The role strategy-as-practice and model 4i of organizational learning in deepening understanding of top management influence in the process of strategic organizational learning

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Abstract

In this article we want to discuss about the role of top management in the process of strategic organizational learning through the framework of strategy-as-practice and the model 4i of organizational learning of Crossan, Lane and White (1999). Managers have a set of core beliefs and assumptions which are specific and relevant to the organization in which they work and which are learned over time. To arrive at an optimal goal or an optimal strategy performance, organization should avoid political behavior, in which different interests of groups are traded inevitably and creates unproductive conflict and wastes time avoiding strategic organizational learning. Broadly, the aim is to encourage to step back and to open up discussion to understand practices of top management and how do they strategize during a process of strategic change. To adapt to a global world we need to integrate change in our practices continuously, which means strategic organizational learning will be also important to be integrated and will give bases to organizations to survive and to obtain competitive advantage sustainable over time.

Keywords: Organizational learning, strategy practice, strategizing.

1. Introduction

In this paper we want to give evidence of relationships of the role of top management as strategists in strategic organizational learning processes using strategy-as-practice framework and the model 4i of organizational learning of Crossan, Lane & White (1999). We want to understand the micro organizational social phenomena and how is developing strategizing, defined inside the strategy-as-practice community as 'doing strategy', and could as a whole be understood as 'a plea for serious analysis of this micro-level of strategy' (Johnson, Melin, and Whittington, 03); and how those strategic outcomes affect the macrophenomena depending on how are developing learning mechanisms Strategy performance will be influenced by top management capacity and skills of adaptation of new situations. Nowadays environments are changing continuously then all those organizations which are able to transform their core competence in dynamic capabilities (Teece, Pisano, and Shuen, 97) will be those that will be more prepared to survive and acquire competitive advantages sustainable over time.

The study research question is the following:

How do top management as strategists impact into practice and praxis and how do they influence strategy performance and strategic organization learning affecting competitive advantage?

Strategy-as-practice framework calls for deepening understanding on human agency in the construction and enactment of strategy, then it is needed to focus research on the actions and interactions of the strategy practitioners, concentrating on practice and linguistic issues. The contexts in which practitioners are shaping their activity are influence by practices and praxis; micro-actions are constructed in macro area with institutionalized properties that enable actions' transmission. This first study analysis comes from a pilot proof which is contextualized in an organization which is characterized by being chaotic in decision making, multiple goals, diffused power, and are frequently politicized in their workings. Managing these organizations is often difficult: professionals in them are not well-disposed to being managed and zealously guard their autonomy and right to participate in major decisions affecting their organizations. The first part of the paper is a travel along the theoretical background about Strategy-as-practice and the model 4i of Organizational Learning of Crossan, Lane & White (1999) to manage to find relationships among concepts to obtain a final tentative integrative theoretical conceptual model that let us to deep understanding about the role of top management as strategists through strategy performance.

2. Theoretical background

In this paragraph we introduce Strategy-as-practice framework and the model 4i of organizational learning of Crossan, Lane & White (1999).

2.1. Strategy-as-practice framework

Whittington (1996) made a map of four basic perspectives on strategy, where he explains that at the 60s, the "planning" approach focuses on tools and techniques to help managers make decisions about business direction. At 70s, "policy" researchers have developed a new focus, analyzing the organizational pay-offs to pursuing different strategic directions like diversification strategy, innovation, acquisitions, joint ventures and internationalization nowadays. At 80s "process" researchers have been exploring how organizations come first to recognize the need for strategic change and then actually to achieve it. And the "practice" approach draws on many of the insights of the process school, but returns to the managerial level, concerned with how strategists "strategize" (do strategy). In this area our study is going to be focused, concerned for individual actors, the actual managers and consultants involved in strategy making; but also there are inspirational parts to doing strategy, the getting of ideas, the spotting of opportunities, the grasping of situations, and also the perspiration, the routines of budgeting and planning as they unwind over the year (Whittington, 96). A revision of the literature leads us to identify and decide to support our better understanding of the impact of top management as strategists in the performance of the strategy at the implementation process the two frameworks of strategy-as-practice (Johnson et al. 03;Whittington, 06;Jarzabkowski, Balogun, and Seidl, 07). There is not only a process of shaping strategy also a process of learning to adapt desired situations to the environment and to make sense and give sense (Weick, Sutcliffe, and Obstfeld, 05) to the new vision of the organization. This field of strategy-as-practice has grown in recent years to give evidence of human action in strategy. Due to this youth of the perspective articles haven't too many citations. Strategy-as-practice appears to re-focus research on the actions and interactions of the strategy practitioners and viewed as part of a broader concern to humanize management and organization research (Weick, 79), because as many researchers have pointed out, strategy research seemed to have lost sight of the human being (Ghoshal and Moran, 96;Jarzabkowski, 04;Whittington, 02). The strategy-as-practice approach emphasizes explicit links between micro- and macro perspectives on strategy as a social practice (Whittington, 06). Johnson (2003) reconceptualized strategy as "doing" with the term of "Activity Based View" at

multiple social levels, giving a broader perspective of research and solving problems of contextualization of micro-actions (Jarzabkowski P, 05;Contu and Willmott, 03). This multiple division of organizational levels is an interesting contribution we will take care for our study and important to delimit the study. From a strategy-as-practice strategy is conceptualized as a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity. Strategy might be defined as those activities that draw on particular strategic practices. We adopt the broader view that activity is considered strategic to the extent that it is consequential for the strategic outcomes, directions, survival and competitive advantage of the firm (Jarzabkowski et al. 07). Strategy-as-practice may thus be seen as a part of a broader concern to humanize management and organization research (Harvey, Pettigrew, and Ferlie, 02;Weick, 79). Johnson et al. (2003) had taken up the challenge of emphasize and activity based view in where we penetrate in micro-actions through which human actors shape activity in ways that are consequential for strategic outcomes. Strategy is not something that an organization has but something its members do. This is why to analyse and deep in the micro actions of the actors as members important in the performance of the strategy to obtain effective strategically change (Johnson et al. 03). Paula Jarzabkowski (2007) asks for strategy research focused in human activity. Another important aspect to be considered is the contextualization of these micro-actions (Whittington, 06). Environment affects the performance of strategy. Then in our study organizational culture is going to be an important unit of analysis to be accounted when a change wants to be happened. Social context has institutionalized properties that enable its transmission within and between contexts, whilst being adopted and adapted differently within micro-contexts (Seidl, 07). The learning is going to be difficult to go forward. Here as it said in the literature we find explicit links between micro- and macro- perspectives on strategy as a social perspective (Whittington, 06;Jarzabkowski, 04). It refers to the micro actions (micro) that the actors are shaping their strategies through the different socially defined practices (macro).Top management as strategists (practitioners) is identified like the actors of the strategy performance, as those individuals who draw upon practices to act and they are thus interrelated with practices and praxis. They shape strategic activity through who they are, how they act and what practices they draw upon in that action. Practices are cognitive, behavioural, procedural, discursive, motivational and physical practices that are combined, coordinated and adapted to construct practice (Jarzabkowski et al. 07). Practices are defined by Reckwitz as routinized types of behaviour which consist of several elements, interconnected to one another: forms of bodily activities, forms of mental activities, "things" and their use, a background knowledge in the form of understanding, know-how, states of emotions and motivational knowledge (Reckwitz, 02). Praxis comprises the interconnections between the actions of different, dispersed individuals and groups and those socially, politically, and economically embedded institutions within which individuals act and to which they contribute (Jarzabkowski et al. 07).

2.2. Organizational Learning Framework - Model 4i of Organizational Learning of Crossan, Lane & White (1999)

Strategists use practical skills routinely in the everyday world of strategy-making, but we know little formally about what they are or how they are acquired. The practice perspective on strategy shifts concern from the core competence of the corporation to the practical competence of the manager as strategist. The agenda for research is to find out more about the work of strategizing and how strategists learn to do it. The challenge for teaching is to discover new ways of making a difference to how strategy is actually performed (Whittington,

96). Organizational learning could be a good approach to give support base and deepen in this issue to increase understanding of how strategists shape strategy at the implementation process. Organizational learning has been proposed as a fundamental strategic process and the only sustainable competitive advantage of the future (DeGeus, 88). There have been extensive reviews of the literature on organizational learning and multiple conceptualizations (Crossan, Lane, and White, 95;Easterby-Smith, 97;Fiol and Lyles, 85;Huber, 91;Levitt and March, 88). Many researchers agree that, despite the field's growth and development since the 1990s, it still lacks consistent terminology and cumulative work (Simon, 91;Weick, 91). The model 4i of organizational learning of Crossan, Lane and White (1999) attempts to unify our understanding of organizational learning and establish a clear connection between strategy and learning. This is why we have chosen for our study this model proposed by Crossan, Lane and White (1999) as a support base of our understanding of the change process. At the model 4i it is argued the tension between assimilating new learning (exploration) and using what has been learned (exploitation). Managing the tension between novelty and continuity is critical for firms' strategic renewal. The 4I framework disentangles the processes through which learning occurs in firms. Learning occurs at the individual, group and organization levels, each informing the others. These three levels of learning are linked by the four social and psychological processes: intuiting, interpreting, integrating, and institutionalizing (4I). Within these processes, cognition affects behavior, and viceversa. Strategic leaders influence each of the elements of the strategic learning system by processes of sensemaking and sensegiving.

Nowadays with growing up turbulent environments, causal relationships are increased and have more complexity and asks the necessity of generate new capacities of adaptation, this could be an explanation of why organizational learning and other constructs connected with it like knowledge theories, absorptive capacity, dynamics capacities, and so on have increased interest those last years. Organizational learning includes fields of investigation, the psychology, the sociology, the economy and the management of companies (importance in the innovation, organizational change, strategy and capture of decisions) (Dogson, 1993) and this enrich the concept but also could be an obstacle for the investigator as it becomes a complex concept of analysis. Researchers have said little about the role of top management teams in implementing organizational learning in their firms. Although there is an implicit assumption that strategic leaders are the guiding forces behind organizational learning, researchers have not delineated the specific behaviours and mechanisms through which leaders impact learning (Vera and Crossan, 04). Also Lauwrence, Mauws and Dick (2005) integrate model 4i and power and politics, which provide the social energy that transforms the insights of individuals and groups into the institutions of an organization. They propose that different forms of power in organizations are connected to specific learning processes— intuition is linked with discipline, interpretation with influence, integration with force, and institutionalization with domination—and that an examination of these different forms of power provides a basis for understanding why some insights become institutionalized while others do not (Lawrence, Mauws, Dyck, and Kleysen, 05). In our study we try to address this gap in the literature by integrating strategy-as-practise and organizational learning concentrating on the model 4i of Crossan, Lane and White (1999) to support our research of determined extensive understanding of the role of the strategists in building effective strategies.

3.   Relationship Strategy-as-practice and Organizational Learning (model 4i)

In Strategy-as-practice practitioners (strategists), practices and praxis are considered basic units of analysis which we have connected by the processes of strategic organizational learning. Organizations have to be able to draw upon practices and praxis that create flows of

feed forward of learning and also of feed back and reducing the stocks inside different levels (individual, group and organization) with the objective of balance the tension between de feed forward and feed back of learning. In the following part we are going to analize relationships between the units of Strategy-as-practice framework and the model 4i of Crossan et al (1999) to create dynamics of organizational learning. When we talk about strategists we have to do it in relation with practices and praxis, because strategists are constructing their strategy activity through the different practices of different groups inside determined praxis. Then other factors could be interesting to take on account in the study as politics, leadership, discourse, identity,…Top management as strategists' activity is important to create the right dynamics to develop organizational learning. In times of renewal strategists provide the social energy that transforms and push the insights of individuals and groups into the institutions of an organization. Strategists are building how is going to be develop strategy performance by their discourse, narrative, language. Organizations to learn need practitioners who are active on willing to engage in political behavior that pushes ideas forward and ensures their interpretation, integration, and institutionalization. Organization members, including the top management, need to understand any intended change in a way that "makes sense" or fits into some revised interpretive scheme or system of meaning (Bartunek, 1984, Ranson, Hinings and Greenwood, 1980). Top management as strategists must develop a sense of the organization's internal and external environment (Thomas and McDaniel, 1990) and define revised conceptions of the organization (via a process of sensemaking). From a strategic management perspective, findings are consistent with the view that, in theorizing about strategy, greater attention needs to be paid to the role of boards and directors in processes of strategic leadership and change (Hambrick and Finkelstein, 95).

Proposition 1: *Top management as strategists have a direct effect of creating new learning and their flow through different levels of organizational learning constructing appropriate practices through praxis by their discourse and actions (strategic activity).*

As says David Boje et al., language is not only formed content; it is also context and a way to reconceptualize content (Boje, Oswick, and Ford, 04). Strategists are constructing reality and performance strategies and reorient them to the objectives desired by their discourse and enactment (Pentland, 99). Dialogue is acknowledge as a key element of communication involved in generating organizational learning (Schein, 93). Some empirical studies in strategy-as-practice framework research are focused and highlights narrative as a mechanism of doing strategy (Hendry, 00;Samra-Fredericks, 05;Samra-Fredericks, 03). Strategy as a form of narrative, they have emphasized the fictive nature of the narratives as well as the 'multiples realities' that are constructed through narration. How through narrative strategy is constructed to sense making. In our study narrative could be a tool to analyze how strategists shape strategies to give sensemaking (Barry and Elmes, 97). During the learning process of interpretation, which join individual level with the group, practices will be constructed by processes of dialogue between members of the group making sense of the first abstract vision of the organization. Metaphors coming from an intuiting learning process are shared by the group to make sense of social phenomena. Discourses have a great deal of power over individuals, but at the same time individuals can also draw from specific discourses for their own purposes. Central to this perspective is the view that discourse and subjectivity are closely linked. Actors employ specific discourses and resist others precisely to protect or enhance their social agency or identity (Laine and Vaara, 07). Narrative is important for actors to make sense of and give sense to strategic development. During the process that bridges individual level to group level, learning appears as a process of interpretation in which tacit knowledge transform into explicit knowledge by dialogue and conversation

creating group practices by the interpretation of metaphors according to cognitive maps of the group and the language used during the interactions and negotiations. It produces a creation of meaning by organizational communication, which is defined as 'the study of messages, information, meaning, and symbolic activity' that constitutes organizations. Metaphors has become a common topic in organizational studies and link abstract constructs to concrete things facilitating interpretation of social reality (Putnam L., Phillips N., and Chapman P., 00). Barry and Elmes suggests in their article "Strategy retold: Toward a narrative view of strategic discourse" that strategic success is closely linked to narrational needs of authors and readers, proponents of narrative theory urge researchers to attend more closely to the sociocultural contexts form which strategies arise. Barry and Elmes (1997) have examined strategy as a form of narrative. They have emphasized the fictive nature of the narratives as well as the 'multiple realities' that are constructed through narration (Barry et al. 97).

Proposition 2: Narrative, semiotics and rethoric development has a direct effect on construction of strategies (strategy performance) that balance the feedforward and feedback of learning.
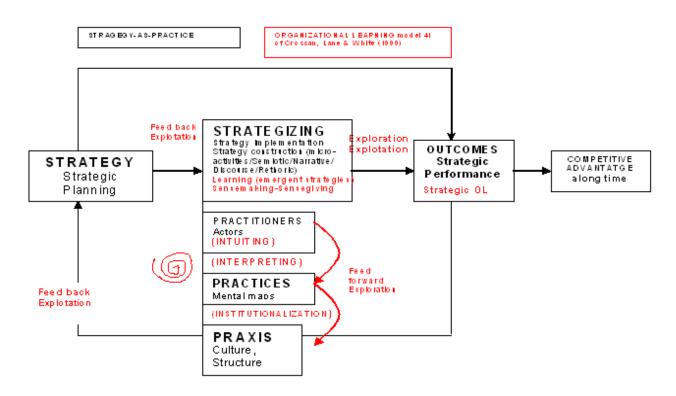
Interpreting results depends on the individuals involved and the environment within which the process occurs. Praxis is both an embedded concept that may be operationalized at different levels from the institutional to the micro, and also dynamic, shifting fluidly through the interactions between levels. Praxis which is connected with practices and practitioners also affects processes of organizational learning. To have organizations that learn political behavior, culture should create the right environments to be fed by new ideas generated by individuals and groups, if not organizations will never learn, then as a conclusion for an organization is not enough to have smart employees with great ideas to foster learning require appropriate strategists with connections, skills, resources to draw upon strategies performance to the mission and vision of the organization. Renewal senses will be constructed by top management as strategists making sense and giving sense of which is the new reality wanted. Organizations have flux and flow of learning (feedforward learning) to explore learning processes, but also permanence (feedback learning), which gives order and direction to exploitate learning processes. Discourse and linguistic practices are, for Reed, "the objective effects and ontological referents of relatively stable material resources and durable social relations which bring them into existence, through the medium of agency, as constituent features of social reality" (Reed, 00). How praxis does affects strategy performance to obtain organizational learning (feedforward) and how learning shapes praxis (feedback) to exploitate learning.

Proposition 3: Practice and praxis development has a direct effect on Top management strategic performance and the creation of flow of strategic organizational learning through the different levels.

4. Tentative integrated Conceptual Model

From all the literature revised and the pilot proof study we develop in a particular context and relationships between constructs, we have obtained the following tentative integrated conceptual model and the propositions indicated previously, which also are tentative due to real propositions will be obtained as conclusion of the reality observed in the final empirical research with the case studies. At this time we know that top management as strategist and their practices, context, narrative, learning might be units of analysis of the study but the rest will be decided in the field study depending on the problem phenomena we are going to analyze. Organizational dynamics are constructed from the interaction between emotion and

power that creates the social and political context within which both learning and organizing can take place. Emotions determines the possibilities and limitations of both learning and organizing (Vince, 01). Experience of learning could be built on company's commitment to individual development and the collective difference that this might make. As Vince study (2001) managers involved in the case study initiative learned as individuals, their learning actually had little impact on established organizational power relations or on organizing processes. Learning was linked to individual and collective experience but not explicitly to organizing (Vince, 01).

5. Conclusion and discussion

The central contribution of this work is a model that integrates and extends two established frameworks: Strategy-as-practice framework and organizational learning concentrating on the model 4i of Organizational learning of Crossan, Lane & White (1999) to propose a theoretical link between two previously disconnected constructs. In this paper we offer insight into how the impact of Top management is as strategists in the process of strategizing and how do they can facilitate and promote the development of stocks and flows of learning to obtain institutionalized learning dynamic mechanisms. To identify which activities are considered strategic or not, strategy is a particular type of activity that is connected with particular practices, such as strategic planning, annual reviews, strategy workshops and their associated discourses (Barry et al. 97;Hendry, 00). Therefore, we adopt the broader view that activity is considered strategic to the extent that it is consequential for the strategic outcomes, directions, survival and competitive advantage of the firm (Johnson et al. 03), even where these consequences are not part of an intended and formally articulated strategy, when learning processes generates emergent strategies (Mintzberg, 98). The study is development in the micro context but the results has macro consequences. The work opens other theoretical work spreading knowledge about Strategy-as-practice and Organizational learning. The methodology for the empirical research is not yet determined but is possible to choose the combination of qualitative (using case study methodology) (Yin R.K., 03;Miles B.&

Huberman M., 84) and quantitative methods to obtain more objective evidence of the answers of the research questions.

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