Strategic Actions Analysis: A new tool for managers

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Abstract

Purpose: This paper introduces a new tool for strategic management, namely, Strategic Actions Analysis (SA Analysis).

Design/methodology/approach: SA Analysis is derived from the established literature. It is based on Mintzberg's concept of deliberate and emergent strategy and applies this to organizational actions which assist managers in understanding how their actions impact on the organization's performance. By analyzing what actually happened in the previous period, particularly actions that differed from what was planned, managers can make improved decisions about future plans.

Findings: A conceptual model of strategic actions is presented. Actions rather than strategies are best analyzed because they are more likely to be consistent with managerial decisions and are the starting point for new strategies that are developed despite or in the absence of specific plans. Regardless of an organization's best efforts to plan for the future, changes in circumstances often dictate what actually happens. When such changes do occur, managers can either take corrective action or else they can do nothing. By taking corrective action and then reflecting on the impact of such actions using SA Analysis, managers can develop a capacity to improve their organization's performance.

Originality/value: SA Analysis ensures that yesterday's positive-impact strategic actions become today's strategic intentions resulting in tomorrow's performance successes.

Keywords: Strategic Actions; Strategic Management; Emergent Strategy; Emergent Actions.

Introduction

The study of strategic management over the past 40 years has focused mainly on the development of plans to achieve long-term performance (Meers & Robertson, 2007; Miller & Cardinal 1994; Venkatraman & Ramanujam 1986). However, this dominant approach is made more difficult when the business operating environment is volatile (Grant, 2003). It has been suggested that managing change requires plans that are flexible and creative (Hamel, 1996) as well as organizational processes that are proactive, continuous and diverse (Brown & Eisenhardt, 1997). Further, it has been argued that strategies emerge in organizations despite planning efforts due to environmental change, mutual adjustments and individual actions (Mintzberg & Waters, 1985). Hutzshenreuter and Kleindienst (2006) claim that more studies are needed, that involve decisions and actions by individuals involved in organizational processes. This will help to explain the shift of focus away from strategic planning (Mintzberg, 1994) and will assist individuals involved in the process.

This paper addresses this need by presenting a new framework called Strategic Actions Analysis (SA Analysis) that examines the actual actions of managers in organizations. Actions rather than strategies are analyzed because they are more likely to be consistent with managerial decisions (Pecotich *et al.*, 2003) and are the starting point for new strategies that are developed despite or in the absence of plans.

Classifying strategy

Despite more than four decades of research there is no international consensus on the definition of strategy (O'Regan & Ghobadian, 2007; Tovstiga 2015). Strategy has been defined as a plan, ploy, position, perspective and pattern (Mintzberg, 1987). *Plans* are purposeful and look forward; a *ploy* determines a plan by anticipating competition; a *position* looks to the environment and seeks to locate the organization within that environment; a *perspective* is a shared viewpoint that is recognized by looking inward at the collective intuition of the organization; and a *pattern* is a tessellation of organization decision and action that is recognized when looking backward.

Most commonly, strategy is referred to as a 'game plan' for the future (Thompson et al., 2005). Notwithstanding, a landmark study by Mintzberg (1978) demonstrated a method of looking backward to track patterns of strategy. From this study, it was postulated that strategies can occur as ex post facto results as well as the a priori guidelines that were originally intended. Five kinds of strategy were identified by Mintzberg (1978), namely: intended, unrealized, deliberate, emergent and realized.

According to Mintzberg's classification, the overall intentions of an organization are labelled the intended strategies. The strategies that actually occur are identified as *realized* strategies. Intended strategies that get realized are called *deliberate* strategies. Intended strategies that do not get realized become *unrealized* strategies. Under this reasoning, intended strategies are either realized as deliberate strategies or are unrealized. Further, realized strategies that were never intended can emerge, in some cases taking the place of unrealized strategies. These are known as emergent strategies. Thus, *emergent* strategies are those that are realized "despite or in the absence of any intentions" (Mintzberg & Waters, 1985, p. 257).

Recent summaries of strategy development types highlight the ongoing relevance and importance of Mintzberg's classification (Langley et al., 2007; Wiltbank et al., 2006). Strategies can be formulated as intentions and they can be formed as patterns despite intentions. The formulation of strategy implies that strategies are crafted, designed, planned

or positioned according to analysis, rationality or formality, whereas strategies that are reported as being formed as a pattern, can occur despite or in the absence of intentions (Mintzberg, 1978).

Researchers have criticized Mintzberg's framework for being either too reactive (Hendry, 2000) or for suggesting that emergent strategies are formed mostly in environments of uncertainty (Ansoff, 1991, 1994). However, a study of 426 firms across several industries found that environmental conditions do not moderate the type of planning that organizations pursue (Brews & Hunt, 1999). Furthermore, these researchers argue that it is inadvisable to rely on a process that includes unspecified, unannounced goals and to allow strategies to emerge as an organization interacts with its environment.

Conversely, a case study of eight large oil companies found that increased uncertainty makes systematic strategic planning difficult (Grant, 2003). Further, Hamel (1996) asserts that the vast majority of organizations use strategic planning activities as a calendar-driven ritual that assumes incorrectly that future conditions will be similar to the present. This supports the original view of Mintzberg (1967) that strategy-making activities should involve an adaptive issue-driven process.

The ensuing debate between the 'deliberate' view and the 'emergent' view (Ansoff, 1991; Mintzberg, 1990) is continued in the literature today (Davies & Walters, 2004; Farjoun, 2002; Leitner 2016; Wiltbank et al., 2006). Researchers and practitioners are still unsure about the finer details of strategy formation and how strategies are realized especially in different contexts.

For strategies to be purely deliberate, the environment would need to be totally predictable, completely benign or under the full control of the organization. Similarly, for strategies to be purely emergent, there must be a consistent pattern of action that persists despite or in the absence of intentions (Mintzberg & Waters, 1985). To be sure, organizations can develop plans for the future, but they can also recognize patterns from the past (Mintzberg et al., 1998). Mintzberg and Waters conclude that "strategy walks on two feet, one deliberate, the other emergent … the relative emphasis may shift from time to time but not the requirement to attend to both sides of this phenomenon" (1985, p. 271).

From this discussion, it is evident that organizational strategies fit somewhere along a deliberate-emergent continuum. Following Mintzberg's reasoning, strategies that are formed at the deliberate end of the continuum have low levels of 'emergentness' and strategies that are formed at the emergent end of the continuum have high levels of emergentness. It is unlikely that any strategy will be fully deliberate or fully emergent.

For a strategy to be assessed as being perfectly or fully deliberate an organization would need to have a documented set of intentions that outline clearly the action that is to follow. Then, to ensure that the majority of organizational actors agree with the proposed intentions there would need to be acceptance from virtually all the actors. Finally, to have these intentions realized exactly as intended, the environment would need to be perfectly predictable, totally benign or be able to be completely controlled by the organization (Mintzberg & Waters, 1985). This is improbable given that formal planning mechanisms in today's organizations are being de-emphasized and external conditions are becoming more difficult to predict (Dibrell et al., 2007; Grant, 2003; Harrington et al., 2004; Moon & Ruona 2015).

For a strategy to be assessed as being perfectly or fully emergent there would need to be no order and no intention. For an organization to allow a pattern of actions to emerge in this way, it would need to operate with processes that allow no order and no intention. It would need to be completely reactive to every environmental circumstance or else have no

consistent organizational direction. Just like purely deliberate strategies, perfectly emergent strategies are improbable (Mintzberg & Waters, 1985). The deliberate-emergent continuum offers the strategy literature a framework for retrospective analysis of strategy formation in organizations. We suggest that this framework can be applied to the assessment of individual actions within organizations. We propose that individual actions may form with zero-to-low levels of emergentness ranging up to high levels of emergentness.

Given that emergent strategy can be defined as a pattern in a stream of action (Mintzberg & Jorgensen, 1987; Mintzberg & Waters, 1985), and that those strategies can be realized along a deliberate-emergent continuum despite or in the absence of intentions (Mintzberg & McHugh, 1985), it follows that more attention to action is required. Assuming also that emergent strategies are common in organizations (Mintzberg & Waters, 1985) and that management typically ignores them in their analysis of organizational performance in their planning (Harrington et al., 2004), it is also clear that more understanding of the process is needed.

This paper posits that analyzing actions rather than just strategies provides a more complete understanding of what actually happened as distinct from what was planned. This requires the investigation of realized actions that occur in organizations. Figure 1 depicts a framework describing how actions are realized in organizations, in a similar way to how Mintzberg (1978) described strategy formation.

Figure 1:
Framework for realized action

Deliberate action

Intended action → Realized action

Unrealized action   Emergent action
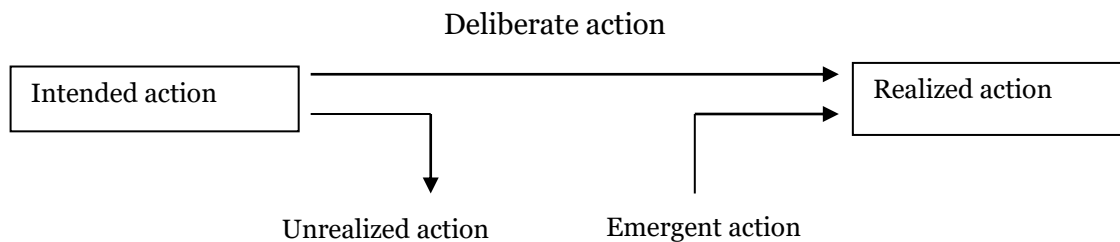
Source: Developed by this study, based on Mintzberg (1978).

If realized strategies are a combination of deliberate and emergent strategies, and if emergent strategies are evidenced as patterns of action, then analyzing the dynamics of deliberate and emergent action (the source of strategy formation) will provide a greater understanding of the interplay between planning, action and performance. These key actions that could ultimately have an impact on the organization's performance are, therefore, strategic by nature in that they are both complex and important given that the term 'strategic' is identified with complexity (Hendry & Pettigrew, 1992; Narayanan & Fahey, 1982; Mitroff & Emshoff, 1979) as well as importance (Mintzberg, 1987; Mintzberg & Waters, 1984). We suggest that the analysis of strategic action will extend the knowledge of strategy formation in organizations and provide a framework for capturing key components of organizational processes.

Strategic actions

Each individual action has the potential to play an important role in organizational performance. The long-term sustainability of organizations is determined in part by their ability to take action in response to external environmental conditions (Argyris & Schon,

1978; Lawrence & Dyer, 1983). Although some actions are determined by the intentions of top-level managers (Child, 1972; Thompson, 1967), other actions may entail attempts by employees to make changes without any prior planning (Quinn, 1978). A desire to understand the ways in which managers gain knowledge about their environments and take corrective action has led to many research efforts aimed at investigating the link between the perceptions of the business operating environment and organizational action (Daft & Weick, 1984; Hambrick & Mason, 1984; Kiesler & Sproull, 1982; Miller et al., 1982; Ranson et al., 1980; Smart & Vertinsky, 1984; Sturdivant et al., 1985).

Boulding and Staelin (1995, p. 223) define an action as strategic when it is "largely irreversible in the short run and when its ultimate effects are based upon complex interactions between the firm, the competition and the consumers". As mentioned previously, it is reasonable to approach 'strategic' as meaning both complex and important, given that researchers have concentrated their investigations at the higher levels of the organization where the context is difficult, information is ambiguous and the importance of decisions and actions is critical (Brews & Hunt, 1999; Hambrick, 1989).

Further, action and implementation are often used interchangeably when applied in the context of planning for optimal firm performance or sustained competitive advantage (Boulding & Staelin, 1990; Brodwin & Bourgeois, 1984; Pearson et al., 1998). Therefore, similar to strategy, the categorization of strategic action has been defined largely in terms of the creation of action plans for the future. Thus, it can be seen that there has been no allowance for 'emergent' action.

Organizational action has also been defined as the gathering and interpretation of information from the environment (Daft & Weick, 1984). This definition draws on the environmental scanning literature and almost exclusively focuses on the analysis of the external components of the environment (Bluedorn et al., 1994). Furthermore, much of the research on scanning concentrates on assessing the current situation and developing strategies for the future, thereby ignoring the examination of ongoing scanning behavior (Hough & White, 2004).

By contrast, Pecotich et al. (2003) developed a comprehensive list of strategic actions in an attempt to investigate the relationship between past actions and strategy content frameworks. The study compared strategic actions to four mainstream generic strategy typologies, namely: penetration strategies (Mintzberg, 1988), the product/market matrix (Ansoff, 1965; Johnson & Jones, 1957), grand strategy alternatives (Glueck, 1976, 1980) and Porter's (1980) generic competitive strategies. The study required managers to reflect on previous action and rate the relative importance of each action for the operations of their organization. This procedure provides a more accurate way of examining significant actions retrospectively and then determining their impact against performance criteria.

From a retrospective viewpoint, if strategy is defined as being a pattern in a stream of actions (Mintzberg & Waters, 1985), a repertoire of actions (Miller & Chen, 1996) or a series of decisions-and-actions that coalesce into a pattern and logic (Inkpen & Choudhury, 1995), then understanding the nature and origin of actions and their association with performance is vital. Identifying actions that have a positive impact on performance could indicate a potential change in the pattern of strategy, or could help to reinforce existing patterns. Furthermore, understanding the level of emergentness of positive impact actions could change the process of determining future intentions.

Rodwell and Shadur (2007) report that the antecedents of organizational actions are intentions and decisions. Furthermore, they suggest that operationalization is made easier by firstly examining actions and activities, then working backwards to confirm a sequence of intention, decision and action. However, if the level of emergentness is predicated by environmental changes or new initiatives, then the extent to which these circumstances and

initiatives influence the nature of action needs to be explored. This investigation will enable a more thorough understanding of how positive impact actions relate to the deliberate-emergent continuum.

Many actions in organizations are unplanned even some that have a major impact on the bottom line. Yet when top managers review their organization's performance, they almost invariably focus on only those actions which were foreshadowed in the plan. As a consequence, when planning for the next performance cycle, most organizations run the risk of repeating any unplanned failures that occurred in the previous cycle while overlooking any unplanned successful actions which could again have a high positive impact if carried out in the future.

By focusing on strategic actions rather than just plans, managers can evaluate performance against what actually happened and avoid any bias associated with evaluating performance only against organizational intentions. This new action-focused approach is called Strategic Actions Analysis (SA Analysis). The retrospective analysis of actions using SA Analysis can occur prior to formulating organizational intentions and could be utilized in association with other strategic tools such as SWOT analysis (Andrews, 1965). When strategic plans are formulated managers often use the SWOT framework to analyze their organization's strengths, weaknesses, opportunities and threats. SWOT analysis is a common framework that captures the internal and external operating conditions and provides valuable input to the planning process (Hunter & O'Shannassy, 2007).

However, unless managers also use a tool such as SA Analysis in their planning, they could miss out on critical information about potentially successful actions that would otherwise be overlooked. The extent to which these actions are either reactions to circumstances or are the result of new initiatives is yet unknown. Therefore, this paper makes a contribution to the literature by offering a conceptual framework that enables the tracking of strategic action in an effort to identify patterns among previous actions and to measure the impact on organizational performance of those actions.

The framework we propose for analyzing strategic actions is illustrated in Figure 2. It is suggested that SA Analysis can be used to comprehensively analyze strategic actions in order to identify those actions that have a significant impact on performance (either positive or negative) and make corrections to improve the next cycle of planning. The figure shows on a left-to-right timeline that each planning cycle commences with strategic intentions (plans) which then undergo a variety of organizational processes before they result in various strategic actions which happen subsequently (often despite the plan). Organizational processes that affect strategy comprise two elements, namely, new initiatives and responses. New initiatives are proactive actions that arise from the innovative ideas of entrepreneurs within the organization, and responses are reactions to events or changed organizational circumstances that arise either internally or externally.

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Figure 2:
Framework for strategic actions
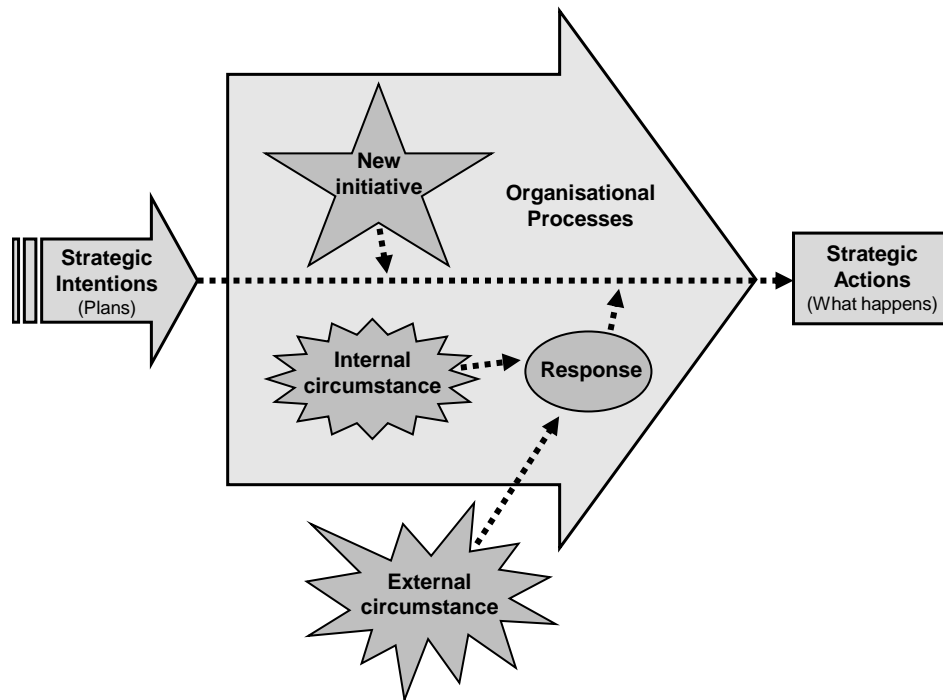
Strategic intentions that are realized without any influence from internal and external environmental conditions can be categorized as deliberate. These actions occur either because the organization has power and influence over the environment or because the environment is perceived as being simple and stable. Actions that are realized as emergent or partly emergent could be the result of responding to internal or external conditions. Alternatively, actions that are realized as emergent could also be a result of new organizational initiatives that are 'discovered' or 'created' by individuals despite the organization's intentions. Therefore, the analysis of positive impact actions should begin by first identifying key actions and then working back to investigate the nature and source of the action. Decisions and intentions can be identified along with the other antecedents of action which include new initiatives and responses to environmental circumstances.

Responses to external circumstances

Mintzberg (1994) asserts that managers can study patterns in the external environment to identify possible opportunities and threats. This could result in the alteration of formulated strategies (intentions) or could lead to new emergent strategies as they respond to the changes. External circumstances can be unexpected events (Meyer, 1982) that arrive suddenly or else they can occur gradually and, therefore, can be anticipated (Dutton & Jackson, 1987). Where content-related studies offer frameworks that are used to analyze environmental forces such as legislative changes, economic factors, socio-cultural trends and technological advances, process-related studies often report on organizational responses to external circumstances (Grant, 2003; McCarthy & Leavy, 2000). However, identifying the specific type of organizational response in order to explain the action that could potentially change the organization's strategy has received little attention in the literature. SA Analysis is designed to overcome this anomaly.

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Responses to internal circumstances

Internal circumstances are events or critical incidents that can change organizational processes, systems or strategy (Greiner & Bhambri, 1989). Internal circumstances can be serendipitous encounters such as the realization of staff competencies (Eagle, 2004) or less attractive events such as the departure of organizational leaders (Mintzberg, 1978). Notwithstanding, organizations are required to respond to such events in order to survive and prosper (Greiner & Bhambri, 1989). Analysis of responsive actions at the individual level will enable a greater understanding of how organizations can react and adapt to change.

New initiatives

New initiatives are not responses to an internal or external circumstance. Rather, they appear mostly as emergent organizational actions, although from the individual actors' perspective, they are likely to be intentional and, therefore, deliberate. Initiatives are often innovations, new ways of doing things despite or in the absence of any specific intention, emerging from the 'grassroots' of the organization (Mintzberg & McHugh, 1985). New initiatives can persuade the organization to change by building a bottom-up consensus (Janczak, 2006; Mintzberg & Waters, 1985) or by the independent actions of a determined individual (Mintzberg, 1978).

Organization performance

Researchers have long studied the relationship between strategic planning (deliberate strategizing) and organizational performance. The planning construct has been measured in terms of comprehensiveness, number of planning-related documents, and level of formality (Fredrickson, 1984; Rhyne, 1985). Strong positive relationships between planning and performance are noted in some studies (Goll & Rasheed, 1997; Priem et al., 1995) although other studies have revealed contradictory results (Fulmer & Rue, 1974; Leontiades & Tezel, 1980).

Meta-analyses of the planning-performance relationship have also revealed contrasting findings. Pearce et al. (1987) found that the association was weak, whereas Miller and Cardinal (1994) found the association to be strong. Schwenk and Schrader (1993) concluded that the relationship was positive and significant, albeit weak. It has been suggested that this discrepancy is caused by methodological issues in examining the planning-performance relationship (Boyd & Reuning-Elliot, 1998).

A classification of strategic actions

SA Analysis enables managers to identify strategic actions which happen either according to the plan or despite the plan. Table 1 provides a classification of strategic action types most of which are 'outside the plan', that is, they happen as a result of the organizational processes mentioned previously.

Table 1:
*Classificatory framework for types of strategic action*

Action Type	Description
Unrealized action	Intended action did not occur
Deliberate action	Action happened *exactly* (or almost exactly) as per the plan
Modified action	Action happened as a *modification* of something that was planned
Replacement action	Action happened as a *replacement* for something that was planned
Add-on action	Action happened in *addition* to something that was planned
Influenced action	Action happened but was *influenced* by something that was planned
Opposite action	Action happened and was *contrary* to something that was planned
Unrelated action	Action happened but was *unrelated* to anything that was planned
Unintended action	Action happened with *no specific* organizational planning

SA Analysis and the classificatory framework for strategic actions have been applied to over 50 Australian organizations of various sizes in a case study. First, senior managers were invited to review the previous performance cycle and identify at least ten key actions that happened and which had an impact on the organization's bottom line. Second, they assessed the level of each action's impact on performance and determined whether it was positive or negative. Third, they identified the type of each action according to the classification in Table 1 noting particularly those outside the previous strategic plan. Fourth, they determined the origin of each strategic action as being either a new initiative or a response to an internal or external circumstance. The next section provides a description of the eight action types with examples from various organizations that participated in the above-mentioned research. Unrealized actions were not assessed in the study and therefore are not included in the analysis.

Deliberate action

Actions that are carried out as intended can be labeled as deliberate actions. Actions of this type are realized either because of a stable environment, or because the organization has a capacity to control its environment, or because management commits to executing their intentions regardless of any organizational effect. It is likely that larger organizations that are able to control their environment will have a tendency to produce positive impact actions that are deliberate in nature (Mintzberg & Waters, 1985). Here, any external and internal circumstances have no impact on the action. Figure 3 depicts the model of deliberate actions.

Figure 3:
*Model of deliberate action*
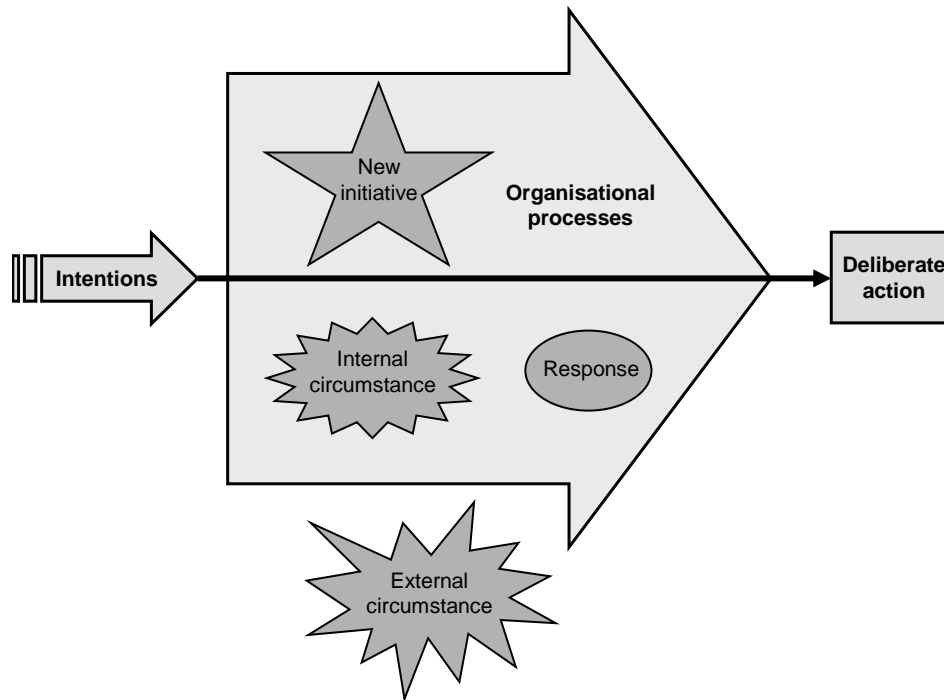
From the current study of strategic actions, a medium-sized organization in the manufacturing industry provides an example of a deliberate action. The top management team made a decision to pursue an acquisition strategy in order to improve their competitive position. Their intention was fully realized when they successfully acquired one of their major competitors. The action had a positive impact on their performance as it increased their market share and gave them access to resources that could not have been achieved otherwise.

Modified action

Intended actions that are altered as a result of responses to environmental circumstances or new initiatives can be labeled modified actions. Such modification is necessary in order to adapt to changing circumstances or to accommodate new initiatives that have the potential to add value to the organization (Harrington et al., 2004). Modified actions represent high levels of deliberateness because change is minimal. Intentions do not change greatly; they are only modified in order to manage the change. Figure 4 depicts the model of modified actions.

**Figure 4:**
Model of modified action
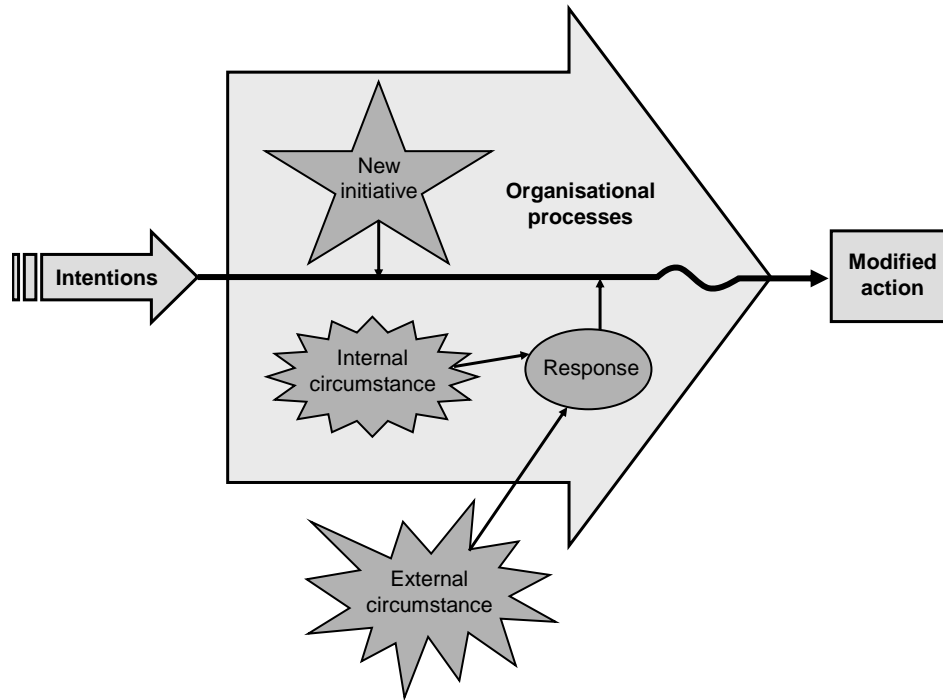
An example of a modified action occurred in a medium-sized health and community services centre in the present study. The organization had decided to review and redevelop their strategic plan as part of its formal planning process. During the review process a department manager initiated an action plan that was aligned to the existing strategic plan. As a result all department managers also developed their own action plan. This action was a 'modified initiative' that not only helped to improve communication and information sharing between departments but also contributed to the overall performance of the organization.

Replacement action

The next type of strategic action is one that also has high levels of deliberateness but is different to a modified action. Here, changes to an intended action result in the substitution for something that was planned (Harrington et al., 2004). Such a replacement action does not alter the intention greatly, but it reflects an attempt to manage change by acting differently to the intention typically towards the same strategic goal. Figure 5 depicts the model of replacement actions.

Figure 5:
*Model of replacement action*
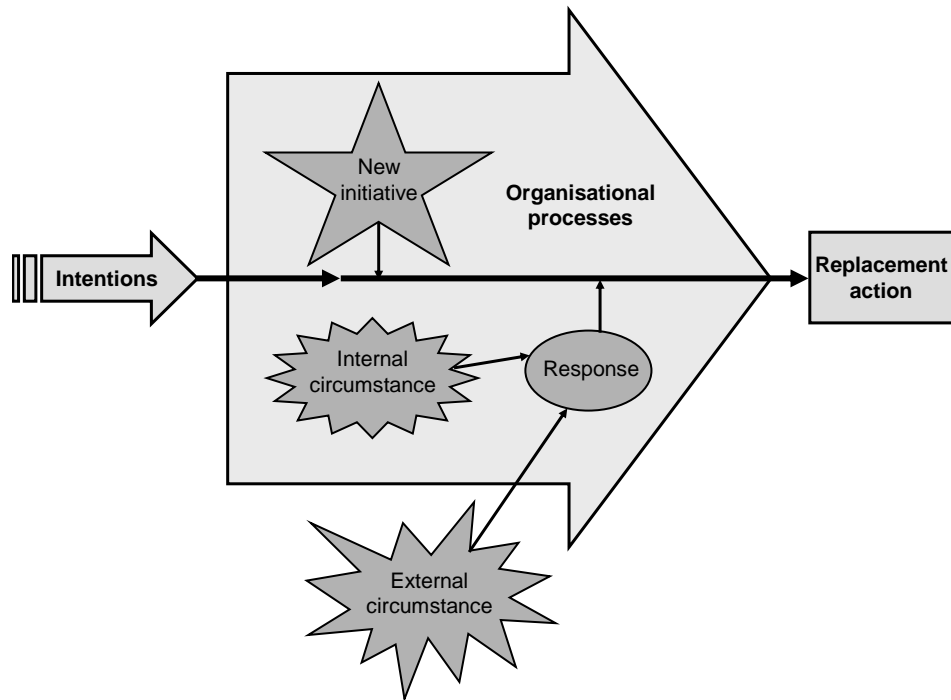
A small-sized regional airport provides an example of a replacement action. The original intention was to employ a property services officer but instead this function was outsourced. This action was a 'replacement initiative' that achieved an even better result than what was originally intended according to the airport manager surveyed in the current study.

Add-on action

The next type of strategic action to be considered is the add-on action. In this case, responses to changes in circumstances or new organizational initiatives are added to original intentions rather than the intention being modified or replaced (Harrington et al., 2004). Add-on actions have high levels of deliberateness because intentions are added-to rather than challenged. Figure 6 depicts the model of add-on actions.

Figure 6:
*Model of add-on action*
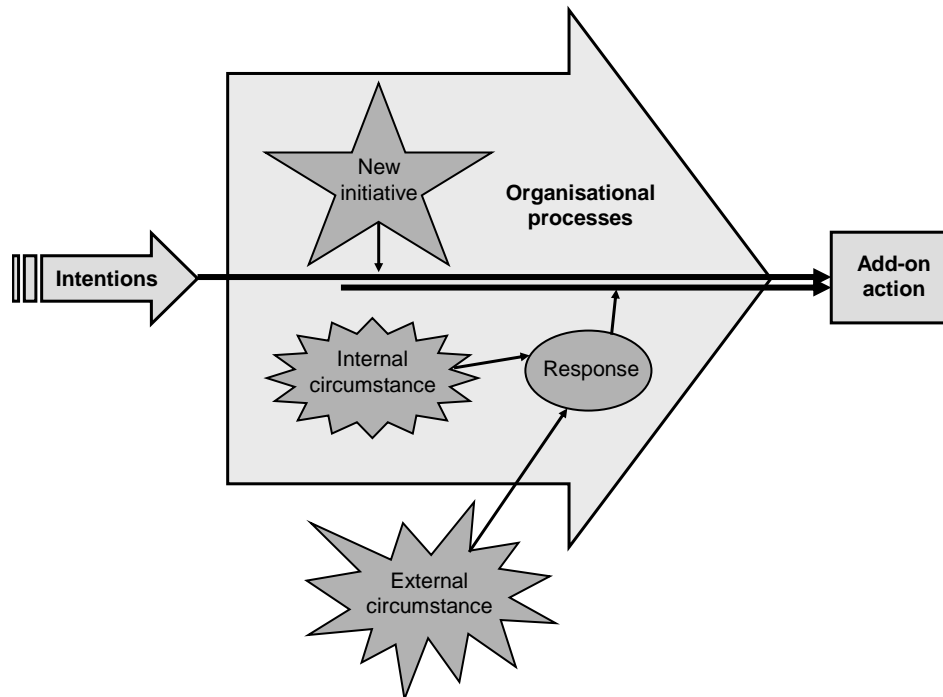
An example of an add-on action occurred in a large food processing organization in the study. The original decision by management was to change the production process of some of the major products in order to improve efficiency. An unexpected circumstance within the organization resulted in an action that not only changed the production process but also lengthened the production running time. The CEO reported that this additional action significantly improved the overall performance of the organization.

Influenced action

The next type of strategic action has moderate levels of deliberateness, unlike modified, replacement or add-on actions which have high levels of deliberateness. Influenced actions are relatively emergent in that they have been influenced by an intention at the same time are either responding to changing circumstances or are being implemented as a new initiative. Influenced actions represent flexibility in an organization that is willing to experiment with actions beyond the plan. Figure 7 depicts the model of influenced actions.

Figure 7:
Model of influenced action
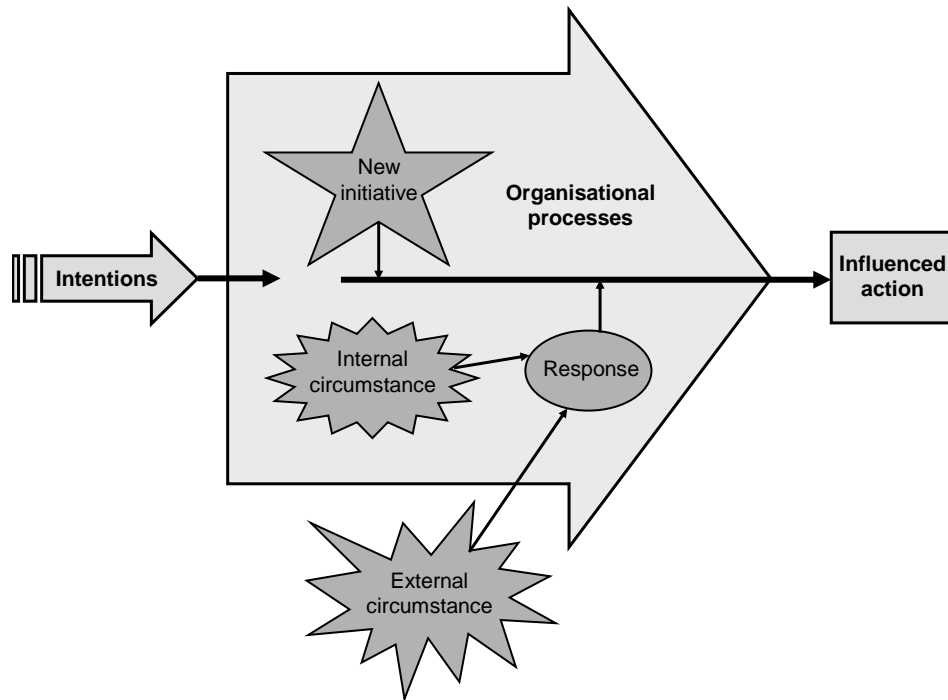
An example of an influenced action occurred in a medium-sized organization in the banking and finance industry in the present study. The CEO reported that the original intention was to raise additional funds by following a particular strategy that did not include the sale of any property or assets. However, a middle-management initiative resulted in the opportunity to sell one of the organization's subsidiary companies. This 'influenced initiative' action was new but was influenced by something that had been planned previously. The action had a significant positive impact on performance according to the CEO.

Opposite action

The next type of action to be considered when conducting SA Analysis is the opposite action which is much more emergent in nature than any of the previously mentioned actions (see Table 1). Opposite actions are those that are realized despite (or in contrast) to any intention. This may be necessary when circumstances (or new initiatives) change an intended course of action to the point where continued commitment to the intended action could result in negative performance or failure. If the opposite action is not employed and the intention is not engaged, the organization could become entrapped (Brockner et al., 1981) with a situation similar to an escalation of commitment (Tan & Yates, 2002). Figure 8 depicts the model of opposite actions.

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Figure 8:
Model of opposite action
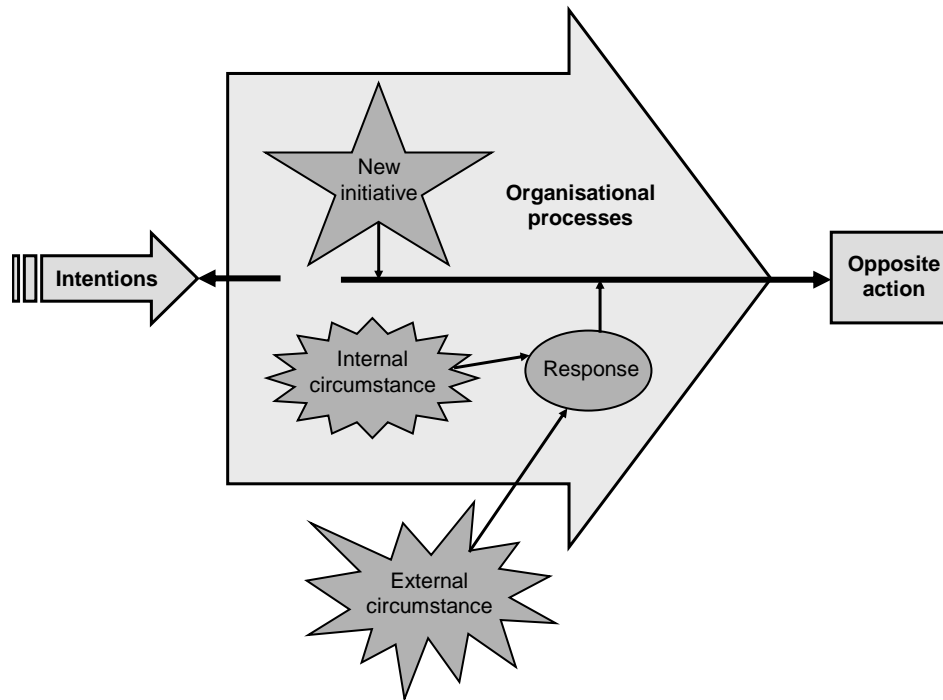
A relevant case in the present study is that of a small retail organization which took action in direct contrast to something that was planned. The organization changed its company colors and signage after receiving an unexpected comment from a major customer. This 'opposite response' action was not planned. In fact, the organization's General Manager had explicitly stated that the colors and signage would not be changed under any circumstances. However, the General Manager conceded afterwards that the change had a significant positive impact on the business.

Unrelated action

The next two types of strategic action are completely unintended and represent actions that are emergent. Unrelated actions are those that do not have any relationship with anything that was planned. Unrelated actions are new initiatives that are given opportunity within the organization despite any intention or are responses to change that have the capacity to change the strategic direction of the organization. Figure 9 depicts the model of unrelated actions.

Figure 9:
Model of unrelated action
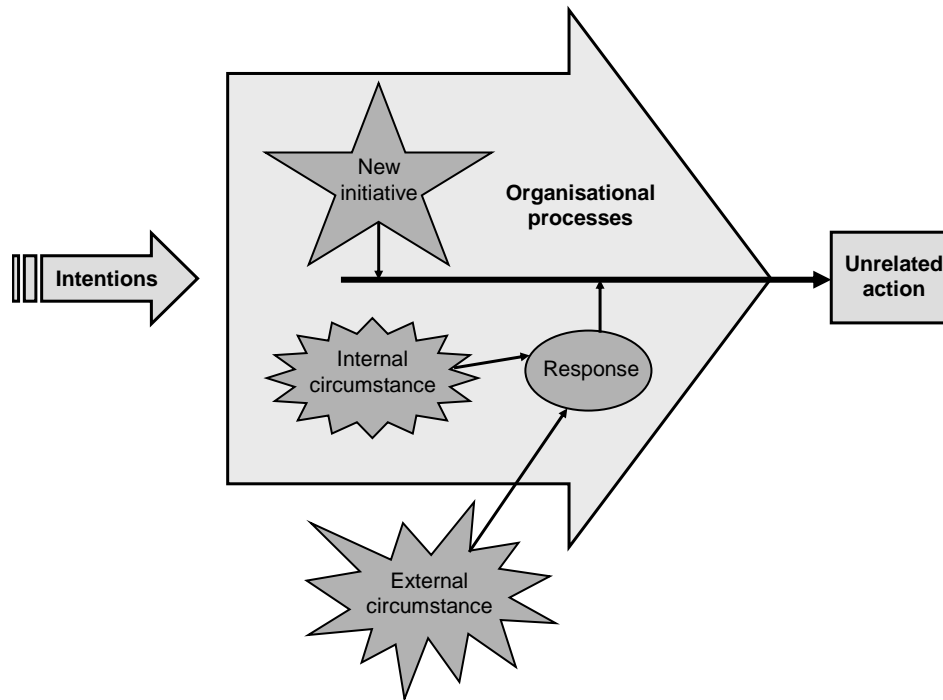
An example in the present study of an unrelated action occurred in a medium-sized hospital. A critical incident within the hospital resulted in the implementation of a pre-admission process by the hospital's oncology staff members. According to the Managing Director, this action had a moderate positive impact on the performance of the hospital but was completely unrelated to anything that was planned.

Unintended action

Unintended actions are similar to unrelated actions in that they are emergent in nature and are new actions. However, unintended actions occur in organizations that do not explicitly state their intentions and deliberately allow actions to emerge en route. This is possibly due to the organization being small in size or one that operates in a complex environment that constantly changes. Figure 10 depicts the model of unintended actions.

Figure 10:
Model of unintended action
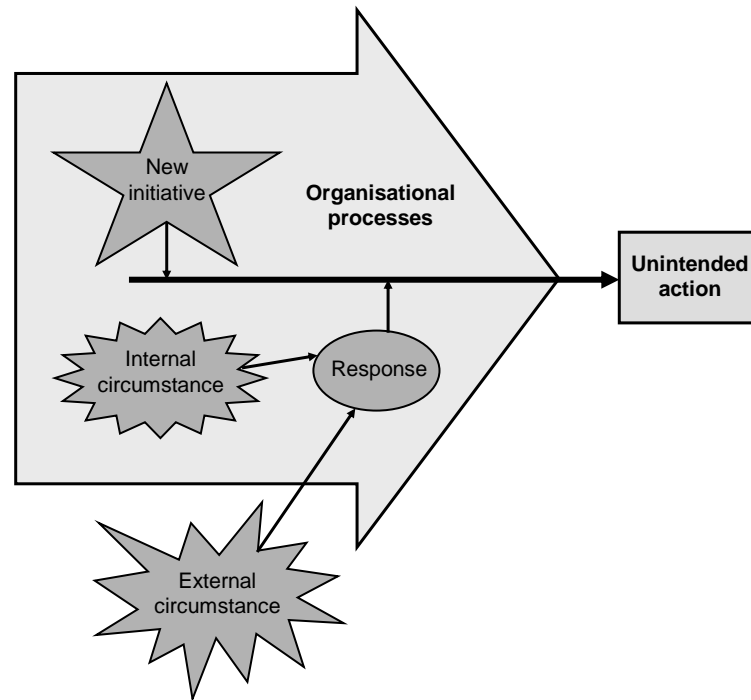
A large metropolitan printing company provided an example of an unintended action in the study. A major reorganization of the company's production line occurred as a result of a new initiative by a small team of employees. The production line reorganization was an 'unintended initiative' according to a senior manager who was surveyed. The action had not been planned and had never received any specific organizational attention. In fact, the company conceded that it followed a process that was reactive to organizational initiatives and changes in the business operating environment. The company reported that production line reorganization occurred quickly and had a significant positive impact on performance.

Discussion

Identifying strategic actions in organizations enables managers to improve the likelihood of repeating successes and avoiding failures in subsequent planning cycles. The analysis could also convince managers to change organizational processes to either strengthen their planning capacity or reduce the emphasis on planning depending on the environmental conditions in which they are operating.

SA Analysis offers managers the opportunity to first consider what actually happened, then trace this action to the reason why it happened and then determine its impact on performance. This is a change of mindset from the traditional approach of strategic evaluation which focuses exclusively on the examination of intentions (actions that were planned). By considering actions as the prime focus, managers are less likely to report against the plan and thus eliminate any planning-based bias. Furthermore, managers are more likely to understand what actually happens as it happens and increase their capacity to manage change.

SA Analysis offers managers an additional analytical framework to use in conjunction with other tools such as SWOT analysis. Unless managers also use a tool such

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as SA Analysis in their planning, they miss out on critical information about potentially successful actions that would otherwise be overlooked. SA Analysis can be applied to organizations collaboratively by the top management team and it involves the following steps:

Step 1:   Review the previous performance cycle and identify the 10 (or more) key actions that happened and which had a notable impact on the organization's bottom line;

Step 2:   Assess the level of each action's impact on performance and determine whether it was positive or negative;

Step 3:   Identify the type of each action according to the classification in Table 1 noting particularly those outside the previous strategic plan;

Step 4:   Determine the origin of each action as being either a new initiative or a response to an internal or external circumstance (see Figure 2);

Step 5:   Develop strategic intentions (plans) for the next cycle that enable emergent actions to happen as new initiatives or as innovative responses to whatever unpredictable circumstances may arise;

Step 6:   Modify the organization's ongoing planning and reporting processes to accommodate emergent actions in the future.

Conclusion

In most organizations there is an almost exclusive focus on intended or deliberate strategies. This focus comprises the process by which such strategies are formulated (strategic planning), the form in which they are documented (strategic plan) and the way in which they are evaluated (annual report). In reviewing organizational performance from one strategy cycle to the next, management typically analyze only their intended or planned strategies including those that were unrealized. Successful strategies that are realized exactly as intended (i.e., deliberate strategies) are often celebrated as 'great planning' rather than 'great performance'. However, the performance of emergent strategies is often neglected.

Strategies that are realized but with some changes are often explained. However, unrealized strategies are only sometimes explained and emergent strategies are most often ignored by both managers and investigators. The traditional approach does not recognize any emergent strategies that were not recorded in the plan but which may have had a significant positive impact on the organization's performance. SA Analysis encourages management to view realized strategies as the primary focus in assessing their organization's past performance in order to formulate future strategy. This approach ensures the various types of emergent strategy are taken into account.

Much is known about the formation of organizational strategies but little is known about the formation of strategic action. Given that strategies occur in a pattern of decision and action, it is important to understand more thoroughly the origins and nature of each organizational action. SA Analysis provides a framework and a method for undertaking this action-focused approach to managing strategy and organizational change.

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