the conflict types were linked with different strategy processes to guide and help the data analysis. In the following chapter the level of analysis is more detailed or micro-orientated than a general paradigm level's analysis. The focus will be on strategizing practices and how strategy as practice research has contributed to strategy process research. So the core themes of the chapter are communication and interaction which are important when viewing interpersonal conflicts in strategizing.

Table 6: The summary of strategy paradigms and potential conflicts in the paradigms.

Paradigm	The main premises of strategy process	Potential conflicts
Business policy paradigm	Strategy process consists of two separate processes, planning and implementation. Strategizing has a clear beginning and ending. It is a responsibility of top management who also has the control over the process.	During planning most likely task related conflicts or power struggle of status and resources that evolves into an affective conflict. If the process is a clearly controlled chain of events the likelihood of conflicts related to vague responsibilities is lowered. Whereas during implementation both types of conflicts are possible but there is more weight on affective conflicts related to resistance to change.
Learning paradigm	Strategizing is an incremental learning process. Strategy is emerging from practical activities which create organizational knowledge.	More affective conflicts, but fewer conflicts during implementation than in business policy paradigm.

2.4. Strategy practices and actors

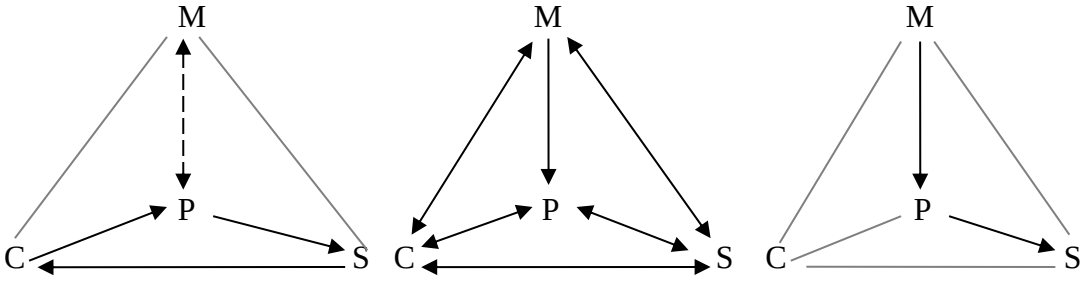
In different studies the same observation about strategists is repeated: by far the most common strategy actor is the top management or the top management together with Board of Directors (Bürgi et al. 2005; Hendry et al. 2010; Hodgkinson et al. 2006; Miller, Hickson and Wilson 2008; Sminia 2005). There are some differences in the studies, but especially strategy creation is seen as a top management's duty meanwhile middle management and in some cases operative management participates actively in strategy implementation, communication and design (Bürgi et al. 2005). For example Woodridge et al. (2008) stress the role of middle management in strategy creation because of their significant role in organizational learning. Also Kuratko et al. (2005) state the middle management's role to be very important in strategy creation. They present middle management's role as a filter reminding very much of Nonaka's knowledge creation spiral filtering tacit and explicit knowledge from lower organizational levels to the top management in explicit knowledge (Kuratko et al. 2005). This information filtering process is based on internal entrepreneurship processes. (Kuratko et al. 2005)

Jarzabkowski (2005) describes two different strategy practices: procedural and interactive practices. Procedural practices are formal practices and control systems of business policy paradigm which are embedded in organization to streamline and modify organizational activities. So the procedural activities' main focus is on controlling and guiding existing and implemented strategies. It could be stated that the procedural practices described by Jarzabkowski (2005) are highly influenced by the business policy paradigm in which strategizing is a formal and well-defined process. The decisions made through formal practices are perceived as highly justified but it also creates future resistance to change because of high embeddedness of old practices. Therefore strategizing practices achieved by procedural practices can be extremely long-lived. Strategizing that is connected to the formal planning and controlling processes may also strengthen the inequality in participation to strategizing, in the most cases it means that most of the participants are from the Board of Directors or senior management. By communication the conceptions and organizational activities are transferred to everyday activities in the organization. In a way interactive strategizing creates interactive relationships inside and between different organizational levels. However, neither of the two practices is based only on a bottom-up or top-down orientated interaction, in both cases the information travels both ways. So creative strategizing activities should be done mainly by interactive strategizing practices whereas strategy development or

implementation control should focus on procedural practices – but in practice strategizing is a cyclic process combining both interactive and procedural practices. (Jarzabkowski 2005; Jarratt and Stiles 2010)

Jarzabkowki's (2005) description of strategizing practices is consisting of the interactive relationships between senior executives, organizational members, strategy practices and strategizing. She characterizes the interaction systems of policies and interactive strategizing practices in general and in different situational settings. Applying this classification Jarratt and Stiles (2010) formed three ways of strategizing from the analysis of case-organizations. These three practices were the following: routinized strategy practices which are routinized interactive practices, reflective practices which corresponds the formal and interactive practices portrayed by Jarzabkowski and finally imposed strategizing which is formal strategizing in its most extreme case. (Jarzabkowski 2005; Jarratt and Stiles 2010)

In the Figure 4: Strategizing interaction model the arrows show the direction the interaction meanwhile the grey lines indicate the absence of interaction. In the routinized strategy practices the interaction shown with the dotted line portrays the intermittent innovations born through strategizing routines. In the routinized practices organizational members affect strategy systems in the organization through which the strategy is realized; meanwhile the strategizing affects the organizational members through results achieved from the process. Through continuous work, know-how and innovation are accrued, which may raise top management's attention and bring the organizational members involved in the strategizing. Reflective strategy practices involve every actor into interactive relationships in the strategizing, and the knowledge flows both from bottom to up and from up to down. In the imposed strategy practices strategizing is the sole privilege of top management and it is implemented through strategy practices set by top management. (Figure 4)



Routinized strategy practices Reflective strategy practices Imposed strategy practices

M = Manager, C = Structures enabling cooperation P = Strategy practices S = Strategizing

Figure 4: Strategizing interaction model (Jarratt and Stiles 2010: 33).

According to Jarratt and Stiles (2010) routinized strategy practices were controlled by the discourse of business policy paradigm, whereas the dominant discourse of reflective strategy practices was a learning paradigm based "strategy as a shared experience" discourse. The most common discourse of imposed strategy practices was based on incremental strategizing in which strategy discourse was based on financial quantitative arguments and top management's actions for achieving financial targets. (Jarratt and Stiles 2010)

The imposed strategy practices are most closely related to the business policy paradigm and procedural practices of Jarzabkowski (2005) in which the top management has the most responsibility and control over strategizing. In the other extreme is the reflective strategy practice which represents a highly innovative view of strategizing in which strategy is being constantly remodeled and adjusted by knowledge created by structures, practices, strategizing and managers. So it is extremely close to the learning paradigm's strategy process. Reflective strategy practices are also somewhat close to ideas of Nonaka's (1994) Knowledge spiral. Surprisingly maybe the most interesting practice from the strategy process research viewpoint is the routinized strategy practice. It is clearly affected to some extent by the learning paradigm, but in this state the continuous improvement and changes are done by systems supporting strategizing, but not the top management. Maybe in some cases the routinized practice is closer to the business policy paradigm where strategy has been turned into a ritual that is present within the organization. Also it differs from the other two practices significantly, because the management has a lower participation to strategizing, although traditionally the management is the most active participant in strategizing. And therefore the routinized strategy practices are an example of Jarzabkowski's (2005) procedural strategy

practices. The imposed strategy practices are probably connected to both affective and task-related conflicts during the implementation process, because of the low participatory activities of the organizational members – just like the business policy paradigm is probably connected to conflicts in the planning phase. Compared to imposed practices, the reflective practices are likely to cause more conflicts in the planning phase because of the high participation. And like in the strategy processes based on the learning paradigm, there might be more affective conflicts. However, the routinized strategizing practices are something different from these two. The management has a more passive role than in the other practices, so it could be argued that there is in some cases likely going to be more power struggles to fill the power vacuum created by the absence of the management. So the most likely conflicts in routinized strategy practices might be affective and task-related conflicts born through power struggles

In the interactive strategizing practices the communication between actors becomes as one of the focal points. Mantere and Vaara (2008) have studied strategy discourses enabling and impeding participation in strategizing. The enabling discourses are concretization, self-actualization and dialogization whereas mystification, disciplining and technologization discourses are impeding participation in strategizing. Self-actualization discourse means basically the search for meanings in organization together with organizational members. The dialogization corresponds the knowledge creation spiral of Nonaka: the organizational communication is directed both from bottom to up and from top to bottom creating knowledge by combining differing perspectives of organizational members. In spite of rich interaction and communication the role of top management is not questioned. In concretization strategizing is tied to everyday work routines but the process is made visible and clear for the whole organization. (Mantere and Vaara 2008).

The mystification discourse is top management's charismatic declamation which cannot be questioned – and when strategizing is based on mystified activities outside organization the belief about mystical work done by a small elite group is strengthened. Disciplinary strategizing discourse is based on formality: strategizing is based on organizational hierarchy in which the top management's responsibilities are exploited to create a vision of heroic acts in strategizing. The technological impeding strategy discourse is based on internal technological systems which are used to create a knowledge gap to participation in strategizing – if you cannot use the system, you are not able to participate in the process. The impeding elements create a barrier in

organizations between the strategist and other people by underlining and creating concrete gaps between strategy and organization. The difference to enabling discourses is not born through completely different structures or practices, but from people who are participating and the ways in which things are handled. (Mantere and Vaara 2008). The impeding strategy discourses will probably cause disagreement on goal attainment or at least higher resistance to change because low empowerment to decisions made in strategy. Therefore we can propose that mystification discourses are also more likely to create conflicts in the strategy process.

There are obvious connections between the chosen discourse and strategy practices: the three discourses enabling participation are highly linked to reflective strategy practices, whereas discourses impeding participation are highly linked to imposed strategy practices. But once again – what about the routinized practices? What kinds of discourses support that kind of approach? Maybe it is not tied to any particular discourse presented here. There may be some use of technologization, concretization and self-actualization discourses, because the routinized work practices may be routinized for both enabling and impeding reasons. Some routinized ways may be built so that organizational members have to know the "rules of the game", as in how to participate in the process without precise explanations how the strategizing is done in the organization. The difference in communication is that in reflective practices there is more interaction and ways to make an impact on strategizing than just by the routinized practices. So the routinized strategy practices are probably linked to both strategy discourses enabling and impeding participation.

The main concepts of the strategizing practices are the conceptual models and effects of different strategizing practices and how the choice between certain practices and communication reflects the whole strategy process and implementation. Also there are six major strategy discourses to be found in strategy communication which either support the participation to strategy or hinder it. Also we can assume that the chosen practices or discourses may cause conflicts in different cases when the chosen method is the one not preferred by the organizational members.

3. METHODOLOGY

In the third chapter the methodological underpinnings of the research are presented. Together with the methodological choices, the limitations of the research are explored and reflected. It is important to perform a comprehensive review of possible methodological limitations of the study, because the study is explorative and the weaknesses in explorative phase will reflect to later phases, and therefore the rigor in explorative phase is particularly important (Gibbert et al. 2009: 1465).

3.1. Research method

The ontological background of this study is based on subjectivist approach and the epistemological stance is interpretionism. The research design is constructed on qualitative single-case study methodology and the main method is semi-constructed theme interviews. Gephart (2004: 456) states that there has to be a fit between methodological choices and literature, so in other words the interpretionist background requires methodological choices and literature that supports discovering participants' understanding of the world. In this case the strategy as practice literature supports interpretionist stance by focusing on strategizing as micro-level activities. The method choice is also relatively natural; as Gephart (2004: 458) states usually interpretive researcher uses methods based on social sciences which in this case is the case study method. Also as conflict was defined as perceived disagreement between two parties, it is natural to choose an epistemological perspective that enables portrayal of different actors' perception about their feelings during strategizing. According to Gephart (2004: 457) the interpretive researcher tries to create understanding about the actual production of meanings and concepts applied by social actors. It is assumed that there are diverse meanings how people perceive and interpret the world around them (Gephart 2004: 457). Therefore the research design was purposefully kept very open so that the core themes of the research could be chosen by what the research subjects would say about strategizing and conflicts.

The research design for this study is a combination of deduction and induction. Eriksson and Kovalainen (2008: 21) describe induction as reasoning that draws conclusions from an observation to a more general findings whereas deduction builds conclusions based from theory building and existing literature. They state that some researchers want to express the combination of these two as abduction (Eriksson and Kovalainen 2008: 21).

The first part of this research is built by deductive reasoning; careful theory-building. In the latter part of the study the logic switches to induction. Based on the findings and data of the case more general conclusions are drawn from a single-case studied here. Also the theory-building was revisited after the interviews were analyzed to maintain the focus of the study.

3.2. Case selection

A case study is a research method describing a single event or unit of analysis (Gephart 2004: 458). Yin (2003: 13) states that case study approach is a suitable way to gather knowledge about a research subject when contextual conditions are important in the studied phenomenon. As strategy practices are highly situational and embedded in organization, it is natural to choose research strategy that emphasizes and fits the need to gain knowledge on organizational context. So the methodology of the study is based on a case-study methodology consisting of semi-structured interviews and observation.

One of the potential uses for case studies is exploratory studies when there is little knowledge about the phenomenon studied (Eisenhardt: 548). Or in some cases inductive case-analysis can act as a bridging stage between inductive and deductive research (Eisenhardt and Graebner 2007: 26). Also the case study design allows capturing managerially relevant knowledge because the data is collected close to the practitioner (Gibbert, Ruigrok, Wicki 2009. 1465). Conflicts related to strategizing are a rare research topic, so there is hardly any existing literature, theory or models about the subject. So the deep inductive single-case study can be used to create preliminary results for new research. So it is highly justified to use a single-case study in this stage of the theory creation. Also the research questions are compatible to a single-case study. The single-case study offers a possibility to go as close as possible to the real life business decisions and strategizing, so captures the spirit of strategy as practice research.

An important part of a case study is the choice of the case, especially when using a single-case study. Ideally the case should be chosen as an extreme or unique case to create interesting and exciting results and view on the subject. (Eisenhardt and Graebner 2007: 26; Johnson et al. 2007: 61; Siggelkow 2007: 20–21; Yin 2003: 38–39). According to Siggelkow (2007: 21) special organizations can offer wide contributions and therefore there is no need for a large sample.

So why is this case important or interesting enough to justify a single-case study? The target organization could be described as a service orientated technology company whose main market area is Finland, and it has a relatively high local market orientation. The company employs slightly fewer than 1000 employees. It has a reasonably long history in its businesses. Many of company's employees have had a long career in the company: there are many people that have worked their entire career in the company. Through these long-term specialist careers the company has gathered a notable pool of tacit knowledge. However, changes in the industry have created a need for new competencies, and therefore the company has had challenges to respond those change pressures. Nowadays the competition in its market segment is focused between a few relatively large companies. Financially its operations are on a stable basis and in the past there has been somewhat low competition in its market segments, but times have changed and the competition is getting more intense and the company has had to face more competitive pressure than in the past. Also in the past it has been hard to use differentiation strategies in the industry, but the companies are now trying to differentiate by focusing on providing additional services for their customers. This shift in the strategy is most probably a consequence of intensified competition. It is also notable that most of the company's employees have a technical education and a background of technical work experiences, so most of them are different sorts of engineers.

The single-case study methodology captures also practical managerial perspective which strategy as practice studies want to emphasize. In this case strategizing of the case-company is an example of highly participatory strategy process in which actors from all of the organizational levels are empowered to participate in the process. There have been relatively big differences in opinions about strategic directions in the past which is straightly reflected to current participative and interactive strategy processes. The strategizing of the case-company for the last year has empowered many organizational members from different organizational levels. So it is a vivid example of strategizing, just like Johnson et al. (2007: 13–14) describe that strategy as practice research should acknowledge that strategizing is much more than just something done by senior executives and CEOs. They state that there are many middle-managers, consultants and investors that are a part of strategizing and in some rapidly changing environments the role of senior management is to spot the emerging strategies (Johnson et al. 2007: 13–14). As a summary it could be said that the company has faced major changes in its competitive environment which have started a reaction in the activities and strategy of the company. This has led to a totally new way of strategizing in the

company which is enhanced by structural changes. So the major changes make this an interesting case for researchers and managers.

3.3. Data collection

The data was collected by 15 interviews and two observed meetings. The observation was passive in the strategy info and the strategy development meeting. In the development meeting I was introduced to two participants that I had not previously met while other six participants I had met before and conducted interviews with them. I would describe the general atmosphere of this meeting as fairly casual and my presence did not seem to affect to the meeting, excluding some remarks of past actions and background knowledge that was brought to my knowledge. The remarks were done by the person who led the meeting. Clearly those remarks were directed especially for me to fill in gaps in my understanding of past directions and actions on the strategy development of the organization. But he also used this as a chance to review main points of the meeting and strategy process for every participant. Also in general this sense making of past decisions and actions was extremely common among individuals of the organization. I encountered sense making and reflection of past in most of the interviews. So the presence of an outsider did not seem to affect the meeting.

Building and gaining trust with interviewees during a relatively short period of time can sometimes be challenging – especially when interviewing about a sensitive topic such as conflicts. Some persons may avoid talking about past conflicts, while others may want to relieve stress by telling about their stress and problems. I started building trust to the organization and interviewees by signing a confidentiality agreement considering company's business, so the matters of strategy could be talked without fear of spreading corporate secrets. At the beginning I agreed with my contact person that there would not be any mention about company's or participants' names in my research, because it would be easier and better for the both parties to keep the research anonymous. They will not have to worry about confidentiality and I am able to describe and write objectively without a pressure to create a marketable image about the company. Before I started to organize the interviews by contacting interviewees personally by phone, my contact person gave me a list of potential interviewees about my research. The list included over 20 names from which 13 were interviewed. The selection of participants was done this way, because I had not previous contacts to the company. During interviews two of the participants also pointed out that it could be fruitful to interview

their ex-CEO, but as the main focus were pointed to the current strategy process this idea was left out. The participants also received A4-sized paper that explained my research (see appendix 1). It was the same briefing which was used on the first contact to the company. In the beginning of every interview it was stated that the interview is a confidential and anything sensitive they say cannot be identified to them after which I continued explaining my research. Finally before starting the interview I asked politely if it would be suitable for the participant that the interview could be recorded for the analysis. Everyone agreed that the interviews could be recorded. Every interview was conducted in Finnish and the interviews were transcribed using word by word accuracy and marking pauses by using full stops. These transcriptions were later analyzed in multiple analysis rounds.

To achieve data-driven research approach the first interviews were conducted by a very general and open interview structure which is described in the appendix 2. The structure was a general guideline for the interview, not a strict interview structure. After the first interviews, more defined themes emerged which were added to general interview structure. These themes were such as regional contradictions and conflicts, the cooperation and communication between business units and strategy communication. During this stage the final research questions started to take shape distinctly. The purpose of the interview structure was to start with easy questions which allowed the interviewee only to describe what kind of was their strategy work like during year 2011 and how did it differ from the previous years. By allowing them to start by general representation of their own work I was aiming to create an atmosphere conducive to discussions which allowed me to capture their impressions and prevent to reflect my own preconceptions. After easier descriptive questions the interview started to focus on conflicts and contradictions. This shift on topic usually happened somewhere in the middle of an interview when an interviewee had had his time to relax and feel more comfortable with the interview situation. Also the interview locations were selected on the criteria of easiness to conduct the interviews and to help participants to feel more relaxed. This was a successful interview strategy in a sense that during the interviews I was mainly listening to the participants and responding with small approving utterances and focusing questions when needed. Of course the open interview strategy sometimes lead to getting lost of the main topic but that was in times extremely fruitful, without getting lost some of the new unexpected themes and subjects would have not been found. As a result all of the data are not exactly useful for this study, but that is not a problem for the analysis: the only real disadvantage was a longer time spent transcribing and analyzing the whole interviews. For a considerably larger sample size this would

have become a problem but in this case it only created more knowledge and information about the target organization which is valuable because of a relatively limited observation data.

According to Eisenhardt (1989: 538–539) overlapping data collection with analysis enables flexible data collection, research design and also gives a good start to analysis. By overlapping the two stages the potential to probe potential emerging themes from the studied subject (Eisenhardt 1989: 538–539). So the study can be data-orientated, and significant findings emerging from the interviews can steer the direction of the study to surprising findings. For example an emerging theme of past arguments and events connected to regional politics in the organization was found which gained some weight during the data collection and analysis. However, Eisenhardt (1989: 539) warns not to be unsystematic when spotting emerging possibilities.

After transcribing the interviews a systematic analysis of the core themes found during the interview process was started. The main themes that were found in the interviews were: communication, conflicts, emotions and expectations, strategy implementation, regional conflicts, the different roles in strategizing and strategy tools, practices and decision making. The first analysis phase after transcriptions was conducted to classify the transcriptions to clear core themes found in the interviews. Then the classified data was analyzed again in more detail which finally led to the finished analysis shown on this chapter. The interviews were conducted between 17.4.2012 and 29.5.2012. One of the interviews was done by phone while the rest 14 interviews were face-to-face interviews in the premises of the company.

Table 7: The details and information of interviews.

Interview	Date	Length	Location
A. Operative director, unit A	17.4	59:47	A conference room, HQ, City A
B. Head of unit B	18.4	60:22	His office at operating unit, City A
C. A specialist in unit A	20.4	36:39	A conference room, main premises of City B
D. Union representative of blue collar workers, unit C	20.4	78:01	His office at unit C, City B
E. Head of a customer segment in unit B	23.4	27:22	A conference room, HQ, City A
F. Head of a department	23.4	63:07	A conference room, HQ, City A
G. A specialist, a key person representing employees, unit A	25.4	58:29	A conference room, main premises of City B
H. Head of unit C	26.4	26:52	His office at unit C, City B
I. A project manager for service innovations	4.5	50:30	A conference room, HQ, City A
J. HR-manager	4.5	68:52	Her office at HQ, City A.
K. The CEO of the company	7.5	95:29	His office at the main premises of City B
L. The CEO of a former subsidiary	16.5	23:36	Phone interview
D. Union representative of blue collar workers – second interview	29.5	54:25	His office at unit C, City B
M. Business director for unit A also my contact person	29.5	59:42	His of office at the main premises of City B
G. A specialist, also a key person representing employees	29.5	34:22	His office at unit C, City B
Strategy development meeting	15.5	approx. 1,5 hours	A conference room, HQ, City A
Strategy info for employees	22.5	2 hours	A large auditorium, City B

3.4. Analysis method

When studying strategy from strategy as practice perspective a question arises; when is the unit of analysis micro enough to achieve the purpose of studying practices (Johnson et al. 2007: 58–60). Johnson et al. (2007: 58–60) present a possibility to use Hendry and Seidl's choice of using a strategic episode as a unit of analysis. For the needs of this research the reasonable unit of analysis was strategy development process. It was natural choice also, because in the focal point of the research was participants' perception about the contradictions, conflicts and strategizing practices they had experienced during the last two years.

The chosen analysis method was a systematic content analysis of the interviews. Before the analysis, the interviews were transcribed word by word from the interview recordings. Then after transcribing the second step was to classify and codify the interviews by the main themes found in the literature and by those themes that emerged during the interviews. Then the classified data was transferred to separate documents; each of them corresponding one theme. The fourth step was to analyze the separate documents and analyze each theme on its own. Then after the fourth analysis round the fifth analysis round was conducted to ensure the findings of the fourth round. At the same time the findings from different participants are compared to the observations and other interviews that were conducted to increase the validity of the study by using multiple sources of evidence (Yin 2003: 34–36).

3.5. Methodological limitations

When using interviews as a main source for data collection there is a high possibility of retrospective bias, meaning that participants use hindsight and current knowledge to describe past actions (Eisenhardt and Graebner 2007: 28). This can be avoided by using many informants who have good understanding of the phenomenon and diverse perspectives about the phenomenon. It is also justifiable to choose interviews as a main method because they are an efficient way to gather rich empirical data of episodic and infrequent activities, such as for example strategizing. (Eisenhardt and Graebner 2007: 28). Eisenhardt and Graebner (2007: 30) also state that using many different participants on interviews eliminates the bias created by using only one or few informants. Compared to Eisenhardt and Graebner (2007), Johnson et al. (2007: 68) argue that interviews are a good way to gather participants' feelings but not the micro-activities

and behavior. So the interviews are especially suitable for gathering knowledge about conflicts but not really strategy practices. Therefore there also has to be data collected by observing participants in their ordinary strategizing activities. The challenge is that there were not many strategic activities involving people at the same time in the organization during year 2012. So the role of observation was reduced during the data collection for practical limitations.

One of the limitations of this study is that I was totally new for the organization, so I could be influenced by the contact person and participants to make choices that would benefit their own goals. One of the potential examples of this was the list of potential participants which I received: the list seemed to be extremely comprehensive. There could have not been possibility to use effective snowballing techniques to gather more participants, as even some of the listed potential participants were not the most suitable participants, because of lack of participation to strategizing. So there is a small risk of sloppy, biased or unclear data (Yin 2003:10). But on the other hand there is almost none risk of becoming too close to the research subject (Johnson et al. 2007: 65–68).

Also the lack of resources to conduct a longitudinal study is also a limitation. Because to understand to getting really know an organizational culture and embedded practices takes time and involvement. In this case some of the conclusions had to be drawn only from a few participants even though it would have been valuable to gain further evidence of existing conflicts and practices of the company.

The open structure of the study may have lowered the external validity of the study, although this is mainly caused by the nature of single-case study method which can cause difficulties of replicating the same results in different environments or cases. The lack of external validity caused by the single-case study method is compensated by use of analytic generalization with use of theoretical frameworks formed from the literature. (Gibbert et al 2009: 1468; Johnson et al. 2007: 72; Yin 2003: 10, 35–36)

As a general limitation Gephart (2004: 460) states that qualitative studies often lack a clear guideline which follows the whole study from the introduction to the conclusions. He presents that the most important guidelines should be good research questions and a clear aim for the study (Gephart 2004: 460). So therefore the research questions and the aim of the research were purposefully kept as clear as possible to form a clear structure for the research. The same clarity and rich process description was used to enhance the quality of the analysis (Gephart 2004: 456, 458).

4. EMPIRICAL FINDINGS

In this part the collected data is presented and analyzed by using systematic content analysis through classification to core themes. First the case company's processes are described in detail, and then the major themes and findings are presented each in their own chapter. These findings are reflected to the literature. Also some new ideas are drawn from the empirical data.

4.1. The strategy process in the company

The organization's strategy paradigm could be described as a learning strategy paradigm that has a notably high empowerment orientation in the implementation and communication phases. At the moment the strategizing could be described to be close to the reflective strategizing practices described by Jarratt and Stiles (2010). The high empowerment of organizational members is still a relatively new thing in the organization. The interviewed described the old strategizing and management styles of top management to be hierarchical and even autocratic. So in the past the strategizing has mainly been done by imposed or routinized practices.

"In the company it (strategy) has often been a dialogue between the Board of Directors and the top management. Based on my impression the specialists and union representatives haven't been empowered in strategizing in the past – it has been brought to their attention more as information. - - - Now for the first time in their live the bunch experienced that they had a place where they could bring up things that should be changed." (A. Operative director, unit A)

"Well let's say that of course we have been doing strategies in the top of the organizational hierarchy. But as a new matter the strategy has been put into practice thoroughly since the last year." (F. Head of a department)

"If we go back in time for some years, the management model of the company was more of a one man's show. There was a ruler whose command was followed in the company, like for example a ship's captain. There wasn't a clear delegation of tasks, but like I said, now the word delegation has gained a totally new meaning in our company." (F. Head of a department)

There has been a significant change after changes in the top management, and the changes are visible in the new management practices. One of the biggest conflicts in the recent past was caused by a plan to sell the company to new owners who would

probably reorganize the operations of the company. The reorganization would have probably cut down half of the number of the employees. This resulted in events that would later cause the changes in the top management and the strategy of the company. In the end the decision was made not to sell the company and maintain all of its operations. The employees had a significant and active role in these events and therefore their enthusiasm was seen as a potential resource in the organizational development processes.

"We have a certain history from some past few years. Our previous CEO was in a way renovator. When he came into the organization we weren't told that he was coming in to get the company to a sellable state – but quickly it became very clear for us. - - - And of course when the employees noticed that, the resistance was very strong - - - (after the company had not been sold because of the resistance) then when the latest top management started their work, we could see that they wanted to really develop the company's activities. Not just that the company can be sold, so that we could really live into the future with the company." C. A specialist in unit A)

"When our current operative director came to the organization, it changed the system totally upside down. He really has conversations and wants that he is being told everything - - - They indeed have changed (the company's culture) noticeably more open. And especially our CEO – just think about it, the company was nearly sold and then came this totally different state." D. A union representative of blue collar workers, unit C)

"In the end there was not such huge conflict between the employees and management which would have been a result from the corporate fusion to a different company. It would have been a huge conflict – probably nearly half of the employees would have been laid-off." (K. The CEO of the company)

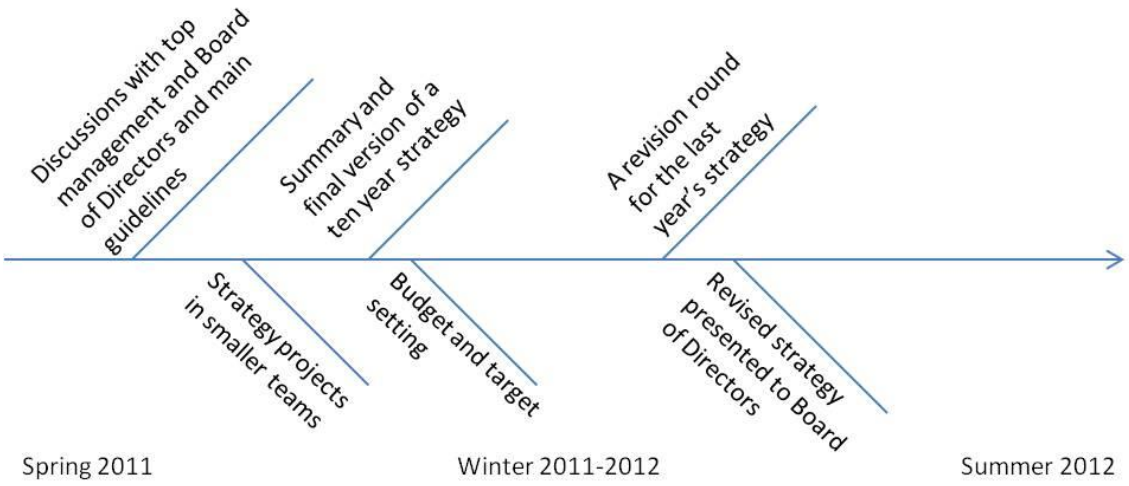


Figure 5: Strategy development and formation in years 2011 and 2012.

The starting point for the creation of a new strategy was the changes in the top management that started a rethinking of activities and operating models of the company. The new top management showed its interest in listening to every possible input from the organization, so that anything important or valuable could be captured for strategizing. Also before the current strategy and top management, there were conflicts and huge differences of opinions about where the company should be heading to. The creation of the new strategy was organized into projects in every business unit. Projects had a very independent role and the projects were allowed to question nearly anything related to their activities. During the process the project managers gathered and presented preliminary results to the top management. The project-orientated strategizing was preceded by a survey for organizational members about their opinion of the strategic direction the company should be heading towards. The survey was the first step towards high empowerment of organizational members in strategizing. This was followed by strategy meetings and discussions between the Board of Directors and top management in the spring 2011. They formed the basis and main principles and goals which would help to guide the formation of new strategy in the projects. The new strategy was refined further in the strategy projects during the summer and early autumn of 2011. The work of all of the projects was drawn together by a team led by A and K.

"So we understood here at the top management that the employees have been strongly willing to affect to the future of the company. And therefore it is natural to start to

create strategy development with the strong participation of the organizational members." (K. The CEO of the company)

Person A and K had previous experiences that when planning big changes, it is necessary and extremely beneficial to empower as many as possible organizational members to the change process. They stated that it was natural to include as wide variety of employees as possible in the strategizing, because they had had an active role in influencing the future direction of the company in the years preceding the current strategizing round. And also many of the employees showed interest in participating in the long term planning and decisions of the company. The role of organizational members other than the top management was seen as questioning, evaluating and wondering what alternatives the company could possibly have. Also the employees had extremely positive feelings to participate in strategy projects, like one stated that:

"In my opinion it was generally good that the so called operative employees were participating (in strategizing). Because there is still kind of a certain difference how one sees the whole compared that there would be only executives present in the work groups." (C. A specialist in unit A)

After the first strategy development round in the spring and summer 2011, the strategy was implemented by setting the budget and financial targets according to the new strategy. The strategy of 2011 was planned for a ten year time period. The timing of strategy work is defined in the annual clock of the company; strategizing is set on the spring time. The result of the first round was seen encouraging. At first there were some differing opinions inside the Board of Directors about the direction of the strategy. After some discussions they became reasonably unanimous about the choices made. These decisions were made without voting or significant conflicts by the Board of Directors. There were differing opinions and discussions about which direction the company should be heading, but the minority agreed on majority's arguments. So the consensus was achieved through conversations. In the spring 2012 the strategy was revised and in April 2012 the revised strategy was presented to the Board of Directors. The starting point of the strategy revision process was the strategy of 2011, and the main changes were some small corrections and development in the strategy.

There are some things in the content of the new strategy of 2011 that also affect strategy practices and communication. To begin with, the new strategy is more customer-orientated than the old one and secondly a goal was set to integrate the operations in the company. As a result of stronger customer-orientation some key-customers were

involved in discussions about how the operations and strategy of the company should be developed to correspond to their needs. The goal to integrate some operations of the company, like the customer service, may bring more discussion about the localization of the operations in different cities.

The role of the human resource management in the organization is developing. They have not been an integral part in the strategizing before: the main duties of the human resource management have been fulfilling the mandatory tasks related to personnel. But due to intensified competition the company has faced a situation in which the role of the human resource management has changed from a separate function into a function that is involved in the crucial business decisions. Also the organization is facing challenges caused by the growing retirement rates, because there is a large amount of aging employees and managers in the organization. Therefore there is also a need to support knowledge transfer, recruitment and orientation of new employees. During the strategizing of year 2011, HR's role was to comment how human resources of the company are compatible to business unit driven strategy. After that HR-organization was an integral part of strategizing in the year 2012. For the first time in the history of the company HR-strategy was created together with business unit strategies. So the HR-manager participated in strategy meetings where all the business units where present and there were individual discussions about the human resource needs of every organization to implement the planned strategy.

"Surely it could be developed. In our company HR has not had a long history. We are constantly thinking how we could develop our HR-function." (J. HR-manager)

"And then the fact that HR is in the executive team and strategy work. Therefore HR-manager can hear information as first-hand knowledge – not that information would come through a filter from a CFO or someone else. It is totally different thing." (J. HR-manager)

4.2. The work practices in the projects and strategy tools

In the theoretical framework the organizations that shared the learning paradigm of strategizing were connected to reflective strategizing practices (Jarzabkowski 2005; Jarratt and Stiles 2010). Active participation and interactive communication create a natural fit with ideas like Quinn's (1978) logical incrementalism and Nonaka's (1994) Knowledge spiral. In practice the most common strategy tools utilized and shared by companies such as the case company are strategy workshops, brainstorming, scenario

analysis, business plans, SWOT or stakeholder analysis (Hodgkinson et al 2006; McGlynn et al. 2004). The most probable participants in the strategy workshops are top, middle and operative management (Hodgkinson et al. 2006). As a way of empowering middle and operative management the strategy workshops should be an effective method (Hodgkinson et al. 2006).

The interviewed were participating at least in seven different strategy projects during year 2011. Most of the projects were organized in the same way. The meetings were held on a weekly basis, or even twice a week if needed. They were supposed to take at maximum for couple of hours, not the whole day. The project meetings were consisting of conversations, some sort of brainstorming and presentations based on assignments which were given to be done between the strategy meetings. In a way the meetings were supposed to be a gathering place for ideas that are put together during the projects. Also not everyone participated in every meeting, for example a specialist C was participating just once by giving a presentation about a specific subject. Generally the participants were from every possible organizational level and background. So in other words these projects were workshops held by top management and the participants were selected to represent all organizational levels of the organization.

Person I and L were participating in both unit A's and B's strategy projects whereas the other participants were participating only in unit A's projects. The biggest difference of unit B's projects compared to other projects was the presence of an outside consultant. Person I described that they started normally discussing and developing strategy as the consultant was observing their work. When the consultant had seen their strategizing enough, he provided them feedback and solutions how they could do and view things differently. They also used Boston Consulting Group matrix in the analysis. After the beginning they divided into two different groups: one dealing with the current strategy and another focusing mainly on the future of their business. The leader of the group coordinated the activities. He described that the consultant brought a clear value and contribution to the strategizing and stated that the other teams would probably had gained value from a consultant. Compared to I, L commented that the consultant in his group failed as a facilitator. The consultant did not succeed in clear presentation about the goal of the session. He also stated that at some point the discussion shifted away from strategy.

"For many participants it was their first strategy work. And the consultant did not explain what strategy is and why it is being developed, and what is the whole point of the meeting. So then people started just thinking about future products which was the

theme of the session. But they did not see how the planning of the new products affects the whole company's strategy. So an essential link was being missing – or at least that was my opinion." (L. The CEO of a former subsidiary)

Obviously the most common strategy tools that are actively used in this case are meetings/brainstorms, but also one of the driving forces for the projects was business plans which guided the discussions and helped participants to focus to the most important things. The meetings were never pure brainstorming sessions because one of the criteria for these meetings was efficiency: people had to come prepared to the meetings ready to share and exchange their ideas. In these discussions summarization and clarification were also commonly used to conclude different perspectives and ideas into something workable. For the meetings the vision and direction was already given to some extent from the uppermost level. And the vision was created with scenario analyses, roadmaps and other ways of forming descriptions of alternate futures. All of this is guided by an annual clock which sets the time for budgeting, financial reporting and strategizing. Whereas these strategy tools are commonly used in different organizations there was also a survey and interviews that were conducted from a broad sample of organizational members. In conclusion the strategy tools used for strategy creation are a clever combination of easily communicable tools that can be represented to anyone fairly quickly since they are intuitive to use. The tools were extremely similar what the literature in the theoretical framework suggests: maybe the most surprising findings were that the company seemed to connect workshops and positive effect on empowerment, participation and process effectiveness.

The company is using many communication tools or control measures to ensure strategy implementation. The main tool to measure and communicate strategy is financial and operative measures: the strategy is transformed into quantitative targets which are both used as target setting, motivators and control measures. The top management commented that the measures have been a great success since never before has strategy been as clear for every employee, as it has been now through these targets. There are also follow-up meetings on personal development discussion level and on organizational strategy meetings, but for process measurement and control there is not a common and simple method. The top management arranges also roadshows which are general employee infos about major changes – however, these are not necessary control tools. The infos are held to ensure bring top management and company's strategy closer to the employees. This has not caused any conflicts according to the participants, but it could help scheduling and communication in the organization. Interestingly company's strategy communication practices and tools reflect routinized strategizing practices and

they are based on financial information which is generally used in the business policy paradigm – not in the learning paradigm. This approached seemed to be extremely well accepted and popular among organizational members. So in this case a separation in planning and implementation process did not cause contradictions, conflicts or low motivation, because of a communication method that was easily understood in the whole organization. The financial figures are corresponding concretization discourse of Mantere and Vaara (2008) whereas the planning process is taking advantage of dialogization discourse. The successful selection of strategy tools for communication seemed to have an effect on high acceptance of the strategy whereas the differences in routinized or reflective strategy practices seemed not to have differences to the existence of conflicts in this case. Participant F also guessed that in their case the strategy process does not affect to the acceptance of strategy – in his opinion the content of the strategy has a bigger effect on the reactions of the organizational members than the strategy process.

"I see that it is challenging if the targets are not classified and divided into small pieces. In practice it would mean dividing it to trainings, system changes, informing, implementation and follow-ups. - - - The implementation is not working properly, for example we do not have any good tool for internal task management. Hundreds of people, over twenty tools for internal process management, but none of them are good tools for overall control. - - - It can lead to a contradictions where we don't know at what phase a certain project or task could be and who is responsible for it." (B. Head of unit B)

"My own thought is that strategy could be implemented in smaller pieces. The entirety should be known that strategy could be implemented in smaller steps. But when it comes in one go, it could not be implemented that way." (E. Head of a customer segment in unit B)

"It is more of a managerial challenge to create faith in the success of the strategy. But it is more related to the content of the strategy that the practices don't create challenges in my opinion." (F. Head of a department)

4.3. The different roles in the strategizing

The case is a fine example of different possible roles in strategizing. There were people participating from both the inside and outside of the organization's operational activities. From the inside there were top management, middle-management, specialists, union representatives, key persons and operational managers (Figure 6). Of course also the Board of Directors had an important role as an initiating role in the strategizing, but

they are located somewhere in between the first group mentioned and the people who are outside of company's operational activities, and therefore their role is different from the other roles (Figure 6). The role of the Board of Directors in the strategizing of the case company is to discuss about strategic issues which are brought to them by top management. They have also two strategy meetings per year. So their role is well-defined. Outside of the organization's operative activities investors, key customers and some consultants were also empowered to the strategic discussions and projects (Figure 6). The participants from the company did not cause any contradictions with their goal setting, neither did customers or consultants, but some of the owners had an opposing view on some strategic issues. They viewed the situation of the company from a pure capital investor perspective. This was clearly visible when some of the investors questioned the strategic decisions planned by the Board of Directors and the top management. For example capital investors may seek fast return on investment if they see company's market positions as challenging.

Figure 6: The different roles in the strategizing.

"As long as we are continuing profitable business and paying a steady flow of dividends, nobody has anything to say. But on the other hand if we aren't able to continue doing this well, the investor perspective would come through. And then we would face a situation where organizational members' view about strategy may be contradicted by investors." (K. The CEO of the company)

Maybe the most clear and least prone to conflicts is the role of specialists in the strategy process. None of the participants said anything about their challenging roles as specialists. They were there to share their knowledge and expertise. Also middle-management's role was said to be clearer than it was during the old strategizing practices: now middle-management were given clear responsibilities and power to decide about strategy related decisions. The role of middle management in the organization corresponds really well to the roles described by Hodgkinson et al. (2006), Kuratko et al. (2005) and Nonaka (1994) – which in practice means active, participative role in strategizing and communication. The same applies for the operative managers. The team leaders in the strategy projects were meant to ensure the decision making in the strategy teams, to summarize and in the end to make decisions: *"The team leader's role is to sum up everything when there's major differences in the viewpoints of the participants and there seems not be any common solutions." (*A. Operative director, unit A) So the most conflicting role may be a union representative's role. They have to represent a large mass of people who might have varied interests and viewpoints, and they must be able to do that in a way that those people's interests would not be offended. Like the other from the union representatives described his first impressions:

"I am kind of prejudiced to the aspect that why a union representative is taken there as a representative for employees. Union representatives are obviously taken there to get them to support some decisions. If something is decided in a workgroup, so the employer may say that 'Hey, you were there making that decision.' - - Of course it is somewhat contradictory role but I do feel that it is better to go there then not go at all. If you aren't there representing the employees, it would be a bigger loss. - - - If we had a management that I did not trust, I would not have gone there." (D. A union representative of blue collar workers, unit C)

"What is my role there? But then he said (CEO) that you should not think it like that, but just come as you are there. Just like we had already talked about some things beforehand." (G. A specialist, also a key person representing employees)

Even though the first impressions of the union representatives were somewhat reserved, they were extremely positive about their roles and possibilities to give direct feedback and to influence on the decisions. One of the reasons for extremely positive attitudes was the positive and open environment and atmosphere that the management created. I

asked what things were the most important in creation of the trust with the top management. They answered with really simple characteristics: honesty and ability to discuss difficult things on factual basis. The trust building is extremely important in this case to prevent the contradictions that are possible because of their roles. Also the new strategy practices were seen as valuable chance to strengthen the influence of union representatives, because they had been lacking an ideal discussion forum for their viewpoints.

"From previous experiences we know that a union representative is somewhat quiet in an executive team. - - No we had a chance to involve them more, and they wanted also involve in the strategizing. So we said 'Great that you can get to these projects, because now they have a chance to influence on long range planning and this is highly participatory work.'" (A. Operative director, unit A)

"That they say honestly things just like they are. If I asked something from them, they would give an honest answer. That creates the trust. And they trust me." (D. Union representative of blue collar workers, unit C)

"In my opinion it is created through open discussion, so that problems are discussed. We considered together about what should be done. That is the way to create trust. Sometimes someone's ears will blush red, but after all it was constructive and good communication." (G. A specialist, also a key person representing employees)

4.4. Strategy communication

According to Mantere and Vaara (2008) the most natural strategy discourses for enabling participation should be concretization, self-actualization and dialogization which create an atmosphere that encourages organizational members. The strategy communication in the company can be divided into four different forms: roadshows or strategy-info events held by the top management, group and individual target or development discussions, financial and other quantitative measures and strategy documents shared in the company's intranet. At the moment the top management's roadshows are organized annually in every significant city that the company operates. The events are organized for every employee in the region of the roadshow. This kind of strategy info was witnessed as observational data in the city B. It was held in a big formal auditorium and the presenters were the CEO, the leaders of the business units and the HR-manager. In the interviews the participants were asked what the main purpose of these annual roadshows was in their opinion. The senior management answered that the main purpose is to inform employees and especially middle-

management about the strategy and general direction of the company. Also the events are a part of process to make strategy understandable for everyone. They also stated that these events were a place to give everyone a chance to ask about future and strategy of the company and also to introduce the top management to employees.

The group and individual target discussions are maybe the most important strategy communication for the operative personnel. In the discussions the corporate level strategy and the targets are transferred and translated into unit level targets and actions. The discussions are the responsibility of an immediate superior and the discussions should be held regularly and also for every new employee. So the second level strategy communication is therefore done by the superiors of the operative staff. The third tool is in its simplicity a couple of financial and operational figures which are meant to be easy to communicate and realize. The figures are also part of the strategy measurement system to control the success of strategy implementation. The fourth tool for strategy communication is the intranet of the company in which there are strategy documents that anyone interested can read and study more closely. There is also a general information package for every superior about his duties including the target discussions. In strategy documents, the strategy is not reported on a certain tight and formal format. The one consistent measurement in strategy documentation is the separation of organic and non-organic growth.

The roadshows of the top management were generally considered to be a positive format and method – the top management guessed that the reception was generally neutral, whereas the other interviewees stated that the format was okay, good or even an excellent way to start and present the strategy of the company. Although one of them mentioned that some of the operative staff sees strategy as too abstract thing to be interesting, and therefore they are used to "switch their brains off" when strategy is mentioned. He added that people are most likely to be interested only how the strategic change is going to affect their own work. It has to be mentioned that one of the interviewed stated that some of the employees may not see the roadshows as strategy info, but as a general info how the company is doing at the moment. So there might not be an immediate negative reaction because a negative connotation related to the strategy. As an outside observer the discourse used in the info was at times close to the technologization discourse presented by Mantere and Vaara (2008). Of course the company is technology company, and the management has their own backgrounds in marketing, technology and finance, but there is possibility that the language of the management might have had an impact on the participation in the discussion about the

matters explored during the roadshow. So it is possible that the negative reaction is caused in some extent by the discourse used in the roadshow.

The comments that the participants said about the roadshow in city B were that they would have wanted more concrete details, for example financial figures, realistic and critical assessment of the situation and not only painting a bright future vision and also to really encourage to interactive discussion. The roadshow had a tight schedule and the discussion was scheduled for the last thing before ending the whole two hour session, and therefore the general atmosphere in the auditorium was somewhat passive excluding a couple of questions raised from the front row. The interviewed felt that this particular roadshow would have had more potential than it gave. Also the participants were irritated to some extent about extremely positive future predictions, because they view that the reality will be much harsher than what was said.

The top management's actions during the roadshow info deterred interaction in the info. In the beginning they announced a playful competition about who will perform the quickest from their own presentation, and the strict rule was not to pass the fifteen minute marker. This felt like a message to the audience: "please, do not interrupt us with questions or comments" could be read between the lines. This must have been unintentional action when compared to everything else that was witnessed and said about the top management. But still it shaped the atmosphere in the info. They did not even ask about audience's comments before the very end, and as a result nearly everyone was quiet. Apart from the some criticism given by the interviewed participants, they appreciated the event and especially the attitudes of top management: one described that he likes and appreciates the positive, friendly and open leadership style of their current management compared to the old fashioned factory owner type of managers. There is potential in the roadshow concept, but as witnessed it is an extremely delicate situation which can be weakened by small gestures, unintended remarks or strategy discourse that is impeding participation. So the example of roadshows in this case is in line with the observations of Mantere and Vaara (2008) about concretization, self-actualization and dialogization discourses being related to enabling participation and mystification, disciplining and technologization being related to impeding participation in strategizing.

"If there stands that kind of old-fashioned factory owner and therefore it would not be accepted in the same way. For me this new style of human-orientated management fits better than the old one which was a total opposite." (D. Union representative of blue collar workers, unit C)

"We have had events which have been organized in different cities. There the managers present the strategy, and people drink coffee, and watch some PowerPoint-presentations. And then some sort of version of the strategy appears to the intranet. That version is somewhat vague, so many may find it hard to assimilate." (I. A project manager for service innovations)

The target or development discussions are dependent on the managers and their own HR-related know-how: there is not a certain formal model for the discussions although there are guidelines and information in the intranet how to keep the discussions. Also there have been many training programs for the superiors of the company about leadership and practical human resource management. In an ideal situation the superiors should find out what the strategy means for their unit and their subordinates and translate the fancy strategy phrases into meaningful and understandable facts; in other words they find out what the target of their unit is and how it is achieved. So the objective for these discussions is close to communication described as enabling participation by using self-actualization, dialogization and concretization discourses presented Mantere and Vaara (2008). However, it was acknowledged that in reality in some cases the process does not happen, and indeed one of the interviewed said that in his unit there have not been target discussions and he is not sure what their strategy is. It would be crucial to ensure that the discussions are held in every unit, and that the discussions are turned into familiar work routines that the strategy communication would be exhaustive and fully functioning.

"I have always thought that when strategy is being done through complicated systems, and therefore it doesn't transfer well to the grass root level. No one speaks about it to anyone there. It is also a fine idea that strategy should be communicated in the development discussions, but for example I'm not sure what strategy is in my office. So it should be brought closer to here." (D. Union representative of blue collar workers, unit C)

"Generally the best way to communicate is an interactive discussion. Basically just discuss with people about all the things in relatively reasonably sized groups. If we gather over hundred people to some auditorium to watch some presentations, it isn't as effective as it would be in small groups in different units. The most important aspect is to give a chance to debate and discuss, so that everyone could say their opinion. Even if it takes more resources and time, it would probably ease the communication and reception of the strategy. - - - Of course it takes time and money, but it would be ideal." (C. A specialist in unit A)

The intranet of the company can be seen as a toolbox and a general information channel in strategy communication. Strategy documents that can be shared inside the company are shared for everyone in the company who is interested in searching and reading some things in more detail. Also for the superiors it is more of a reading library to develop their HR-related know-how. There is also a discussion forum in the intranet but the strategy has not been a popular or main topic in the forum, more popular things have been for example smoking in the workplace, reward systems and even the temperature in the dining hall. So the discussion has most of the times been more of trivial matters. In the past the discussion was allowed anonymously which caused some negative or inconsiderate discussions. Also there were some discussions that fed mistrust against different regions and their activities inside the company. It was said that in some cases the forum is a good and easy place to release pressure about work related matters. The forum was changed so that everyone has to write by their own name because of these negative by-products.

The financial and operative figures are the simplest way to communicate strategy in the company. The strategy is translated into three financial and operative targets which are easy to remember and perceive. The quantitative information may be the most natural way to communicate strategy in the organization because most of their organizational members have a background in engineering. Also the top management commented that strategy has never before been as well communicated as it is through the key target figures, now everyone even in the grass root level acknowledges where the company is heading, how it is achieved and what truly matters for the success of the company.

"The communication was chosen in the change management perspective. We chose a basic message which was used to drive the change. We were extremely aware of that this bunch of people is mainly from technological backgrounds. So we created the main message accordingly - - - It started to live its own life, that 1500, it was being communicated in every place. That hey! The 1500 is our goal, let's try to start doing work to achieve it… and it had a strange effect that after some time it started to realize." (A. Operative director, unit A)

So the strategy communication and discussion in the company is pretty active and everyone is given a chance to participate in it – and many of them use it also. So in other words the communication is extremely close to reflective strategy practices presented by Jarzabkowski and Stiles (2010: 33). It is also notable that there have not been any conflicts in the strategy communication according to the participants. Also in the target discussions the main goal is to present strategy by discourse which is

corresponding Mantere and Vaara's (2008) discourses enabling participation which supports extremely well the reflective strategizing practices. The language used in the roadshow differed greatly between the speakers: each of them had their own way to communicate and perform. Some used more technical expressions whereas some more financial or marketing orientated discourses. So obviously the speakers' professional backgrounds and the role in the organization reflected to their argumentation style and choices of expressions. Depending on the listener these discourses may be somewhat closer towards mystification and technologization discourses presented by Mantere and Vaara (2008). Some engineers may find the technical discourse more familiar, but there were still some mystified elements how strategy was formed in the organization. In any case there is a danger to impeding strategy participation if the presenters are not aware of their discourse.

It seems that the active communication, which is based on discourses supporting participation, prevents affective conflicts. The strategy communication was working well in the organization, but still the contents of the communication caused minor task-related contradictions. So in this case being truthful and realistic about company's operations would have reflected to reactions about strategy communication. Also the unintended remarks and elements of impeding strategy discourses hindered the participation and laid ground for potential task-related conflicts.

It has to be taken into account that everyone who was interviewed participated in the strategy creation and development processes, rather than only in the communication and information phases of the strategizing. So the opinions and views of these people might be biased on the strategy communication.

4.5. Emotions and expectations

Generally the interviewed organizational members stated that strategizing and strategy development received a surprisingly good reception. The most negative estimates were that people divided into two same sized groups: those tired of ongoing changes and those that had extremely positive attitudes towards the new strategy and direction. Also a delay in the recruitment of a new manager for the biggest unit of the company increased frustration and negative feelings during the implementation of decisions in the first strategy round. But regardless of these exceptions, many of the interviewed members were satisfied and surprised how the organization managed through, even

though some individuals lost their management positions and some had to adapt to new roles in the organization. The interference in individual's own goal attainment has generated at least potential for conflict – also one person were said to have left the organization because of the changes in managerial positions. The fairly positive reactions may seem even more surprising considering that people participating in the strategy process had high expectations of the results and the expectations transferred into the whole organization through high operational targets set by the new strategy. One could intuitively think that high expectations are harder to fulfill than lower expectations, but in this case the high expectations reflect something more than just overly critical wishes that the organization's practices should be changed. The expectations reflected perhaps the desire to develop the company and ensure its position in the competitive market. Of course the high expectations could have crashed down if the process and results were something else than what the organizational members would have thought.

When asked about how employees generally felt about strategy, strategic change and the implementation of strategy, they commented for example following things:

"Well I'm not so sure, in my opinion people were satisfied with the end-result – they probably didn't get everything they were expecting." (A. Operative director, unit A)

"And yes, I think that in the strategy work and in the result, it is shown that there was particularly a desire to really develop the activities of the company. So based on this, we can probably say that the overall reception was positive." (C. A specialist, unit A)

"I would say that probably – although we had a small group, around ten people. And even in that kind of small group the emotions and expectations were widely spread" (E. Head of a customer segment, unit B)

"I believe that across the board it has been a positive thing that the information flow and interaction have been functioning well in the end. When it is more open, it gives a better opportunity to succeed in the project. In my opinion there are only positive things about the new way of doing strategy." (F. Head of a department)

"Well my uppermost feelings are of course expectant but positive." (G. A specialist, a key person representing employees, unit A)

"There have probably been both positive and negative comments about people's own roles, what they are expected to do and why the team division is such. Both for and against, but the scale has been surprisingly small in my opinion. - - But I would say that in general the reception has been surprisingly good although the change was quite big." (H. Head of unit C)

Why do exactly the high expectations of new strategy and strategizing come true in this case? Managers and union representatives thought that people saw high targets and big changes as an extremely positive thing, because in the case company people generally are interested in the business development of the company. They said that the company's activities are fairly labor-intensive and the careers in the company are long and stable, so the future of employees in the company is fairly secured if the company is successful. Of course their opinions might be biased because of their own roles and point of views, but these statements can be supported by high commitment of middle-management, comments of the operative staff and also HR-management's description about stable and long careers that many people have in the company. So the employees of the company are truly committed with the company and its development, and therefore they are more interested and motivated by company's strategy and strategy development. Also as a result of the commitment they see the progress in the strategy as a positive thing. This connectedness and long common history in the company reflected in the interviews also through sense making and comparisons between the past and the present situation.

"The strategizing and everything that is related to it is something more than just the work that is done during the past year. Those that have been working in the company for longer than just a couple of years have always a history through which people reflect the current situation and what happens at the moment. Are we going to a better direction or worse and where were we at some point of time. The reflection to past is a quite big factor how people react to this kind of things." (C. A specialist, unit A)

*"One has not been able to get bored although I have been working with the same things all the time. One has had chance to grow and evolve with the technology. It has been challenging and of course there has developed participation to common causes and *laughter* to all these things in strategies and so on." (G. A specialist, a key person representing employees, unit A)*

"I would say that most of our unit's employees have work careers around 30 years." (G. A specialist, a key person representing employees, unit A)

"In my opinion the reception has been quite good. This is really something that always depends on history and past events that people reflect on, not just what have been done during the last year, especially because some people have a long history in the company. So the people consider if we are going for a better or worse direction. This is quite a big factor in organizational changes and how people react to those." (C. A specialist, unit A)

During the interviews the top management's role in the strategizing was seen as an extremely positive, refreshing and encouraging. They succeeded to create commitment and will to develop the activities and the future of the company. Their main tool for creating a positive general atmosphere and high acceptance to strategizing and strategic change was their own work practices. They promoted a highly open culture which supported discussion between different organizational levels in the company and they also were actively scouting and listening to different people and their feelings about the company. Also they were accessible and their communication style was very down to earth, open and honest. They also gave responsibility and chances for employees to affect and develop the company and communicate their opinion of the future of the company. Their strategizing practices are same kind of that was described in the reflective strategizing practices of Jarratt and Stiles (2010). So in this case the reflective strategizing practices together with realistic and honest content of strategy were connected to successful and conflict-free strategy implementation. As a result they gained rather fast a high respect in the organization and succeeded to create commitment and enthusiasm in organizational members. It was also possible because they communicated a future vision that was positive and easy to accept: the management were committed to develop core business activities of the company and to maintain the company as a stable platform for the careers of the employees. The same positive comments were also given from the middle-management.

The case described here presents extremely high empowerment in strategizing. The high empowerment is reflected partly through the positive emotions and expectations about the strategizing. For example the case company's conditions before current strategizing models might have fed the sense of powerlessness: the members described that they had more uncertain roles and the company's strategizing practices shifted from imposed to routinized strategizing practices. Especially during the old factory owner –style leadership there was a significant state of powerlessness. This style of authoritarian leadership model was described as one of the potential causes for powerlessness by Conger and Kanungo (1988: 476; Figure 7). They also mention acquisition or merger activities, major changes in organizational strategy and introduction of new management as sources for powerlessness (1988: 477; Figure 7). Exactly these events have been the most influential events in the company's development before the new strategy and the new top management. From the managerial techniques supporting self-efficacy, the company emphasizes self-determination, collaboration over conflict or competition, high performance standards, loosely committed resources at local levels that structure open communication systems (Conger and Kanungo 1988: 478; Figure 7).

The company also supports the leadership practices like high performance expectations or fostering opportunities for subordinate to participate in decision making (Conger and Kanungo 1988: 478; Figure 7). From the sources of self-efficacy the company uses enactive attainment, giving opportunities to perform complex tasks like organizational change (Conger and Kanungo 1988: 479; Figure 7). Also the described positive emotions strengthen self-efficacy (Conger and Kanungo 1988: 479–480; Figure 7). This leads to empowerment and higher performance expectancy and persistence to accomplish targets (Conger and Kanungo 1988; Figure 7). And needless to say when participants share positive emotions, common goal attainment and empowerment, they are less likely to have strong negative conflicts.

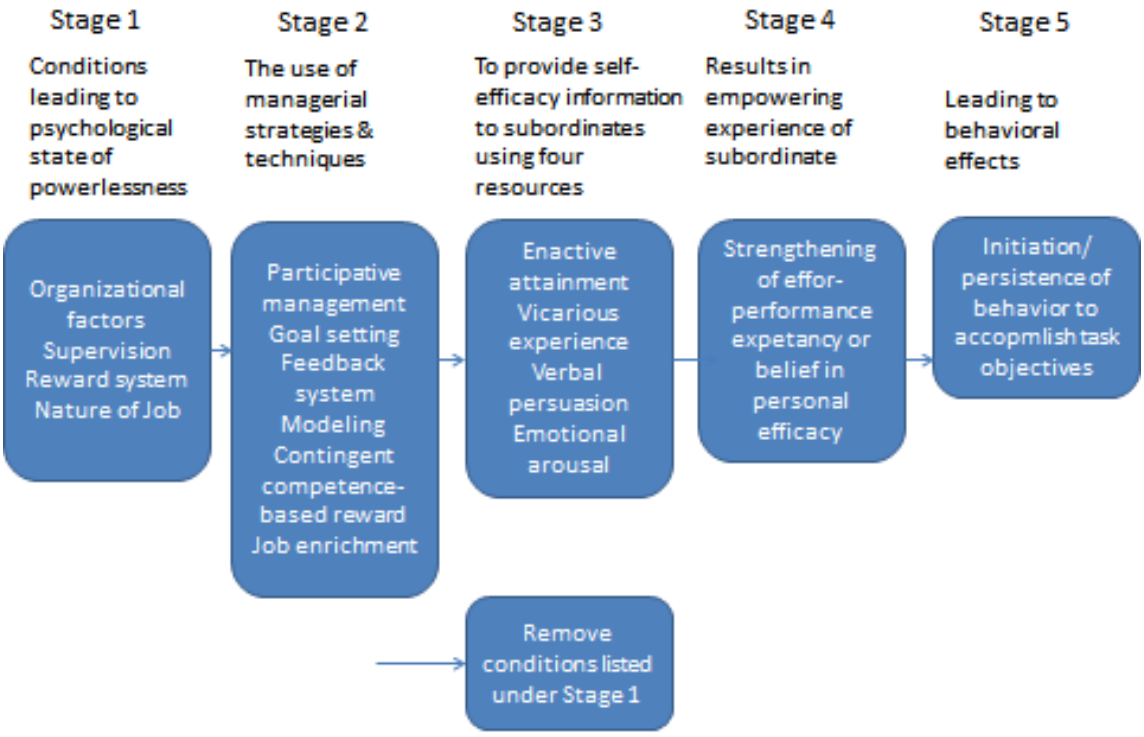


Figure 7: What feeds the empowerment in the organization (Conger and Kanungo 1988: 475).

Of course not everybody is interested about the strategy. There is a bias in the interview data collected, because the participants have probably a more positive attitude towards it

than those who declined from participating in strategizing. The most common negative reactions were caused by scheduling; either too tight or even too long periods when nothing seemed to happen. Also after the first steps the organizational changes caused some frustration; either there was resistance to change or changes seemed to take longer than expected. Most of the participants saw this as a natural challenge in every large organizational change, but still some of the frustration could have been avoided with more intensive communication about the implementation process and its progress. Although the high expectations were a positive force, it turned into a negative force in some cases when some people were expecting solutions to decisions that are not directly related to strategy, like for example operative decisions: *"People would have wanted that the strategizing would result decisions that determine technological choices about operative activities." (A. Operative director, unit A)* This single decision about technology choice was mentioned in many interviews and was seen as one of the biggest arguments and contradictions during the whole process.

The high and positive expectations and high empowerment seemed to have a significant affect to absence of major conflicts in the strategy process. Although in one case the over-expectations, old conflicts, a collision of organizational cultures and other reasons resulted in an unsolved conflict. The positive expectations were born through the past events and active reflection of these events. The change was seen as a positive force and company's strategy had to be reinforced and changed to ensure a brighter future. Also the top management succeeded in the communication of their vision about the future. Their actions transferred positive energy and trust to the organization.

4.6. Conflicts in the case organization

"This (about challenges and conflicts in choosing the technology that is used) is somewhat a regional issue. That technology X has been used in somewhere and Y in somewhere else. And when the practices are being unified, then the one that has to adapt and change its activities can hold on the old practices for a long time.- - - And one does not stop to think about if this is a smart way. Could we learn something from the neighbor city? Or that the other city could stop thinking that… when those came along, and they have been doing it always like that, so that could we learn something from them?" (J. The HR-manager)

In the history of the case company there have been conflicts, as every one of the interviewed agree and confirm these conflicts. Some of the conflicts can still be seen in the organization to variable degrees, but the major conflicts concerning company's

strategic decisions, outsourcing decisions or regional sub-cultures have been solved to some degree. There still exist some conceptions about conflicts that are caused by sub-cultures inside the company. The regional and sub-cultural conflicts were an emerging theme during the interviews. At first the participants were not asked about potential regional conflicts but after the first few interviews participants brought up the theme of regional issues that had been causing differences in opinions, regional conflicts and even sub-cultures inside the company. And it really does not matter if there are not any sub-cultures in the organization anymore, because as seen in conflict definitions even perceived disagreement or incompatibilities may cause conflicts. The regional issues have evolved also into interference in goal attainment between the regional organizations in the past. So there definitely is or has been a ground for conflicts in the organization. From all of the interviews in eleven the theme of regional conflicts was mentioned, and only in one of those the interviewed person stated that in his unit there have not been any conflicts associated in the strategy process. But he also said that in unit A there have been known conflicts in the past and maybe even today also. A

"And I know that there has been quite much arm wrestling about regional power distributions in the company. Especially between cities A and B, and it has been a power struggle about who gets to give orders. - - -And at least it has now been solved thus far. And I understand the starting point from which our current organization has been build, so I understand that it is completely natural that there are still traces of the old struggles and structure. In the past the CEO, management and their assistants were in the city A. Nowadays our management is more scattered in different cities." (K. The CEO of the company)

"These are quite important things to employees. Some feel that there are few members of top management in the city B and that everything seems to be transferring to city A. And of course there was a time when movement between different cities and offices were encouraged. Now it is quite frankly said that people are activated to change offices and tasks and create mobility. Through the mobility and task rotation organization can develop." (M. The business director for unit A)

So in this case the decisions that led to the concentration of management to city A caused conflicts and power struggle within the company. This probably increased perceived cultural differences inside the company. These cultural differences have been strengthened through high local orientation which has meant different work routines and choices of technology in different geographical areas. There are also cultural differences between the cities in which the company operates. This has as well supported the existence of conflicts related to regional issues. However, the regional differences have also been seen as a positive matter for the local orientation of the company's strategy.

So although high regional orientation has caused negative energy through conflicts, it is seen as positive attribute for customer satisfaction.

Only once during the interviews there was mentioned a specific conflict situation which had had a clearly positive effect on the strategizing. The conflict was described to be strongly task-related, and the person that felt being contradicted by other organizational members' viewpoints channeled the contradictions in an objective and rational way by forming reasons that would support his point of view.

"The guy who was resisting the change critically, was perceived to be thinking that 'we have always done this way'. But the end result was that we went through the proposal carefully and at the end wrote down his differing opinion. - - - It was quite obvious that he would have a strong opposing opinion, but it also brought good sides about the matter. That what really should be thought about, so it did not affect negatively to our activities, it rather brought more value to it." (E. Head of a customer segment, unit B)

During the interviews many of the interviewed brought up things that were not at a stage of a conflict or contradiction, but they thought that there was genuine potential for contradictions at some point of time. One of the potential causes for conflict was mentioned in three interviews. As the company is structured into separate business units that have some synergies but are still accountable for their own profit or losses, the relations between different business units may cause contradictions. Especially when there is a unit that can be classified as a cash cow that brings the most of the company's profits whereas the other units could be closer to question marks in the BCG-matrix. But as the units are relatively separate and their top management do not see any contradictions with the corporate structure, there is not any major potential for conflicts.

"But it (business units/organizational structure) is sensitive to conflicts if people feel that one does all the profit and others spend it around the world, so then it will a conflict in that case." (K. The CEO of the company)

"Yes it gives reasons to think about. When all the time people are trying to achieve better results. And then there are units that are just breaking even for many years. So soon it may be final moments to shine for them." (D. A Union representative of blue collar workers, unit C)

Although people felt extremely happy about the changes in strategy, there are still times when some of the organizational members had fears of the reorganization and changes in general. The fears are related to losing one's job, radically changing work assignments, new automated process models that change the work processes, losing

acquired benefits and the end of current operations which leads to redeployment. However, nobody said that they were afraid of these kinds of changes. They had observed such feelings and thoughts in the organization and made their interpretations of the situation. But in the end these kinds of phenomena were minor compared to the scale in which strategy was reworked.

"It causes pain related to the change. It has been seen during these three years that surprisingly we have demanded people to take their professional skills to use. - - - In the beginning one could see that some were afraid of change. During the strategizing and strategy communication it disappeared to some extent, but when we came to finish line and started to change things the fears came back to live. These are something that has to be dealt with carefully or they transform into conflicts." (A. Operative director, unit A)

"A restructuration process is always related to the strategy. And it has brought some actual challenges to this process. It has also created fear and matters of faith that do we succeed in transforming this machinery (company) to that kind of state that we achieve the targets." (F. Head of a department)

There were changes for some employees who had to move inside the company to a new city and a new kind of job. There were some cases in which HR-management had to solve problems and conflicts related to this kind of transfers. According to HR some of the challenges could have been avoided if the practices in different parts of the company would be closer to each other. So they are not directly related to strategizing practices, but are still linked to one other.

"When people are transferred inside the organization for example some rules might change. Of course those have been tried to unify inside the company, but there are still differences. This has necessarily not been understood before the incidents. And there may be some major personal conflicts that end up to be solved by superiors, but some have come to even my knowledge." (J. HR-manager)

4.7. Sub-cultures, regional politics and conflict escalation

"The old companies can still be seen from the inside. But I view it more as a strategic resource rather than as a threat to the unity of the whole company." (K. The CEO of the company)

"For example the old core company is consisting of three different parts. And they all had their own way of doing things. And there still was although the fusion was done a long time ago, but there were still traces of their corporate cultures" (A. Operative director, unit A)

"-How were the regional politics present in the strategizing?
-Not significantly. Of course when there are people from many places with their own views, but I didn't notice any significant effect." (F. Head of a department)

"This has been a challenge for a long time this regional politics, not in the managerial level, but on the operative level. There are more people that argue for thing based on regional issues. And that becomes a challenge to operative management to push things onwards." (F. Head of a department)

"And yes, the regional politics has always been a part of it. The first time when I experienced it was when we had our first corporate fusion. The regional politics are still powerful; a contributory cause for it is the cultural differences. Also there are also other old things that affect to people's views." (F. Head of a department)

After the first four interviews the theme of organizational sub-cultures between different geographical areas and structures based on past corporate fusions emerged. Some of the interviewed saw this theme as more relevant than others, but even the most critical ones said that during past years the contradictions caused by sub-cultures have become rarer. The changes in the top management and middle-managers have solved some of the contradictions and conflicts that seemed to have evolved during the past decades. Also at during a certain time period the top management positions focused to the city A, which apparently had a significant symbolic meaning to people working in the other regions of the company. One of the interviewed even said that their headquarters to have been Babel's Tower at some point. Now the management positions are spread in multiple cities which support the top management's view about high local orientation. The decision also lowers potential for regional conflicts about power distribution in the company. The regional conflicts are probably caused by the history of the organization as many local companies that were fused into one company, extremely strong local orientation, cultural differences between the regions and pride on their own competences in that particular region. But as said, many of the interviewed reported these issues have become fewer than in the past, although the speed of the development has been somewhat slow.

Regional issues are still generating minor contradictions even in the strategizing. One of the most significant and longest issues during strategizing was a discussion about a choice between technologies A and B from which the other was traditionally used in the city A and the other in the city B. The discussion apparently were bouncing from an organizational level to other and at some point one of the strategy team that was supposed to decide about technological choices made alternative plans about three

different options as a compromise. This seemed to have an effect on a couple of persons from the middle and operative management, and the choice between the technologies was transforming to an affective conflict relating to regional and professional identity. One of the participants described that this might be also a power struggle about whom of the managers gets the most decision power in the operative decisions.

"-So would you say that the matters fought there or did the men fight?
-I think that it were the matters. Of course nobody there showed there that, but it could be sensed that it was a clear power struggle that was going on." (D. A Union representative of blue collar workers, unit C)

"This is for some extent a matter about local work practices. Technology B has been used in some place and A in some other place. And when the operations are unified, the one that has to change its operations may hold on to the old way for a long time." (J. HR-manager)

The situation was worsened when the team's communication was not clear enough. For example there was not a clear ending or end result about their strategy project. Also the potential result was described as a compromise that would leave extremely open options about the chosen technological implementation method. Also the leader of the team was seen as a manager that is the most suitable for managing situations in a stable environment, but not particularly in major organizational changes. So after the project the manager in that position was swapped to a manager that favors and supports conditions of organizational change. But it was acknowledged that the particular manager did not cause the conflict, he was just a part of it.

"-Did his activities cause contradictions?
-No it was just a part of the conflict. There was stubbornly resistance about some things." (A. Operative director, unit A)

"There were probably some contradictions about it (choice of technology). I was expecting that there would be made some decision. That if there is disagreement, there will be some solution that this is the direction and let's do this. But it left to bother me that the final summarization was left out about our project. - - - In my opinion the situation is still the same that it has not been solved." (D. A Union representative of blue collar workers, unit C)

"They should have brought up the technology model but they did not succeed in its creation. So their team leader took three different presentations to the CEO. That really sums up problems in our decision making." (G. A specialist, a key person representing employees, unit A)

"But in the technology choice I would claim that the decision was really thought about for a long time." (J. HR-manager)

At first the conflict was present only inside a particular strategy team whose main focus was on the choice of technology. After a while when the compromise and unclear situation did not satisfy everyone, the matter was brought to the top management's attention by operative staff. As the members of top management are not professionals about the technologies that were considered, they approached middle-managers who were responsible about the choices being made. So the middle-management had to justify the decisions in detail to the top management. As a result middle-management felt that their expertise and role was questioned. So the original decisions about the choice of technology escalated to a state where individuals felt uncomfortable when they had to defend their decisions to their superiors. Also the decision about technology had turned into a negative force that divided people and reflected old structures and regional conflicts. It even altered the empowerment and the state of relatively low hierarchy into a negative force in which open discussion turned into private conversations that questioned shared decisions made in the group level.

"So let's hope that there won't be time to dwell on small details, but that everyone would work together for a common goal and continue onwards. That not every small decision would be questioned." (F. Head of a department)

This particular conflict portrays how the interactive or reflective strategizing practices set high demands for people working in the strategy teams. In this case a team did not succeed to find a satisfactory solution to a contradiction about strategy implementation. The decision was seen unclear by some participants. And when the decision was questioned to people who were not participating in the particular strategy team, the conflict escalated one more step. Therefore it would be extremely important that every strategy team is organized in a way that their work, communication and decisions should be clear to every participant, or otherwise there might be potential for this kind of chain of events. This conflict portrays exactly the kind of conflict that business policy paradigm's strategizing was predicted to be according to the literature; a task-related conflict that would escalate into affective conflict and it may be caused by power struggle. The conflict affected on strategizing by hindering the effectiveness and acceptance of strategy implementation. But even with more effective communication, the old regional conflicts could have caused the conflict described here. Still there is a connection between the unclear communication and decision making inside the strategy team and the conflict that escalated to affective conflict.

So in this case the reflective strategizing practices enabled a conflict that first emerged as a task-related, but then escalated into affective conflict that spread outside the strategy project in which it was born. It could be argued that the more there is interaction with the organizational members about strategy creation, the more there is potential occurrence of conflicts in a same way that was describe in the theoretical framework. It is important to notice that the reflective strategizing practices were a part of the reason why there was a conflict during strategy creation, but after that in the implementation phase that utilized both reflective and routinized strategy practices of there were not any conflicts.

4.8. The strategizing practices and conflicts in the target organization in a nutshell

The organization had a long history of conflicts and authoritarian leadership. From these past conflicts only cultural differences between old organizational structures and a potential selling of the company could be seen in a situation where conflict had an opportunity to escalate from minor contradiction to an affective conflict involving many people from different organizational levels. Otherwise the organization has changed its strategy processes to extremely reflective practices and succeeded in creating high empowerment conditions. There was one conflict in the strategy creation which escalated from task-related conflict to affective conflict which weakened the effectiveness of the strategy team. There are still minor contradictions in the strategy communication and strategy control. Interestingly, only once a conflict was seen as a positive force, although the top management mentioned that they would like to see friendly contest between the organizational members. They would have hoped that in a way conflicts could be harvested as a positive force of change.

Even if the organization has a long history which carries its own weight on everything done nowadays, the general feeling in the organization was really positive. The organizational members shared high empowerment, commitment and high expectations about the future. The past differences and leadership styles have created a possibility for the new top management to feed this high empowerment which is boosted with reflective and participatory strategizing practices. The intensified competition and changes in the competitive environment also created pressure for the change which seemed to motivate the organizational members even more. Also the strategy communication is in fit with the empowerment and reflective practices as the discourse used in strategy communication was constructed mainly from concretization, self-

actualization and dialogization discourses. Although in the strategy roadshows the management utilized discourses that resembled technologization and mystification discourses which probably affected slightly negatively to the participation. Interestingly there was also some routinized strategy practices – mainly in the strategy communication through financial target figures and strategy communication through organizational systems of target discussions and communication. This was seen as an extremely successful way of implementing strategy after reflective strategy practices which were used in the strategy creation. The reflective strategy practices seemed to create potential for conflicts in strategy creation.

In general the union representatives were seen to have the most contradictory and challenging roles in the strategizing. They have to balance between the expectations of many different stakeholders and to be even critical and reserved about the intentions of the top management, if they do not have close relations to the top management. As expected the middle-management positions were also seen challenging when their role as an information filter between organizational levels was challenged and questioned. However, the middle management saw its role as extremely clear and even rewarding. The role of middle management in this case portrayed really closely the role of middle management in the learning paradigm of strategy. On the other hand specialist, the top management and the Board of Directors were seen to have relatively clear roles. Also in this case investor/owners had power to influence to decisions in some cases whereas the key customers where approached in the beginning because of high customer orientation, but after that their role was rather small. The same applies for the outside consultants.

The strategy tools and ways of strategizing were close to the most common tools described in the learning paradigm: project orientated workshops which included scenario analysis, business planning and presentations of these. However, there was a slight separation between planning and implementation phases in the organization which is typical for business policy paradigm. It did not seem to impede the participation or high empowerment the organizational members shared. These tools were complemented by a wide variety of strategy communication including roadshows of top management, individual and group target discussions, financial targets and information in the intranet of the company. All in all this pretty extensive and broad palette of tools seemed to work very well in the organization and there was no contradiction or conflicts related straightly to the tools that were used.

5. DISCUSSION

In the beginning of the study two research questions were presented to examine how potential conflicts occur during strategizing in high empowerment conditions. The research questions where the following: Why might the conflicts arise during in strategy creation and implementation? How are strategizing practices affecting conflicts?

The conflicts observed in the data were mainly between middle-management and operative managers, although some other people got drawn into the conflict in later stages. Also the role of a union representative was seen extremely challenging in situations where they could not trust the top management wholly. These two findings underline suggestions made by for example Hodgkinson, Whittington, Johnson and Schwarz (2006); Johnson et al. (2007: 13–14); Kuratko, Ireland, Covin and Hornsby. (2005) and Woodridge, Schmid and Floyd (2008) about the importance to study middle-management and other stakeholders in strategizing, But all in all, when strategy is done by reflective strategizing practices, the conflicts seem to be born without a clear connection to organizational roles. The conflicts were born in interactive situations where the participants had history of contradictions or they were just having a disagreement. So it could be said that conflicts were forming like for example Barki and Hartwick (2004), Rahim (2002) or Wall and Callister (1995) described conflicts to be born. The situations in which the conflicts were common were related to reflective strategizing practices. As Jarratt and Stiles (2010) suggested that reflective practices are linked to discourse based on learning paradigm, the existence of affective conflicts in strategy creation was a somewhat expected result – just like it was predicted in the theoretical part of the study.

There was one major conflict which consisted of past differences, current power struggle between operative and middle management, perceived differences of opinions and organizational cultures. At first the conflict was task-related conflict related to choices of implementation of the new strategy, but it escalated into an affective conflict that froze the decision process totally. The conflict escalation from task-related conflict to affective conflict was presumable, as Amason (1996) suggested that most of the affective conflicts are born from escalated task-related conflicts. The escalated affective conflict happened in the strategy creation that utilized reflective strategy practices. Also there was reported one small conflict or contradiction which was totally task-related and it was said to be processed calmly. Its main influence was creation of positive critical

discussion of the choices made in strategizing. This finding is in line with Amason's (1996) findings about task-related conflict being positively linked to benefits in strategizing, whereas affective conflict hinders the effectiveness of strategy process. Also we could assume that according to this case the independent projects or workshops are the most probable places in which the conflicts may arise during strategizing utilizing reflective strategy practices. Which type of conflict – task-related or affective – is dependent of the situation and the history of participants. In this case deeper perceived differences in goal attainment and organizational culture seemed to create potential for affective conflicts. The main difference to descriptions about affective conflicts in the literature is that the affective conflict was more intergroup than interpersonal in this case. As generally conflict studies have defined and studied conflict as more interpersonal matter – for example Guetzkow and Gyr (1954), Priem and Price (1991), Amason (1996) and Jehn (1997) state that affective conflict consists of the same properties as mentioned in this case. But they view conflict from more of individual's perspective. It is somewhat surprising that the focus of affective conflicts was more on intergroup level than what the conflict studies were presented in conflict typologies and definitions. Therefore it might be useful to focus conflicts on exactly intergroup level in strategizing. It was also mentioned there are potential conflicts between business units which do not share many synergies together and at the same time the other of the units have not been profitable for a long time.

The effect of the strategizing practices can be viewed on two different levels. The more general level is the level of the strategy paradigm. In this case the strategy paradigm of the company was a learning paradigm with some influences of the business policy paradigm. The reported conflicts were within strategy workshop groups, so in a way the high involvement and shared responsibilities opened the possibility of conflicts that were created in groups that had unclear power structures, opposing goals and past perceived disagreements. These elements and conflicts occurred therefore during strategizing which is based on the learning paradigm. The conflicts could maybe have been avoided by using more controlled business policy paradigm orientated process with narrower participation from the organization, but then there might have been more conflicts related to the acceptance of the new strategy in the implementation. So we can argue that the learning paradigm is in some way related to conflicts in the strategy creation, and those conflicts can escalate into affective conflicts. In this case the implementation process had more elements of business policy paradigm in somewhat surprisingly there were not any conflicts. So after a somewhat conflict prone strategy

creation based on learning paradigm, the approach of business policy paradigm to strategy implementation did not cause any major conflicts.

On the other hand the strategizing practices can be viewed on the level of interaction in the organization – the three different types found in the literature were imposed, routinized and reflective strategy practices presented by Jarratt and Stiles (2010). The conflicts that were described earlier happened when reflective strategy practices were utilized, but we have to take into account that every other project and team shared these practices and they did not experience any major conflicts. So there cannot be drawn any generalizable conclusions about the relation between reflective strategizing practices and conflicts, but the conflict affected to strategy work by hindering the effectiveness and acceptance of strategy creation. Also we can partially assume that the learning paradigm might have affected to some small extent to the affective conflict. However, we can be certain that learning paradigm and reflective strategizing practices are definitely interconnected, just like Jarratt and Stiles (2010) described. But the connection of reflective strategizing practices is probably relatively small when compared to other reasons behind the conflicts, such as a long history of cultural conflicts, chemistry between the people and the communication inside the strategy team. It has to be noted that when the company was utilizing routinized strategizing practices in the strategy implementation there was a total lack of conflicts or even minor contradictions which is somewhat surprising as Jarratt and Stiles (2010) linked the routinized practices to business policy paradigm. On the other hand for example Henri (2006) proposes that the most effective form of management control systems is based on both by formal and organic systems. As in this case the formal system is represented by routinized strategizing and organic by reflective strategizing. It was assumed that especially in the implementation phase the routinized strategizing practices and business policy paradigm could create conflicts more than reflective practices and learning paradigm. The lack of conflicts may probably be a cause of the highly participatory and reflective strategy creation process. So in this case the well calculated and thoughtful implementation of routinized strategizing practices lowered the potential for conflicts in a group of organizational members that generally did not really have the most positive expectations about strategizing.

As a rule of thumb, the more and clearer the strategy communication was, the less were there conflicts that were considered as negative forces. So the quantity and frequentness of the strategy communication is related to the existence of conflicts. Of course also the contents of the strategy communication affected existence of task-related conflicts. If

the information was seen realistic and legitimate there were no conflicts, but in the case of the management's roadshows the overly positive information created task-related contradictions in the participants. And thirdly the used strategy discourse in the strategy communication is linked to the existence of affective conflicts. The discourses potentially causing affective conflicts can be the participation impeding discourses presented by Mantere and Vaara (2008) which was an expected finding. The format of the strategy communication used in the organization did not seem affect the existence of conflicts, although generally the financial targets used to communicate strategy were the most successful method of transferring knowledge of strategy to the whole organization. And on the other hand the information from the intranet seemed to have the smallest effect on strategy communication. But in general the discourses that enable participation – concretization, self-actualization and dialogization – seemed to increase the positive effect of high commitment, empowerment and expectations about the strategizing. This is perfectly in line with the findings of Mantere and Vaara (2008).

Table 8: The main findings of the study.

	Task conflicts	**Affective conflicts**
Paradigms		
Business policy paradigm	The business policy paradigm was present in the strategy implementation following strategy creation which was based on the learning paradigm. In the implementation there were not any conflicts. It may be because of a good balance of the used paradigms and control systems or good and well implemented communication.	
Learning paradigm	There were two task conflicts in strategy creation. One of them was seen as positive and the other escalated into resource consuming affective conflict. The conflict which was perceived as a positive force was born from a pure factual difference of opinions which was discussed and reflected in the workshop group. This shows that not all of the task conflicts escalate into affective conflicts in strategy creation that is based on learning paradigm. So there are other factors that affect the existence of conflicts.	The conflict that escalated into affective conflict was born because of past differences, current power struggle between operative and middle management, perceived differences of opinions and organizational cultures. The highly participative, empowered and independent project orientated strategizing seemed to create potential structures to existence of affective conflicts.
Strategizing practices		
Routinized practices	The routinized practices were used in the implementation phase together with the strategizing which was business policy paradigm orientated. The lack of conflicts may be caused of a good balance of the used paradigms and control systems or good and well implemented communication.	
Reflective practices	The reflective practices were used in the same strategy creation process was the learning paradigm was present. So the reflective practices and learning paradigm are interconnected to one other and therefore the findings about connections between practices and conflicts are the same as with learning paradigm.	
Discourse in communication	Discourses enabling the participation in strategizing (concretization, self-actualization and dialogization) were connected to only task related conflicts. Especially the legitimacy and realistic information affected to the existence of task conflicts in the communication.	Discourses impeding the participation in strategizing (mystification, disciplining and technologization) were increasing the potential for affective conflict in strategy implementation.
Actors		
Actors	The conflicts in the study were mainly between middle-management and operative managers. When strategy is done by reflective strategizing practices, the conflicts seem to be born without a clear connection to organizational roles. The conflicts were born in interactive situations where the participants had history of contradictions or they were just having a disagreement.	

6. CONCLUSIONS

In the beginning of the study two research questions were proposed: “Why might the conflicts arise during in strategy creation and implementation? How are strategizing practices affecting conflicts?”

The conflicts in the organization were born in situations where there was a major difference in goal attainment, difference in opinions, differences in organizational cultures and old organizational structures. Also the conflicts were born in interactive situations where the participants had a history of contradictions or they were just having a disagreement. These situations were occurring during strategy creation by reflective strategy practices. The type of conflict, task-related or affective, is dependent of the situation and the history of participants. In this case deeper perceived differences in goal attainment and organizational culture seemed to create potential for affective conflicts.

Similarly we might ask in this case why there were not many conflicts during the strategy process. The organizational members seemed to share high empowerment, commitment and high expectations about the future which was boosted by reflective and participatory strategizing practices. Also the strategy communication was in fit with the empowerment and reflective strategy practices as the discourse used in strategy communication was constructed mainly from concretization, self-actualization and dialogization discourses. Although in the strategy roadshows the management utilized discourses that resembled technologization and mystification discourses which probably affected slightly negatively to the participation in the strategy roadshows of the top management. This extensive use of strategy tools and communication decreased the resistance and negative emotions of the organizational members.

The reflective strategy practices affected to some extent the appearance of an escalated conflict in the strategy creation. However, in the implementation phase when the organization utilized reflective and routinized strategy practices there were not any conflicts. This is probably a consequence of the high participation created by the reflective practices in the strategy creation. Also in this case the well calculated and thoughtful implementation of routinized strategizing practices lowered the potential for conflicts in a group of organizational members that generally did not really have the most positive expectations about strategizing. Therefore we can also argue that the learning paradigm is in some way related to conflicts in the strategy creation, and those conflicts can escalate into affective conflicts. These could have probably been avoided

by using more controlled process with narrower participation from the organization, but then there might have been conflicts related to the acceptance of the new strategy in the implementation.

The strategy discourse seemed to affect the acceptance of the strategy just like Mantere and Vaara (2008) stated in their study: the discourses that enable participation – concretization, self-actualization and dialogization seemed to increase the positive effect of high commitment, empowerment and expectations about the strategizing. Whereas in this case the presence of technologization and mystification discourses seemed to lower the participation and creating more negative connotations. The more and clearer the strategy communication was, the less were there conflicts that were considered as negative forces. So the quantity and frequentness of the strategy communication is related to the existence of conflicts.

6.1. Managerial implications

This particular case contains many insights from the managerial perspective. Related to different roles the top management has to build trust with people who are participating to strategizing; especially it is important with union representatives. Also the top management should acknowledge how different participants set demands on strategizing. Different stakeholders may have extremely opposing goals from strategizing which may cause conflicts and contradictions during the process. Therefore it is important to plan carefully in which kind of teams the strategizing process is done – this becomes even more important if the team leaders are given a big responsibility of their own work. If an organization chooses to pursue same kind of strategizing process as described here, one has to prepare to conduct proper project management procedures. Without proper project management the process can be delayed or its effectiveness may radically be hindered by teams that cannot meet the set schedules. Also the choices of strategy tools have to be considered together with the process management: which tools can give the best support to ensure that the teams can come to conclusions in the limitations of a given time frame. The same applies also for the implementation processes.

One should acknowledge how strategy is communicated in the most effective way in particular organizational settings, and really ensure that it is done properly. The strategy communication should be viewed as an entirety of different kind of communication

methods that have different purposes, situations and targeted stakeholders. In different organizations the most natural and effective way and discourse to communicate the strategy may vary extremely much. For example in the case company the financial figures were seen as an extremely efficient and easily understandable way to communicate the new strategy to the grass root level so that everyone in the organization understands the core elements of the strategy. As said, the people who are communicating the strategy should acknowledge which kind of discourse they are using, because in some cases people can undermine their own message even without realizing it themselves. It does not have to a strategy discourse that undermines the message, it can even be some small gesture or remark about a trivial matter. In some advanced and pretty stable cases these methods could be used to create deliberately some contradictions or conflicts to ensure development of fresh ideas and perspectives.

This case certainly highlights the potential of high empowerment in strategizing. Some of the factors mentioned before cannot be purposefully replicated, so the most powerful empowerment of organizational members to strategizing may not be created in every organization. But the potential positive effect can be so big that it would be unwise not to consider the possibilities to empower the key organizational members that can affect strategizing.

The topic of locality versus standardized processes over an organization has been one of the hot topics in strategic management. This particular case organization has clearly had its own challenges in nurturing local talent and local customer orientation as opposed to best practices inside the company. But from the conflict perspective it is important to notice that the high local orientation opens a possibility to conflicts caused by perceived disagreements, opposing goal attainment and perceived differences in the organizational cultures. And as the organizational cultures and routines are extremely long-lived, they definitely must be acknowledged when planning changes in the strategy or organizational structures so that the conflicts are not a total surprise for the organization.

6.2. Academic contribution

The main contribution of the research is the relations between strategizing practices and conflicts, especially between strategy communication and different conflict types. This study also fills a part in a gap of existing research of conflicts and strategic management (figure 1). The preliminary results may be used to conduct a quantitative study to verify

or falsify the relations portrayed in these conclusions. Each of the relationship betrayed by arrows in figure 1 or 2 can be used as a starting point for a new study exploring the phenomenon in different case organization or in different kind of organization settings. The contradictive role of union representatives gives also some insight from the Finnish perspective about their somewhat contradictory role in strategizing. And finally there is the study is an illustration of how empowerment and strategizing are connected together.

6.3. Limitations

Most of the participants of the study were extremely involved in the strategizing process of the company. So therefore there was a lack of perspective from the grass root level of the organization – those people who heard about the new strategy through strategy roadshows, target discussions or in some other ways.

In the beginning the study was meant to have a larger quantity of observational data as opposed to the interviews so that it could be possible to gain more insights about the micro level activities related to the strategizing in the company. Therefore for example it was not possible to study how the conflicts might arise in strategizing as opposed why the conflicts might arise. Also the interviews create potential for retrospective bias about the past events in the company.

6.4. Future research suggestions

One of the most obvious future research subjects would be to reproduce this same research with different kind of case-company. For example how imposed strategizing practices would affect conflicts? Also different size or industry of the company could even change the results. There is also possibility to conduct a quantitative research about the relationship between strategy communication and conflicts: which methods are the most effective in preventing negative conflicts and what conflicts are caused by different kinds of strategy communication methods. Also further research about the relations between strategy discourses and conflicts can offer new insights of conflicts in strategizing. The research also opened a potential discussion about union representatives' roles in strategizing in the Finnish corporate culture.

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APPENDIX 1. The information about the study for the participants

The topic/idea:

- The effect of contradictions or possible conflicts to strategy creation and development
- The research focuses only on the effect of contradictions in the strategy process, not the causes of contradictions or the management and solution of conflicts. The target is to create deep understanding about the effect of contradictions and conflicts to strategy creation and development.
- The viewpoint of the research is to focus on the interaction between people, routines and strategy practices, not on the content of the strategy.

The need for resources

- The collection of the data in two phasesAineiston kerääminen ja muodostaminen kahdessa vaiheessa.
    - At first by some semi-structured interviews with the people who were participating in the strategy process. This is followed by approximately two weeks of observation.
    - For the interviees I would need people from different organizational levels who are participating in the strategizing. In the best case from the top management to the operative level, also if possible from the Board of Directors.
    - The interviews are going to take approximately 30–90 minutes per interview and there will be a few interviews.
    - In the observation phase there will not be need to reserve people's work time for me after introductions and start guidance. At first my role is probably "the guy that is hanging round in the coffee room listening to people in the corner", but it will change to a more partcipative role if the situation is suitable.
- The data is collected possibly between March and May in 2012.

The benefit from the research

- An outside, fresh, academic and objective view on the strategizing in the organization
- Particularly in the observation phase my role could be active and participative in addition to passive observation.
- The research is connected and offers possible solutions to challenges in strategy development and implementation.

APPENDIX 2. The interview structure

The interview structure

Would you describe last year's strategy process and strategy work?

-From what it began? Who were participating? Where? What was the end result? What kind of negotiations and decisions?

Would you tell me about the possible contradictions or conflicts that occured during the strategizing?

-What about the differing goals and collisions between people?