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Toward a More and Less Heroic View of Strategic Management

Part IV: The Future of Strategic Management

The terms “strategy” and “strategic management” have been problematic for decades, and they are no less so today. As economic woes plague the nonprofit and public sectors, many implore organizational leaders to make strategic decisions, think strategically, and adopt strategic management skills. Are these admonitions truly helpful to those managing public service-oriented organizations? What pressures exist now and in the future that might test common strategic management frameworks and suggest ways in which the concepts and practices should be altered? Old debates about strategy and strategic management illuminate the challenges of understanding their import and use in the future.

The Harvard Business School and the Design School are associated with definitions of strategy and strategic management that emphasize a single purpose, patterns of decisions related to this purpose, a clearly articulated end, and a strong chief executive officer role (see, e.g., Andrews 1987; Ansoff 1965). From this perspective, strategic management is a continuous process of administering operations with an emphasis on overall corporate purpose and future opportunities. Critics argue that traditional approaches require stable environments; emphasize linear, rational process; and elevate the role of top management and diminish that of other organizational actors (Mintzberg 1990). Echoing Lindblom’s (1959) call for a “less heroic model of decision-making,” Mintzberg, Raisinghani, and Théorêt (1976) find more evidence of incremental and emergent strategies that blend thinking with acting, dynamic decision making, and ongoing learning. For Mintzberg and his colleagues, “strategic” decisions

simply mean those that are important in terms of resources committed, precedents set, and actions taken.

These old debates are relevant today because they focus attention on the tensions embedded in the concepts of strategy and strategic management—on the one hand, strategy entails patterns in established

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decision-making routines that are aimed at clearly defined or desired ends and, on the other, emergent decision-making acts with less clearly articulated ends. What is important about these tensions is the *space* between them and the pressures or factors that fill that space and fuel movement toward one or both of the patterns. The notion of a “space” between established and emergent patterns is a bit abstract, so let me illustrate using technology as an example.

Technology in organizations, including both work procedures and specific tools or equipment, has more recently been conceptualized as part

of an organization’s social system (drawing on the sociotechnical school of the mid-twentieth century) and as an actor in its own right (Latour 1987; Sandfort 2009). Technology is not simply “a thing” disaggregated from human work in organizations (Berg 1998), nor is it fixed and static. Viewed as technology-in-use (Orlikowski 2000), technology is an “ensemble or ‘web’ of equipment, techniques, applications, and people that define a social context” (Orlikowski and Iacono 2001, 122). Important to our thinking about strategic management, technology can be a nonhuman actor in organizational change processes (Orlikowski and Iacono 2001), including strategic management activities.

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For example, a recent study of the Urban Partnership Agreement pilot project, consisting of complex partnerships formed to reduce urban traffic congestion (Bryson et al. 2009), found that transportation-related technologies, such as those used for congestion pricing and rapid bus transit, attracted specific (and necessary) partners to the table, helped reframe political debates regarding tolling versus pricing, and provided concrete solutions to congestion problems. There are rational components to many of these technologies because they can increase reliability and reduce uncertainty. However, once a technology enters a change process (as technology-in-use), it may then take on emergent qualities. For example, driver assist simulators accurately reproduce dangerous driving conditions for training purposes and were used in Alaska to train snowplow drivers. In Minnesota, partnership members saw simulators as an unforeseen solution to the problem of rapid bus transit in narrow, congested lanes.

The Urban Partnership Agreement also illustrates how technology can be ahead of strategic thinking—current thinking kept highway technologies separate from transit technologies, replicating fragmented policies and government agencies. However, managed lanes, dynamically priced shoulders, enforcement and incident controls, real-time bus arrival and departure signs, and bus driver assist technologies could be integrated across agencies to offer commuters a system of efficient, reliable, and safe transportation options. As one transportation official said, “We needed new turnpike tolling, incident management, signs, lanes, to determine prices, run equipment between agencies . . . All of this had to fit together. That’s where the work was.”

Fitting the pieces together, however, did not take place through initial project planning processes among top level officials. It took place through a design-build process in which planning and implementation overlapped as the project unfolded. This design-build process primarily involved mid-level managers and cross-agency technical teams, local county engineers, and public works directors. In other words, not only was the technology ahead of strategic thinking, but also the people necessary to a design-build process (those who possessed the skills to assemble the pieces into a coherent system) were different from the usual cast of strategic actors. A city public works director described how his staff and downtown business leaders found an alternative to unsightly bus shelters by locating real-time signage for bus arrival and departure times within business lobbies: “It was the technology, the ability to use the technology. What I found fascinating about this whole thing is that the technology was there but no one thought about how to apply it and applying it in this manner actually helps us reduce some infrastructure.”

We can draw several implications for how we view strategic management from this example. First, the design-build process in which technology played an important role is an excellent illustration of strategically managing in the space between established planning

routines and emergent decisions. Design (or planning) is not absent, but rather overlaps with construction (implementation). Design-build processes allow for more rapid decision cycles, more feedback loops, and constant adjustments, while keeping an overall goal in sight. Second, design-build processes reshape notions of who strategic actors are in order to include those with the operational and technical knowledge about how to design and build solutions. Third, technology-in-use, understood as an assemblage of tools, information, and people, is often central to that process because of its ability to define system-level problems and solutions. Politics and fragmented bureaucracies may stymie this systems-level thinking; however, the uses of technology are often not confined by organizational boundaries and provide opportunities for collaborative engagement by a wider range of stakeholders than normally considered.

Finally, this discussion has implications for how we research strategic management. We may learn more about these processes that blend planning with implementation to solve complex problems from studying specific, time-constrained projects that, on the surface, have little to do with what we have previously thought of as organizational strategic management. Research partners from the worlds of architecture and engineering may provide valuable insights into these processes. And, to the extent that specific technologies (information as well as “hard” technologies) are important nonhuman actors, we will need to understand their technical dimensions as well as the ways in which they interact with human systems in order to fully grasp their role in crafting and implementing strategic decisions.

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