Communication of Strategy at AG Healthcare: An Interpretive Case Study

A thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Business Administration

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March 2008
Declaration

I certify that in respect of the content and conduct of the work reported here:

a) The work is submitted in part fulfillment of the degree of Doctor of Business Administration.

b) The work has not been submitted, in whole or in part, to qualify for any other academic award.

c) The work is mine alone, except where due acknowledgement has been made.

d) This thesis is the result of work that I have performed since my candidature began.

Terence Owen Miles

Date: 14th March 2008

Signed________________
Dedication

I dedicate this thesis to:

- My wife and daughters, to whom I owe a great debt of time and love, as this thesis took much longer than originally planned; without their support, I could not have enjoyed the journey
- My father, who taught me to live up to my dreams, to be true to myself, and to persist in the memory of knowing why you held on for so long in the first place

Acknowledgement

From the formative stages of this thesis, to the final draft, and, the additional content to address concerns raised by the examiners, I owe an immense debt of gratitude to my supervisor, Dr Paul Gibson and Professor Chris Christodoulou. Their guidance has been invaluable and brought me to realize the inner self required to complete a thesis.

I would also like to thank:

- The AG Healthcare Oceania, management group, who agreed to be interviewed; without their time and cooperation this project would not have been possible
- Professor Erica Hallebone and Dr Sharon Moore for their generosity and support
- Mr Humphrey Hamlin, Ms Christine Brand and Ms Janine Hinchliffe for their support and friendship
- Dr Jo Stubbings, (Ink Sling), for her editing services: grammar, spelling, typographical errors, and inconsistencies

To each of the above, I extend my deepest appreciation.

The sustained interest completing this thesis was a desire to become more knowledgeable of organization theory as it relates to effective communication of strategy and achievement of strategic change. The potential to develop new theoretical concepts kept alive the interest concluding the research. The conclusions are sure to improve my performance as a practitioner of business management and in the course of organizational management, help other people recognize their strengths to achieve their dreams.
Abstract:

In 2001 AG Healthcare Headquarters, Belgium appointed a new Chief Executive Officer who attempted to formulate and implement new strategy. However, the AG Healthcare Headquarters communication of strategy was failing to engage its social group members.

This interpretive case study research concerns the communication of strategy of AG Healthcare Headquarters, a division of AG Digital Belgium (an engineering company), and its geographical group, AG Healthcare Oceania. This case study developed from the premise that communication of strategy is one of the key enablers of strategy.

Using an interpretive approach, a qualitative semi-structured interview guide was designed to enable conversations with the interviewees, to gain an understanding of their thinking of AG Healthcare Headquarters’ communication of strategy. The aim of this interpretive case study research was to identify the contextual factors that should inform the thinking and communication of strategy practitioners.

Employing the AG Healthcare Oceania, management group, as interviewees, an investigation into AG Healthcare Headquarters’ communication of strategy was undertaken. As a member of the AG Healthcare Oceania, management group, the researcher was in the position of being able to build rapport and have meaningful conversations with the interviewees.

An initial search for literature concerning communication of strategy did not identify sufficient material for conducting the review. Thus, the search was extended to include strategy process, which generated a significant volume of relevant material. Recent theory on the strategy process, according to Mintzberg and Quinn (1991) was developed in the 1960s, involving strategy formulation (a process of deciding what to do) and strategy implementation (a process of achieving results). A second theory of strategy development emerged in the early 1980s, building on the work done during the 1960s to extend these concepts, introducing strategy analysis. Mintzberg and Quinn’s strategy process omits communication from its content. Therefore, the researcher proposed a modified strategy process adding to formulation and implementation a third component: communication. Communication in this study includes organizational culture, politics, structure, and trust.
Mintzberg and Quinn’s (1991) work and much of the available literature concerning theory of strategy process offer straightforward objectivity-based approaches to strategy formulation and implementation, based upon positivistic nuances.

The generation of interviewee data focused on what the interviewees believed to be the issues concerning AG Healthcare Headquarters’ communication of strategy and opportunities for its improvement. A discussion and analysis of interviewee data, using abduction, identified new insights and interviewee conundrums (pieces of puzzle) indicating four specific interviewee behaviors toward AG Healthcare Headquarters’ new strategy: distrust, resistance, adapting/influencing and sensemaking. The researcher recognized, however, that the interviewee accounts were a narrow explanation of the ongoings at AG Healthcare Headquarters and could not address the research aim and research questions using the data analysis alone. Therefore, he utilized the literature review and to a lesser extent, his experience as a strategy practitioner to assist him in the identification of the organizational contextual factors that should inform the thinking and communication of strategy practitioners.

The identification of organizational contextual factors gave the researcher the notion of a strategy environment model and a strategy engagement model, to address the issues raised by the interviewees. The strategy environment model connects the nuances of strategy process with relevant social groups through organizational culture, politics, structure, and trust. The engagement model builds upon the strategy environment model, adding the concept of a feedback loop and a communication hub where social group members can resolve any misconceptions they may have about AG Healthcare Headquarters’ communication of strategy. Any organization could apply the engagement model in their workplace.

This study contributes to strategy practitioners’ understanding of the interactions between strategy process and organizational culture, politics, structure, and trust, trans-organizational relationships and that a systems-thinking approach integrates each organizational element into a ‘whole’ strategy.

The outcome of this case study research shows that connecting strategy process with the nuances of social group memberships, using a systems-thinking approach affords strategy practitioners the opportunity of mediating their communication of strategy through organizational culture, politics, structure, and trust.
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Communication of Strategy at AG Healthcare: An Interpretive Case Study
Chapter 1

Introduction

1.1 Background to Study

In 2001 AG Healthcare Headquarters, Belgium (AG Healthcare Headquarters), appointed a new Chief Executive Officer (CEO) who attempted to formulate and implement new strategy. However, the AG Healthcare Headquarters communication of strategy was failing to engage its social group members.

This interpretive case study research concerns communication of strategy within AG Healthcare, a division of AG Digital, Belgium (an engineering company), and its geographical group, AG Healthcare, Oceania. AG Digital, AG Healthcare Headquarters and AG Healthcare Oceania are fictional company names chosen to identify the organization studied in this research. The names are intended to protect the privacy of the organization, its information and its members.

The company names that are referred to in this dissertation are: AG Digital, AG Healthcare, AG Healthcare Headquarters and AG Healthcare Oceania. The AG Healthcare Oceania, management group, was selected as the research group.
This case study research employed an interpretive methodology using a qualitative semi-structured interview guide to gain an understanding of the AG Healthcare Oceania, management group, thinking of AG Healthcare Headquarters’ communication of strategy. An abductive research strategy was employed for the analysis and identification of new insights, specific to AG Healthcare Headquarters, to explain the researcher’s observations. The aim of this interpretive case study research was to identify the contextual factors that should inform the thinking and communication of strategy practitioners.

Because AG Healthcare was involved in development of a new strategy, comprising formulation and implementation, the case study developed from the premise that effective communication of strategy is key enabler of strategy success.

Recent theory of the strategy process, according to Mintzberg and Quinn (1991) was developed in the 1960s, involving strategy formulation (a process of deciding what to do) and strategy implementation (a process of achieving results). A second theory of strategy development emerged in the early 1980s, building upon the work done in the 1960s, introducing strategy analysis.

Mintzberg and Quinn (1991) propose that strategy formulation and implementation during the 1960s era required achievement of fit between the external situation and internal capability of an organization; conversely the 1980s, strategy analysis era identified the need for formal competitive and industry analysis to highlight the underlying sources of competitive pressure.
Mintzberg and Quinn (1991, p. 45) state, ‘Corporate strategy is an organization process, in many ways inseparable from the structure, behavior, and culture of the company in which it takes place.’

These views are consistent with the views of Mintzberg, Lampel, Quinn and Ghoshal (2003, p. xiii): ‘...formulation and implementation are intertwined as complex interactive processes in which politics, values, organizational culture, and management styles determine or constrain particular strategic decisions.’

Mintzberg and Quinn’s (1991) work and much of the available literature concerning theory of strategy offer straightforward objectivity-based approaches to strategy formulation and implementation, based upon positivistic nuances.

During the period of data collection the researcher was employed by AG Healthcare, Oceania and he was a member of the AG Healthcare Oceania, management group, and other groups within AG Healthcare.

1.2 Background to AG Healthcare

AG Healthcare was a division of AG Digital during the time of this case study research. AG Digital formed in 1867, establishing itself as a manufacturer and distributor of film for photographic, x-ray and commercial graphical purpose and, by mid 1900s became a major global supplier of film.

AG Digital offered long-term employment for people within the AG Digital business in Belgium and many country offices around the globe. It was quite normal for people to have a career of more than 30 years with AG Digital.
At the time of this research study, AG Digital was a large European company of approx 25,000 employees (2001). Existing business divisions included Healthcare, Graphics and Commercial Imaging. Healthcare employed approximately 10,000 people, 40 per cent of AG Digital’s human resources.

The film business, for AG Healthcare in particular, has in recent years been replaced by digital technology. Market demand for commercial film declined rapidly during the early 2000s brought about by an increasing public interest in digital photography. This resulted in AG Digital selling its Commercial Imaging division in 2005, leaving the AG Graphics and AG Healthcare divisions to carry the AG Digital brand.

As mentioned earlier in this chapter, in 2001 AG Healthcare Headquarters appointed a new CEO to address the opportunities presented by the new digital technology, and subsequently he released a new global strategy focusing on changing organization management, structure, product portfolio, and approach to customer intimacy, and people, to achieve strategy goals within three years.

To achieve the strategy goals, AG Healthcare Headquarters intention was to acquire new business in the established Healthcare Radiology market, establish a share of other Healthcare markets where customers were demanding digital solutions from organizations new to these markets, such as AG Healthcare, and develop new technology and new skills. AG Healthcare Headquarters’ strategy was ambitious in terms of content and timeframe.

It became evident during the early stages of AG Healthcare Headquarters’ strategy implementation that the emergent strategy had developed, resulting in
confusion among management about their priorities and their understanding of the new strategy. For example, emergent strategy comprising new consultative services, solution marketing, and new business improvement projects, were not communicated effectively by AG Healthcare Headquarters. Rather, they appeared as additional workload to the AG Healthcare Oceania, management group, than an answer to recovering lost film sales.

Mintzberg and Quinn (1991) note that emergent strategy occurs when strategy develops new content in the absence of intentions, or despite them.

Some observations made by the researcher during his employ, over a period of five years, between 2000 and 2005, are shown below in Table 1.1, highlighting the extent of change at company, customer, and technology levels.
Table 1.1  Impact of internal and external change at AG Healthcare

<table>
<thead>
<tr>
<th>Organizational Level</th>
<th>Change Event</th>
<th>Impact of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Healthcare</td>
<td>Regional versus Country organizational structure.</td>
<td>Political environments developed dividing various social groups.</td>
</tr>
<tr>
<td></td>
<td>Business solutions versus Product portfolio.</td>
<td>New approaches to selling value to customers, requiring new skills.</td>
</tr>
<tr>
<td></td>
<td>Services solutions versus Business Solutions.</td>
<td>Political environments developed between sales and services groups.</td>
</tr>
<tr>
<td>AG Healthcare Customers</td>
<td>Change in relative power of Physician and Chief Information Officer.</td>
<td>Building of new relationships with customer groups.</td>
</tr>
<tr>
<td></td>
<td>Analogue data to Digital data.</td>
<td>Training of customers in new technology and the ramifications of this to their business.</td>
</tr>
<tr>
<td></td>
<td>Patient data consolidation, multi-site arrangements.</td>
<td>Training of customers in new technology and applications, and the development of new 24x7 service agreements.</td>
</tr>
<tr>
<td></td>
<td>Statewide network.</td>
<td>Change in service delivery expectation, 24x7, remote support and information technology excellence</td>
</tr>
<tr>
<td>Technology</td>
<td>Chemistry to Information Technology.</td>
<td>New skills, new methods, and new logistics.</td>
</tr>
<tr>
<td></td>
<td>Analogue to Digital.</td>
<td>Workload planning, distribution and priority of customer service calls requiring close cooperation between sales and services groups.</td>
</tr>
</tbody>
</table>

The above table reflects the researcher’s observations of AG Healthcare’s environment, which was changing within the Healthcare industry, and its customers who were changing too. External environmental issues influencing AG Healthcare Headquarters’ new CEO to formulate strategy included technology, environment, economics, and legislation, while internal environmental issues included AG Healthcare shareholders, employees, partners and social groups, who needed to be considered. As mentioned
earlier, AG Healthcare Headquarters’ strategy involved changing management structure, organizational structure, and acquiring new skills, which would lead to opportunity for diversification of social groups creating new social structures, the latest being the social groups which formed as a result of introducing Information Technology.

Numerous ways of communicating strategy were evident at AG Healthcare Headquarters, including verbal, written and graphical methods, but AG Healthcare Headquarters were failing to engage management in this new strategy. AG Healthcare Headquarters’ multi-media communications format was designed to address management, employees, customers and partners across the AG Healthcare organization. Figure 1.1 represents the main internal channels used for communication of strategy, delivered from AG Healthcare Headquarters to AG Healthcare Oceania via email, intranet, or newsletter. This resulted in person-to-person conversations, management meetings or a display of the information on company noticeboards.

Figure 1.1 Communication of strategy channels at AG Healthcare
Although AG Healthcare Headquarters’ communication of strategy was formalised, social group member perception of communication efforts was that communication of strategy remained ineffective. The perception of ineffective communication combined with AG Healthcare’s matrix organizational structure presented opportunity for tailoring (politicising) of information by some social group members.

AG Healthcare’s matrix organization structure emanates from years of organizational growth and development, having established its business to manage company results at functional levels (cost basis), business levels (profit basis) and geographical levels (customer intimacy). Matrix organizations according to Kramer and Tyler (1996) pose a problem in creating effective lateral communication, shared purpose, and openness.

AG Healthcare’s organizational structure is shown below. Figure 1.2 depicts AG Healthcare Functional Groups, Figure 1.3 AG Healthcare Business Groups and Figure 1.4 AG Healthcare Geographical Groups.

Figure 1.2  AG Healthcare functional groups
Although AG Healthcare’s structure appears straightforward in Figures 1.2, 1.3 and 1.4, the organization matrix structure becomes more complex, as shown in Figure 1.5.

Figure 1.5 displays the tyranny of the matrix structure at AG Healthcare. Multiple ways of communicating strategy arise as AG Healthcare attempts to align its business, functional and geographical groups around a matrix management format.
1.3 Researcher Background

My industrial background is that of mechanical engineer, operations and senior manager: a strategy practitioner actively involved in the formulation, implementation, and communication of strategy. Some strategies, during my career have of course, been more successful than other strategies.

Having an engineering background, my natural bias is toward a structured, well-informed, straight-forward communication that empowers people to achieve clearly defined goals. However, from the issues I faced, and assumed faced by other strategy practitioners, I concluded that positivistic approaches comprising dominant objectivity toward organizational management, fail to address the subjective elements of workplace environments.
Positivists are innately objective, wanting to test a hypothesis, to collect and analyse numerical data, based upon activities that come relatively easily to mechanistic professions, for example, engineer, accounting or, economics.

Throughout my career I have gained practical knowledge and experience along-side business associates and colleagues who commented that communication of strategy is devoid of theory and available methodology, resulting in misunderstandings about strategy, its formulation, implementation and communication in organizations.

I have reflected on what it is that I bring to this study, my situation as a member of the AG Healthcare Oceania, management group, and my experience as a strategy practitioner. I am an engineer with ideas of the world in which I work, managed from objective means, operational productivity and efficiency. My practical engineering baseline enables me to understand organizations from the bottom-up, and my career development, in workplace experience and tertiary terms has assured my knowledge of management practices and the ongoings of organizational top-down directives that invariably ignore social group relationships.

My career thus far, has afforded me a rich and rewarding experience as engineer, senior manager and strategy practitioner, and a researcher attempting to identify the contextual factors that should inform the thinking and communication of strategy practitioners. I believe that interaction between people within the same organization is stimulated by cultural, structural, political, and trust-related components of that organization. As a manager and
strategy practitioner I continue to search for new ways of motivating social

group members.

My position as a member of the AG Healthcare Oceania, management group,
enabled strong rapport with other members of the Group, and this provided
colleagues with the opportunity of discussing their issues, a rich and deep
divulgence that may not have been achieved by an outsider to the organization.

My role as manager, strategy practitioner and member of various groups was
central to communication of strategy. However, my commitment to this case
study research kept me cognizant of my biases, prior knowledge and ideas
about AG Healthcare Headquarters communication of strategy and to guard
against these.

1.4 Selection of Research Group

The research group (interviewees) selected for this interpretive, single
organization case study worked at AG Healthcare Oceania and were located in
specific customer account locations across Australia. These twelve interviewees
were responsible for communication of strategy to subordinates, to other
groups within AG Healthcare Oceania, AG Healthcare Oceania customers and
AG Healthcare Oceania partners, as required. The group was central to this
communication of strategy study and it was appropriate therefore to utilize
their explanations to address the research questions. No other Oceania group
had specific access to AG Healthcare Headquarters’ communication of strategy.

Prior to commencing semi-structured interviews an application to proceed was
made to the RMIT University Ethics Committee. Approval to conduct the
interviews was received. A Plain Language statement, (Appendix A) and an Participant Consent Form, (Appendix B), complying with RMIT research ethics requirements were presented to each of the participants, and were signed prior to the collection of data.

The group selection was not a random process; the group had existed for several years, and provided a stable view of the relationship between AG Healthcare Headquarters and AG Healthcare Oceania. The data generated from the semi-structured interviews are descriptive rather than inferential; containing details of interviewees’ understanding concerning communication of strategy.

Table 1.2 shows the hierarchical position for each of the AG Healthcare Oceania interviewees, with their corresponding years of employment. This table highlights the total number of years of management experience within the AG Healthcare Oceania, management group (estimated 103 years), and the number of years of management experience in a management position (estimated 224 years).
Table 1.2 Interviewee profile

<table>
<thead>
<tr>
<th>Interviewee Number</th>
<th>Position at AG Healthcare</th>
<th>Number of Years at AG Healthcare</th>
<th>Number of Years in Management Position</th>
<th>Australia State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Manager</td>
<td>7</td>
<td>20</td>
<td>Victoria</td>
</tr>
<tr>
<td>2</td>
<td>Manager Marketing</td>
<td>27</td>
<td>27</td>
<td>Victoria</td>
</tr>
<tr>
<td>3</td>
<td>Manager Sales – New South Wales</td>
<td>15</td>
<td>25</td>
<td>New South Wales</td>
</tr>
<tr>
<td>4</td>
<td>Manager Sales Queensland and New Zealand</td>
<td>7</td>
<td>10</td>
<td>Queensland</td>
</tr>
<tr>
<td>5</td>
<td>Manager Sales Western Australia</td>
<td>10</td>
<td>15</td>
<td>Western Australia</td>
</tr>
<tr>
<td>6</td>
<td>Manager Sales Victoria, South Australia and Tasmania</td>
<td>2</td>
<td>15</td>
<td>Victoria</td>
</tr>
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<td>7</td>
<td>Manager Digital Product</td>
<td>3</td>
<td>10</td>
<td>Victoria</td>
</tr>
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<td>8</td>
<td>Manager Analogue Product</td>
<td>6</td>
<td>25</td>
<td>Queensland</td>
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<td>9</td>
<td>Manager Remote Services</td>
<td>12</td>
<td>20</td>
<td>Victoria</td>
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<tr>
<td>10</td>
<td>Manager Finance</td>
<td>3</td>
<td>7</td>
<td>Victoria</td>
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<tr>
<td>11</td>
<td>Manager Professional Services</td>
<td>6</td>
<td>25</td>
<td>Queensland</td>
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<tr>
<td>12</td>
<td>Manager Digital Solutions</td>
<td>5</td>
<td>25</td>
<td>New South Wales</td>
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<tr>
<td></td>
<td>Total Years</td>
<td>Estimated 103 years</td>
<td>Estimated 224 years</td>
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</table>

The interviewees’ gave their time freely and were afforded the freedom to express, and expand upon, their own ideas and views, as the primary source of data collection for this case study research. The AG Healthcare Oceania, management group, were all Australian citizens and predominantly male. It was a mature aged group with wide-ranging professional and personal expertise in managing business strategy and operational environments. The
group offered a rich opportunity to gain information specific to this case study research, and their understanding of AG Healthcare Headquarters communication of strategy provided scope for the identification of new insights, which are discussed in Chapter 5.

The importance of the AG Healthcare Oceania, management group, as interviewees, was that this group, prior to the CEO’s new strategy, had succeeded in formulating and implementing strategy, specific to the Oceania geographic area. They had a strategy to overcome poor results, average sales and profit, turning the AG Healthcare, Oceania organization into one that subsequently grew by more than 20 per cent per year, over a period of five years. The interviewees had established a significant presence in the Australian and New Zealand markets, securing single source relationships with many customers, ahead of strong competition from larger organizations offering significantly larger portfolios.

The interviewees had significant experience in managing technical situations, being experts in their chosen product area of sales or services. The Oceania Group had a wide range of managerial experience, having joined AG Healthcare Oceania from managerial positions of other successful companies. People wanted to join the AG Healthcare Oceania, management group, as it had forged a reputation for quality and customer relationships, and had established a strong organizational culture.

As members of the AG Healthcare Oceania, management group, the interviewees had formal tertiary qualifications, and exposure to multiple
informal educational activities, for example, group productivity and business-specific workshops.

The interviewees commented during the interviews that the semi-structured interview conversations had a positive impact on their thinking and understanding about at AG Healthcare Headquarters’ communication of strategy, and that AG Healthcare Headquarters should make use of the research recommendations.

1.5 Research Questions

The development of research questions was based on a structured approach that enabled questions, suitable for an interpretive study, to be developed. Blaikie (2000) suggests that devising a way of developing research questions is unique to the researcher. In the case of this research study, the researcher approached the development of the research questions with the research aim in mind and a desire to develop a strategy engagement model.

The research aim, as stated earlier in this chapter was to identify the contextual factors that should inform the thinking and communication of strategy practitioners.

The development of research questions called for the researcher to explore extensively those relating to the communication of strategy. No potential question was ignored; the list initially contained questions seeking descriptions, and others seeking explanations.
Blaikie (2000, p. 61) suggests that interpretive research questions should commence with ‘what’, saying that ‘...‘what’ questions normally precede ‘why’ questions, and ‘why’ questions normally precede ‘how’ questions. We need to know ‘what’ is going on before we can explain it’....

Blaikie (2000, p. 62) states, ‘Research questions are needed to define the nature and scope of the research.’

The process of creating research questions prompted thoughts about associated issues and opportunities relating to the communication of strategy identified in the literature review, and the grouping and elimination of these. The researcher crosschecked these issues and opportunities against his perception of each interviewee, but did not consider any of the research questions identified to be controversial or outside of the AG Healthcare Oceania, management group, experience as managers and strategy practitioners.

The questions that the research attempts to address are:

- What factors does the AG Healthcare Oceania, management group, think have hindered or enabled communication of strategy?

- What are the discernible patterns of accounts and action associated with the different social processes of resistance to communication of strategy?

- What issues and opportunities does the AG Healthcare Oceania, management group, think are important for effective communication of strategy?
What kind of model of communication practices would represent effective communication of strategy, in a manner that would be useful, for strategy practitioners?

Because the interviewees’ narrative, presented in Chapter 4, expressed a narrow explanation of the issues, concerning AG Healthcare Headquarters communication of strategy, the researcher could not adequately address the research questions and research aim using the interview data alone. To facilitate the identification of the contextual factors that should inform the thinking and communication of strategy practitioners, it was necessary for the researcher to formulate an additional research question. The new research question was:

What organizational contextual factors does the current literature suggest should inform the thinking and communication of strategy practitioners?

1.6 Thesis Overview

Chapter 1 introduced the background to this single organization case study research and establishes why the research was conducted. An introduction to AG Healthcare is presented providing the reader with the issues faced by the company, the selection of interviewees and the development of a research aim and research questions.

Chapter 2 presents a review of current literature, highlighting the work of Mintzberg and Quinn’s (1991) strategy process to present a contrast with the works of other key authors relating to the communication of strategy.
Strategy and the strategy process are defined and for Mintzberg and Quinn (1991) strategy process includes strategy formulation and implementation. The researcher explains the theoretical definitions of strategy process and a modified strategy process is presented including formulation, implementation and communication, which was used for the review of literature.

Chapter 3 explains the interpretive case study methodology and qualitative methods employed for this case study. An explanation of qualitative method used for the collection of data, including semi-structured interview method, data reduction and analysis is presented.

Chapter 4 presents the interview data, in the form of data categories, which resulted from reducing and interrogating the data. The researcher provides elaboration of the interview data, adapted from extracts of the raw data.

Chapter 5 presents a discussion and analysis of the research data, using an abductive research strategy. On further review of the data the researcher realised the interviewees’ narrative expressed a narrow explanation of the issues, concerning AG Healthcare Headquarters’ communication of strategy, which led to the formulation of an additional research question.

Chapter 6 discusses the development of a strategy environment model and an engagement model. The two strategy models contribute to practice by providing strategy practitioners with a practical systems-based model that can be applied in the workplace. The engagement model could be applied to any organization.
Chapter 7 presents the research conclusions and recommendations for this case study, and limitations of the case study. This study contributes to strategy practitioners’ understanding of the interactions between strategy process and organizational culture, politics, structure, and trust, trans-organizational relationships and that a systems-thinking approach integrates each organizational element into a ‘whole’ strategy.

The next chapter presents a review of literature relevant to this research case study.
Chapter 2
Literature Review

2.1 Introduction

The literature review for this case study begins with a search for existing knowledge on the subject of ‘the communication of strategy’ however, because the subject domain was found to contain inadequate volume of relevant literature for the review, the researcher expanded the search to include strategy process.

Utilizing the definition of strategy by Mintzberg and Quinn (1991), discussed later in this chapter (see 2.3), the literature review presents a contrast to Mintzberg and Quinn’s work concerning strategy process, with the works of other well-respected leading authors on the communication of strategy.

Strategy, its definition, and the concept of a strategy process described by Mintzberg and Quinn (1991) are explained, including definition of strategy formulation and strategy implementation. The researcher proposes that Minztberg and Quinn’s (1991) concept of strategy process omits communication from its content, and that communication be considered an additional component, producing a modified strategy process - a tripartite frame- for the literature review.
Figure 2.1 depicts the structure of the literature review. Existing knowledge on the subject communication of strategy formed the basis of the review: the arguments and the issues identified by the researcher. The aim of this literature review was to acquire an understanding of existing literature, how communication of strategy has been researched, and what the key issues are.

<table>
<thead>
<tr>
<th>Literature Review Chapter 2</th>
<th>Search</th>
<th>Literature Review</th>
<th>Summary</th>
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<tr>
<td><strong>Chapter 1 Introduction</strong></td>
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<td>Research Questions</td>
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<td><strong>Search</strong></td>
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<td>Literature Search</td>
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<td>Strategy Process Communication:</td>
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<td>4. Trust</td>
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<td>Identifying existing knowledge</td>
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<td><strong>Literature Review</strong></td>
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<td>Definition of strategy and strategy process</td>
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<td>Mintzberg and Quinn’s Strategy Process</td>
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<tr>
<td>1. Formulation</td>
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<td>2. Implementation</td>
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<tr>
<td><strong>Summary</strong></td>
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<tr>
<td>Strategy Process does not offer a means to communicate in terms of culture, structure, politics, trust</td>
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<td>The link between strategy process and communication of strategy has not been fully explored</td>
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<td>Four concepts surrounding strategy and communication.</td>
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<td>1. Culture</td>
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<td>4. Trust</td>
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<tr>
<td>Literature in the ‘communication of strategy’ domain is embryonic, wanting for an in-depth approach to communication of strategy, and organizational social constructs.</td>
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Hart’s (1998, p. 27) purpose of a literature review, and Bourner’s (1996, p. 8) comments on reasons for conducting a literature review are shown in Table 2.1.

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<tr>
<td>Distinguish what has been done from what needs to be done</td>
<td>Identify gaps in current knowledge</td>
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<td>Discover important variables relevant to the subject</td>
<td>Avoid reinventing the wheel</td>
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<tr>
<td>Synthesize and gain a new perspective</td>
<td>Carry on from where others have already reached</td>
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<tr>
<td>Identify relationships between ideas and practice</td>
<td>Identify other people working in the same and related fields</td>
</tr>
<tr>
<td>Establish the context of the subject</td>
<td>Increase the breadth of the researcher’s knowledge of the subject area</td>
</tr>
<tr>
<td>Rationalize the significance of the problem</td>
<td>Identify seminal works</td>
</tr>
<tr>
<td>Enhance and acquire the subject vocabulary</td>
<td>Provide the intellect context for the researcher’s study project</td>
</tr>
<tr>
<td>Understand the structure of the subject</td>
<td>Identify opposing views</td>
</tr>
<tr>
<td>Relate ideas and theory to applications</td>
<td>Put the researcher’s work into perspective</td>
</tr>
<tr>
<td>Identify the main methodologies and research techniques that have been used</td>
<td>Demonstrate that the researcher can access previous work in the subject area</td>
</tr>
<tr>
<td>Place the research in a historical context to show familiarity with state-of-the-art development</td>
<td>Identify information and ideas that may be relevant to this study</td>
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According to Hart (1998) and Bourner (1996), the content of Table 2.1 represents those elements of a literature review considered important for it to be successful. This research attempted to satisfy the elements identified by Hart and Bourner’s lists.
Selfridge and Sokolik (1975) explain that organizational communication is a blend of overt and covert components that facilitate relationships between an organization and its workforce. The authors’ note that overt communication contains objective-based content, while covert communication consists of subjective content, including culture, politics, structure, and trust.

The outcome of the literature review is that literature concerning communication of strategy remains embryonic, wanting for the development of new theories of strategy process for organizations to apply in their formulation, implementation, and communication of strategy. The issues identified during the review indicate that there is scope for additional research into the subject communication of strategy.

The next part of this chapter discusses the steps taken to identify relevant literature for this review.

2.2 Identifying Existing Literature

It was identified in Chapter 1 that the aim of this exploratory case study was to identify the contextual factors that should inform the thinking and communication of strategy practitioners, and therefore a number of topics found in the literature have relevance (see 1.1).

Hart (1998) says that a review of current literature is important because without it the researcher will not acquire an understanding of the research subject, of what has already been written, how the subject was researched, and what the key issues are. A robust literature review includes adequate
breadth and depth, rigor and consistency, clarity, and effective analysis and synthesis to demonstrate the need for new knowledge.

Hart (1998) explains that a literature review identifies current knowledge in the subject area being researched. It constructs from current knowledge, a justification of the research approach taken. Hart adds that the researcher should demonstrate familiarity with their subject, inclusive of the skills in library searching, to show command of the subject area and understanding of the problem, to justify the research subject and its design.

Hart (1998, p. 13) offers the following definition of a literature review:

The selection of available documents (both published and unpublished) on the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfill certain aims or express certain views on the nature of these documents in relation to the research being proposed.

The review conducted for this research study is a fundamental component of the research: to establish literature in the domain of communication of strategy.

Figure 2.2 represents the three phases undertaken by the researcher for the literature search: stages, sources and outcomes. In particular, the process utilized electronic sources, dissertation abstracts and library catalogues. Hart (1998) proposes that these are typical of the channels required for the identification of suitable literature for a doctoral research study.
The research study began by developing a plan to search for available literature. Documents on previous and existing works concerning communication of strategy were located using hard copy and electronic databases, for example, RMIT University Library, Internet, ABI / Inform, Emerald, Expanded Academic, Factiva, ProQuest, Science Direct and Web of Science. The databases were utilized for the searching of information under the RMIT University Library subject guides: Business Management, International Business, Major Business Databases and Social Science. These are tools that enable relevant items on topics within the social sciences to be identified.

Finally the researcher established the following approach for searching books and articles, as shown in Figure 2.3, using the RMIT University Library as the means to search for books, journals, and dissertations.
Looking at journal article abstracts enabled the researcher to review many potentially relevant documents. A review of the abstracts gave the researcher an idea of the contents of the articles.

Although ‘communication of strategy’ was used as key search words, the search for luminary works identified few pieces of literature that addressed this subject. Because the subject domain was found to contain an inadequate volume of literature for this review, the researcher expanded the key word search to include associated subject material from the strategy domain concerning strategy process as this was found frequently in the search for literature concerning communication of strategy. The subsequent search for literature concerning strategy process identified a significant volume of work that addressed objective and subjective characteristics of strategy, including strategy formulation, strategy implementation, communication, and its components of culture, politics, structure, and trust.
The outcome of this literature search gave the researcher the notion of linking the straightforward objective-based strategy process with the subjective components of communication, in a communication of strategy circle, as shown in Figure 2.4.

Figure 2.4 depicts strategy formulation, strategy implementation and communication of strategy residing with the subjective organizational characteristics of culture, politics, structure, and trust. Communication of strategy is suggested by the researcher to be a central link highlighting communication of strategy as a key component of an organization’s strategy. Driskill and Brenton (2005) propose that communication style is unique to an organization’s environment and is influenced by politics, structure and culture, influencing the level of trust between individuals.

The researcher narrowed the search by focusing on content that contained the following information: strategy process, communication of strategy, culture, politics, structure, and trust.

Figure 2.4 will be discussed later in this chapter (see 2.3.2).
The next part of this chapter introduces a definition of strategy, the Mintzberg and Quinn (1991) definition of strategy process, and its formulation and implementation.

### 2.3 Strategy: Definition and Process

What is strategy? Mintzberg and Quinn (1991) suggest that there is no universally accepted definition, and many authors appear to use the term ‘strategy’ to present their views regarding organizational growth, and its goals.
This case study research utilizes the works of Mintzberg and Quinn (1991) to create a point of reference, for comparison and discussion of strategy, strategy process, and communication of strategy, with the definitions proposed by other authors.

Mintzberg and Quinn (1991) offer this definition of strategy: ‘A strategy is a pattern or plan that integrates an organization’s major goals, policies, and action sequences into a cohesive whole’.

2.3.1 Strategy defined

Mintzberg and Quinn (1991) suggest that strategy can be traced back before the time of Pericles (450 B.C.) where the role of strategy was determined to be the role of a particular position: an administrator of governance.


Initially strategos referred to a role (a general in command of an army). Later it came to mean ‘the art of the general’, which is to say the psychological and behavioral skills with which he occupied the role. By the time of Pericles (450 B.C.), it came to mean managerial skill (administration, leadership, oration, power). In addition, by Alexander’s time (330 B.C.) it referred to the skill of employing forces to overcome opposition and to create a unified system of global governance.

Military-diplomatic strategies have existed since prehistoric times and have been documented by historians in lore. Mintzberg and Quinn (1991) note that various forms of strategy were distilled into the maxims of Lenin (1927), Napoleon (1940), Machiavelli (1950), Montgomery (1958) Sun Tzu (1963). It
is worth noting that, with few exceptions, the most basic principles of strategy were in place and recorded long before the Christian era.

Mintzberg and Quinn (1991, p. 12) further suggest five definitions of strategy, which are in the same way interrelated:

- Strategy as a ploy, a specific maneuver intended to outwit an opponent or competitor.
- Strategy as a plan, some sort of consciously intended course of action, a guideline to deal with a situation.
- Strategy as a pattern, a pattern in a stream of actions...consistency in behavior.
- Strategy as a position, locating an organization in what organization theorists like to call an “environment”.....the mediating force between organization and environment.
- Strategy as a perspective, an ingrained way of perceiving the world.

One of the above strategies appears different to that offered by Mintzberg and Quinn (1991) earlier in this chapter. This point of difference helped the researcher understand that strategy is a complex activity.

Mintzberg and Quinn (1991) note that a strategy may be looked at as either a priori statement to guide action or a posteriori result of actual decision behavior. In most complex companies, large multinationals, say Mintzberg and Quinn, there is little evidence of a complete priori statement of a total strategy that actually is followed. It is the events of emergent strategy according to Mintzberg and Quinn that could be considered true strategy, as
it is this strategy that results from the efforts of management groups and their subordinates, as workplace practitioners.

Additional definitions for the term ‘strategy’ were found in the knowledge domain ‘strategy’. Some of these are presented below:

Galbraith and Nathanson (1978, p. 3) look to their own strategy formulation process, claiming, ‘...strategy, then, means a specific action, usually but not always accompanied by the development of resources, to achieve an objective decided upon in strategic planning’.

Venzin, Rasner and Mahnke (2005, p. 15) state, ‘...strategy work is largely a creative act, not purely analytical procedure’.

Stopford (2001, p. 169) asserts:

The point of strategy is to help individuals choose among competing priorities.

And, the dream, the company’s ambition for the future, can promote a climate of values that helps people make certain choices for themselves – while still permitting them to rapidly adapt when change is necessary.

Kaplan and Norton (2004, p. 29) state, ‘Strategy describes how an organization intends to create sustained value for its shareholders’.

Hamel and Prahalad (1994, p. 128) claim: ‘Developing a point of view about the future should be an ongoing project sustained by continuous debate within a company, not a massive one-time effort’.
Simpson (1998, p. 476) states, ‘Strategy is a creative process, and like all creative processes, it does not respond well to routines. Routine processes produce routine results.’

Porter (1996, p. 64) claims that, ‘The essence of strategy is choosing to perform activities differently than rivals do’.

Farjoun (2002, p. 584) asserts:

...the organic concept of strategy stresses action, coordination, and adaptation. It suggests that prior notions of strategy such as position and a pattern may have much more in common than previously suggested. It particularly highlights the need to better understand the variety of coordinating mechanisms, the ways they combine or conflict in practice, and the contexts in which they are most effective.

Key success factors for strategy success, according to these definitions, include actions, goals, economics, assessment, information, process, coordination, adapting, and creativity. The different definitions of strategy noted above imply that strategy is a complex process, comprising a number of steps to create a future state, a state whereby an organization will embark upon something new, a new direction comprising what it believes to be steps to change the status quo.

The researcher endorses Mintzberg’s, et al. (2003, p. 6) notion that strategy is a complex set of steps to create a future state, noting that strategy is a process of divergence, from deliberate to emergent, each strategy element being deliberate. The authors offer a number of methods for classifying strategy as: planned, entrepreneurial, ideological, umbrella, process, disconnected,
consensus, or imposed. These emphasise complexity of decision-making around formulating and implementing strategy.

Mintzberg and Quinn (1991) note that much of the current literature treats strategy as a means to deal with an enemy or set of competitors. Further, Mintzberg et al. (2003) note that strategy also draws academics and strategy practitioners into some of the most fundamental issues about organizations’ as instruments for collective perception and action, and because there are many definitions offered for the term ‘strategy’, scholars and researchers need to be cognizant of eclecticism in their approach to understanding the relational aspects of strategy.

The importance of Mintzberg et al.’s (2003) view concerning strategy with respect to this case study is that it alludes to strategy being a complex process. This concurs with the aim of this research, as stated in Chapter 1, to identify the contextual factors that should inform the thinking and communication of strategy practitioners.

2.3.2 Strategy process

Mintzberg and Quinn (1991) note that there have been two recent waves of strategy consensus among leading authors. The first was developed in the 1960s, and involved the process of formulating and implementing strategy. The second wave, emerging in the early 1980s, built upon the work done during the 1960s introduced strategy analysis. The development of the concept strategy analysis was to extend the earlier work noted by Mintzberg and Quinn of strategy formulation, introducing a formal analysis to the formulation of strategy. The authors claim that strategy is an organization
process, which is in many ways inseparable from the structure, behavior, and culture of the company in which it takes place. Although Mintzberg and Quinn note that there are two obvious components of strategy - formulation and implementation - they fail to adequately address communication of strategy as an integral component of the strategy process.

The presentation of Mintzberg and Quinn’s (1991) concept of strategy process will be reviewed when comparing other literature concerning strategy process. Mintzberg and Quinn provide a coherent explanation of their strategy process, and how it may be utilized by organizations formulating and implementing strategy. Therefore, the researcher considers this approach appropriate for the review of literature for this case study research.

Mintzberg and Quinn (1991, p. 5) suggest that the strategy process is:

The pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principle policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers...

Figure 2.5 depicts the researcher’s view of the strategy process described by Mintzberg and Quinn (1991), showing the components of strategy formulation and strategy implementation.
Mintzberg and Quinn (1991) note the important role of leadership, outlining that institutional leadership is responsible for definition of company mission and the establishment, tracking, and achievement of organizational goals. The authors note that the analysis of goals is itself dependent upon an understanding of an organization’s social structure.

Mintzberg and Quinn (1991) differentiate between institutional leadership and interpersonal leadership, which according to the authors align with the concept of strategy process comprising a formulation stage (institutional), establishment of policy, in addition to an implementation stage (interpersonal) that promotes human interaction, communication, and motivation.

The role of leadership according to Mintzberg and Quinn (1991) is an important aspect of strategy process including the components of formulation and implementation; the role of a leader is proposed to ensure organizational goals are set, and takes account of what the organization can, and must do, to realize the strategy. Leadership according to Mintzberg and Quinn’s relies on objectivity for the institutional leader, and draws upon
subjectivity for the interpersonal leader, who has the role of communication and command. Although Mintzberg and Quinn provide a distinction of different leadership styles, comprising objective and subjective content, their work indicates that communication of strategy is implicit in the role of the leader, rather than explicit by design.

The researcher acknowledges the importance of leadership, and its relationship with strategy success, and or failure, its formulation and implementation. However, as communication of strategy is one of the traits of leadership according to Mintzberg and Quinn (1991), the researcher is not able to discuss leadership as a function of the strategy process until an improved view of the issues concerning communication of strategy, are identified.

Mintzberg and Quinn’s (1991) definition of strategy process, comprising strategy formulation and strategy implementation assisted the researcher in moving beyond a single perspective of strategy. The distinction, between formulation and implementation is that organizational change is an implied outcome of strategy formulation, while organizational change is an actual outcome of strategy implementation.

Having discussed the work of Mintzberg and Quinn (1991) regarding strategy process, its formulation and implementation, and the role of leadership, the researcher proposes that their strategy process omits the important component of communication. This is central to strategy process and the role of organizational leadership.
To address the omission of communication from Mintzberg and Quinn’s (1991) strategy process, the researcher proposes an alternative strategy process, which is depicted in Figure 2.6. He adds communication as a third component, essentially taking into consideration communication of strategy as one of the organizational success factors of strategy process: formulation and implementation.

**Figure 2.6: Mintzberg and Quinn’s (1991) ‘Strategy Process’ modified**

![Diagram](image.png)

Figure 2.6 depicts that communication of strategy has a number of sub-components, comprising culture, politics, structure, and trust. These are consistent with those shown in Figure 2.4, identified earlier in this chapter. Figure 2.6 provides a tripartite frame for conducting the literature review.

The modified strategy process accords with the search for literature, mentioned earlier in this chapter depicted in Figure 2.4. This identifies a link between strategy, strategy process, its formulation and implementation, and communication, and its components of culture, politics, structure, and trust.
Given that communication is pervasive and may be communicated via multiple medias, for example, a number of discrete functions and activities, Selfridge and Sokolik (1975) explain that these functions and activities are formal (overt) and informal (covert) components of communication, and are significant in developing organizational culture, politics, structure, and trust. Communication and its overt and covert components are discussed later in this chapter (see 2.4).

Alternatively, Venzin et al. (2005, p. 11) state:

> The strategy process is like a visit to the doctor. There the first stage of consultation is usually to take blood tests, check blood pressure, and determine other performance indicators. Then, based on the laboratory report, the doctor can start the next phase: identifying problem areas or, if you transfer it to business, strategic themes.

The approach adopted by Venzin et al. (2005) demonstrates that strategy can be developed through adoption of nine carefully thought-out stages that provide the basis of the strategy process, from measurement to implementation. However, this approach to strategy process does not address adequately the subject communication of strategy.

Venzin et al. (2005) suggest that a corporate strategy, as in the case of AG Healthcare Headquarters requires a contextual understanding of the relationship between AG Healthcare Headquarters and the interviewees to ensure that value is created at the Oceania business level. Rather than imposing strategy on AG Healthcare, Oceania, the authors’ suggestion is that a corporate group needs to develop an understanding of the culture that
animate the activities of the interviewees, which is a view consistent with that of Mintzberg and Quinn (1991), discussed earlier.

Farjoun (2002) offers an alternative organic conceptualization of strategy process. The author suggests that rather than view development of strategy according to Mintzberg and Quinn’s (1991) strategy process, which is suited to a relatively stable and predictable world, as a set of distinct processes: formulation and implementation, development of strategy is better viewed as organic and constantly coevolving. Farjoun portrays strategy as the complex and constantly changing behaviour of individuals, companies, and markets, observed by strategy practitioners.

Jarzabkowski (2005) explains that the field of strategy has been dominated by economics-based views over the development of strategy process. The author suggests that strategy as practice is distinct from, but responds to, challenges and issues found in strategy process.

Jarzabkowski (2005, p. 2) says that much of recent strategy research has remained remote from the study involved in doing strategy. Jarzabkowski states:

Practice research aims to understand the messy realities of doing strategy as lived experience, to go inside the world of strategy practitioners as they struggle with competing priorities, multiple stakeholders and excessive but incomplete information in an attempt to shape some coherent ‘thing’ that may be perceived as a strategy by markets, financial institutions and customers.

Jarzabkowski’s (2005) concept of a lived experience indicates that academics face the perplexing problem of a gap between theories of what strategy is, and
its actual practice. Jarzabkowski proposes that the knowledge gap exists as a result of previous strategy research remaining remote from the study of the myriad of activities and practices involved in doing strategy.

Jarzabkowski (2005) notes that the current strategy process employed by many organizations is primarily concerned with explanations at the organizational level of analysis, necessarily sacrificing more fine-grained analysis of activity construction. Jarzabkowski challenges the worth of the economics-driven strategy process, of the kind Mintzberg and Quinn (1991) propose, to organizational performance, saying that the focus on economics reduces the role of the employee to one of a simplistic figure, represented by a few demographic variables. The views of Jarzabkowski indicate that current thinking concerning strategy is out-of-touch, with the complexities of strategy in practice (practitioner theory), a view that identifies relevant issues but does not address organizational communication of strategy. Practitioner theory is discussed in Chapter 6 (see 6.4.1).

The strategy context expressed by Jarzabkowski (2005) indicates that the two approaches to development of strategy theory exist on a continuum where academics live at one end and practitioners the other, depicted by the researcher in Figure 2.7.
Keedy (2005) says that nineteenth-century positivism and early twentieth-century technical rationality created rifts between theory and research, and practice, in all learned professions. Positivism emphasises facts and has objectivity as its criteria, thus new organizational environments where organizational practitioners live, require new concepts and theory from universities which match these new environments.

Schon (1983) notes that from the perspective of technical rationality professional practice is a process of problem solving, which is central to the practice of industry professionals who seek ends that are fixed and clear, and where decision to act can present itself clearly. Schon continues saying that when conditions are not clear, having no identified ends, that practitioners bound by positivist epistemology find themselves caught in a dilemma.

Figure 2.6, identified earlier in this chapter, showed the researcher’s proposed modified view of Mintzberg and Quinn’s (1991) strategy process, depicting communication as a link between Strategy Formulation and Strategy Implementation. The researcher further proposes that based upon Figure 2.6, communication of strategy acts as a bridge: a connection between...
the positivistic aspects of strategy formulation and implementation, and interpretivist emphasis of communication, which is depicted in Figure 2.8.

Figure 2.8 provided the researcher with the notion of objective and subjective components of strategy working together through communication of strategy: a duality of positivistic and interpretive approaches to strategy.

Interpretivism according to McGuire (1996), has subjective emphasis, focused on meaning and theoretical verification which accords with Denzin and Lincoln (1994) noting that in interpretivism, social reality is viewed as being significantly socially constructed, based on a process of interpretation of the intentional, and meaningful behavior of people. Denzin and Lincoln further note that reality resides neither with an objective external view of the world nor with the subjective mind of the knower, but with dynamic transactions between the two.


The importance of the Denzin and Lincoln (1994) quotation is that it assisted the researcher with his notion that communication of strategy, as depicted in Figure 2.8, provides central connectivity between the objective-based Mintzberg and Quinn (1991) strategy process, and the subjective characteristics of an organization’s social constructs or community.
The next part of this chapter introduces strategy formulation and strategy implementation: two of the three ‘modified strategy process’ components.

### 2.3.2.1 Strategy formulation

Mintzberg and Quinn (1991, p. 45-46) states that strategy formulation is to decide what to do, and includes:

....includes identifying opportunities and threats in the company’s environment and attaching some estimate or risk to the discernable alternatives. Before a choice can be made, the company’s strengths and weaknesses would be appraised together with the resources on hand and available. Its actual or potential capacity to take advantage of perceived market

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**Figure 2.8: Communication of strategy**

<table>
<thead>
<tr>
<th>Positivist:</th>
<th>Interpretivism:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emphasis -- ‘FACT’ (Objective)</td>
<td>Emphasis -- ‘MEANING’ (Subjective)</td>
</tr>
<tr>
<td>Ontology -- ‘SENSE’</td>
<td>Ontology -- ‘REFLECTIVE REASON’</td>
</tr>
<tr>
<td>Verification -- ‘EMPIRICAL/STATISTICAL’</td>
<td>Verification -- ‘THEORETIC COHERENCE’</td>
</tr>
</tbody>
</table>

**Strategy Process (Mintzberg and Quinn)**

- **Formulation**
- **Implementation**

**Communication of Strategy**

- Culture
- Structure
- Politics
- Trust

**Strategy Social Construct (Community)**

- Management
- Employees
- Shareholders
needs or to cope with attendant risks should be estimated as objectively as possible.

Galbraith and Nathanson (1978) propose that strategy ‘formulation’ is the process of deciding the basic mission of a company, the objectives, and actions that the company seeks to achieve, and the major strategies and policies governing the application of the company’s resources to achieve its objectives. The author’s view concurs with Mintzberg and Quinn (1991).

Venzin et al. (2005) further suggest that strategy formulation in collaboration with employees can have positive effects on the organization; people feel invigorated when they see their hard work produced in the form of media for general consumption. The authors consider this approach quite normal for a small company. When a large company formulates strategy, it is not possible to involve everyone directly in the strategy process, and therefore, the strategy process often suffers from too strict a separation between its formulation and its implementation.

Kim and Mauborgne (2005) concur with Venzin et al.’s (2005) notion of collaboration, noting that when all the members of an organization are involved in the formulation of strategy, and support it, an organization stands apart as a great and consistent executor. Kim and Mauborgne suggest that the last step after strategy formulation is to communicate it in a way that strategy can be understood easily by all employees. Their explanation of how management should communicate strategy however, is too brief to constitute effective communication of strategy.
The literature regarding strategy formulation suggests that a positive step toward the transition of a strategy, from formulation to implementation, would be for strategy practitioners to recognize that several components exist within the transition process. The components include actual and intended outcomes, environment, competitive stance, resources and social constructs, created through the experiences and communication of strategy practitioners, each component having an association with the past, present and future.

2.3.2.2 Strategy implementation

Strategy Implementation according to Mintzberg and Quinn (1991) comprises administrative sub-activities that promote the efficient mobilization of resources to accomplish strategy, using information systems and relationships permitting coordination of subdivided activities.

Mintzberg and Quinn (1991, p. 45-46) state:

> The implementation of strategy is comprised of a series of sub activities that are primarily administrative. If purpose is determined, then the resources of a company can be mobilized to accomplish it. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting coordination of subdivided activities.

Mintzberg and Quinn (1991) note that implementation is about achievement of results and that strategy implementation, identified earlier in this chapter comprises organizational structure, power, and processes (see Figure 2.6).

Mintzberg (1994) indicates that strategy formulation is a controlled activity and that strategy implementation forces open the strategy for discussion.
among all stakeholders. Mintzberg (1994, p. 351) explains: ‘Communication through planning provides a “means” whereby management as a whole, on a regular basis, (can) talk about strategy’.

Mintzberg’s (1994) view that management can discuss strategy fails to bring forth any suggestions of how such a discussion would address the subjective perspectives of organizational culture, politics, structure, and trust.

Venzin et al. (2005) concur; noting that efficient implementation does not begin only after the strategy has been developed, but much earlier, when the strategy is defined. Venzin’s et al. notion implies that the implementation stage of strategy process is an integrated stage with formulation, meaning that implementation starts at the point of strategy formulation.

Venzin et al. (2005) further suggest that strategy implementation is the action associated with strategy formulation noting that change in organizational activities raises strong emotions, and therefore demands modification to individual custom and practice. Raising pressure for change to be enacted, often leads to resistance and can result in a zero-sum game for organizations implementing strategy. Venzin et al. prescribe a structured approach for managing strategy, involving a focus on middle management: the group that is considered the gate-keepers, central in an organization for communication of strategy to lower parts of the organizational hierarchy.

Galbraith and Nathanson (1978) concur with Venzin et al. (2005), noting the importance of organizational fit to a particular strategy. The authors propose that organizational structure, processes, motivation (reward) and people be considered by organizations’ communicating strategy.
The factors considered by Galbraith and Nathanson (1978) indicate that strategy formulation requires an implementation view of how strategy will impact on organizational culture, structure, the related power struggles of politics, and expectation associated with trust, while all of these elements create or destroy trust between an organization’s management and its employees.

Alternatively, Kaplan and Norton’s (1996) Balanced Scorecard (BSC) approach is proposed to be a means of describing strategy goals and actions that form part of a strategy implementation plan. In addition to the Balanced Scorecard, Kaplan and Norton (2004) offer a Strategy Maps concept as a comprehensive framework for describing strategy, and in doing so providing an organization with the means to cascade objectives and facts, from the top of an organization to the bottom. The Kaplan and Norton concept suggests that an organization is encouraged to work from information described by the layer above them in the organizational hierarchy. Further explanation of the Kaplan and Norton BSC and Strategy Maps concepts are presented in Appendix D.

Kaplan and Norton (2001) note that strategy implementation has become highly important to organizations, as it is one of the ways in which corporations are valued by financial institutions. The authors say that the way in which organizations create value, through unique and sustainable strategies has outgrown the available tools for measuring strategy success. As tangible asset values, as a percentage of market value, move downward, it means that the percentage of market value related to intangible assets is growing, and, with this growth comes a new driver in determining strategy
success. Kaplan and Norton note that in 1982 the value of tangible assets was at 62 per cent of market values, however by 1992 the value of tangible assets was down to 38 per cent and since then the percentage has continued to fall.

The view of Kaplan and Norton toward intangible asset recognition is consistent with the story of AG Healthcare Headquarters, where the researcher estimates from his experience, the tangible asset value to have decreased from 65 per cent in 1990 to 50 per cent in 2000.

Consistent with Kaplan and Norton’s (2001) view of intangible resource value, Niven (2005) notes that in the current economy information capital is the raw material, driving the transformation of data into information and propelling the growth of organizations and entire industries.

Kaplan and Norton (2001, p. 9-16) propose the following principles applicable to strategy implementation:

- Translate strategy into operational terms
- Align the organization with the strategy
- Align day-to-day activities with the success of strategy
- Make strategy a continual process
- Mobilize change through executive leadership

The five steps proposed by Kaplan and Norton (2001) exhibit a straightforward objective-based, step-by-step approach to strategy implementation without provision of an explanation or discussion about how such objectivity should be communicated to organizational social groups.
Kaplan and Norton (2001) further suggest that creating strategy awareness will engender employee support of strategy, noting that creation of awareness is a structured process for generating understanding of strategy content to ensure that key strategy missionaries carry the strategy message through the organization to other management and employees. The authors do not address communication of strategy directly; rather they imply that communication of strategy is implicit within the role of strategy missionaries, not explicit by design.

The next part of this chapter introduces the ‘communication’ component of the modified Mintzberg and Quinn’s (1991) strategy process as shown earlier in Figure 2.6, comprising organizational culture, politics, structure, and trust.

2.4 Communication

White and Mazur (1995, cited in Massie & Anderson, 2003, p. 224) proposed communication to be a matter of:

...creating trust, developing a climate in which open communication can take place. They view internal communication as a two-way process, which is most valuable in companies of less hierarchical and more flexible structure.


Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication,
and a lot of it, the hearts and minds of the troops are never captured.

Barrett (2002, p. 219) concurs with the views of Kotter (1996), explaining that, ‘...without effective employee communication, change is impossible and change management fails’.

Barrett (2002) put forward a prescriptive communication of strategy concept, offering some scope for managers to understand the role communication plays in the day-to-day success of an organization. Barrett (2002, p. 225) explains communication of strategy development, as a concept, comprises four components:

- The formation of a strategy communication group
- Assessing current communication practices
- Cascading vision and strategy through job redefinition
- Monitoring the results

Although Barrett’s model contains a number of key items considered important for communication of strategy, the model offers no more than a basic objective-based framework. The author’s model implies that the proposed framework can facilitate change. However, there is no evidence of the model having been applied successfully or how the model would address the subjective perspective of organizational environments concerning culture, politics, structure, and trust.

The researcher does not consider communication of strategy the same as communication strategy. Rather, communication of strategy is the compilation of overt and covert components of communication, verbal or
non-verbal, which determine the extent to which communication is efficient and effective. Strategic communication according to Barrett (2002) is the process of using communication as a strategy in its own right.

According to Selfridge and Sokolik (1975) information transfer within organizations can be crystallized as a number of discrete functions and activities. The authors explain that these functions and activities are formal (overt) and informal (covert) components of communication, and are significant in developing organizational culture and performance.

Peters and Waterman (1982) add that the power of informal communication to open up discussion between people is to get their jobs done. Informal communications closes the gap found in more formal ways of communicating: for example, between structure, rules, and policies and the interpretations people give these. Peters and Waterman (1982, p. 122-123) claim:

Excellent companies are a vast network of informal, open communications.

The intensity of communications is unmistakable in the excellent companies.

Table 2.2 presents the more obvious overt and covert components of everyday organizational life. According to Selfridge and Sokolik (1975, p. 47) overt communications are, ‘publicly observable, generally rational and cognitively derived and oriented to operational and task consideration....’, whereas covert components of communication are, ‘hidden, generally affective and emotionally derived and oriented to the general climate and social/psychological and behavioural process considerations’.
Table 2.2  Overt and covert components of communication (adapted from Selfridge and Sokolik, 1975)

<table>
<thead>
<tr>
<th>OVERT (Positivistic emphasis)</th>
<th>COVERT (Interpretive emphasis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job descriptions</td>
<td>Emergent power and influence patterns</td>
</tr>
<tr>
<td>Organization structure</td>
<td>Personal views of organization and individual competencies</td>
</tr>
<tr>
<td>Span of control</td>
<td>Patterns of interpersonal and group relationships</td>
</tr>
<tr>
<td>Organization mission, goals and objectives</td>
<td>Groups sentiments and norms</td>
</tr>
<tr>
<td>Operating procedures</td>
<td>Individual role perceptions and value orientations</td>
</tr>
<tr>
<td>Performance measures</td>
<td>Emotions, feelings, needs and desires</td>
</tr>
<tr>
<td></td>
<td>Affective relationships between managers and staff</td>
</tr>
<tr>
<td></td>
<td>Levels of satisfaction with role and work environment</td>
</tr>
<tr>
<td></td>
<td>Historical baggage - positive and negative</td>
</tr>
<tr>
<td></td>
<td>Perceptions of trust, openness, and risk taking behaviors.</td>
</tr>
</tbody>
</table>

Selfridge and Sokolik (1975) suggest that it is the covert components that form the environment in which a social construct is formed and will decide the fate of planned strategy initiatives. Communication exists pervasively in every aspect of each covert and overt component, presenting potential for communication of strategy to organization members.

Maitlis (2005) notes that although prior research has demonstrated how managers shape organizational accounts by sensegiving, research largely ignores the interaction of different social actors’ sensemaking behaviors and how this interaction affects sensemaking processes. Maitlis further notes that sensemaking occurs when members of a social group confront events, issues, and actions that are somehow surprising or confusing. Organizational sensemaking allows people to deal with uncertainty and ambiguity by creating rational accounts of their world, preceding decision-making, creating sensemaking and sensegiving. Maitlis (2005, p. 29) claims that sensegiving
occurs when social group members are, ‘predominantly engaged in
behaviours that attempted to influence others’.

Maitlis (2005) observes that there are different combinations of manager
(leader) and stakeholder sensemaking and that four different forms of
sensemaking exist: guided, fragmented, restricted, and minimal. These forms
of sensemaking provide a basis for understanding the overt and covert forms
of communication, suggesting control and animation are respectively linked
to overt and covert communication.

Maitlis (2005, p. 21) states:

Organizational sensemaking is a fundamentally social process: organization
members interpret their environment in and through interactions with others,
constructing accounts that allow them to comprehend the world and act
collectively.

Evans, Hammersley and Robertson (2001) note that communications, in
general, increase over time, central to organizational objectives, while team
talk becomes more prominent. This supports Barrett’s (2002) view that
organizations do not realize the impact of such communications until after
such communications have been delivered and responded to.

Communication as conveyed by Kaplan and Norton (2001) suggests that
management and employees who choose not adopt the strategy, in terms of
its objectives and actions, will be penalized - financially and personally. The
authors note the importance of communication and education, personal and
group objectives, and incentive-based reward systems addressing overt
objectivity without scope for covert communication to address the subjective characteristics of organizational culture, politics, structure, and trust.

Heide, Gronhaug and Johannessen (2002) concur with Kaplan and Norton (2001), saying that implementation of strategy will not occur in organizations where management is unable to communicate strategy in a meaningful manner to all relevant parties. The authors imply that management and employees wish to be informed of, and about, the content of strategy, as it affects the organization and them personally.

Dunphy (1982) accords with Heide et al. (2002), noting that communication content, delivery and context, relating to any strategy is important, as it provides the means to engage employees in the role of implementation, and to continue the engagement process as new change initiatives emerge. Companies attempting to implement strategy require specific communication and understanding, therefore, to assure a level of implementation success.

Kramlinger (1998) concurs with Dunphy (1982) suggesting that messages delivered to employees must be in a form that can be understood easily to create immediate learning. For example, communication content should attempt to address the questions that people will raise upon receipt of the strategy information.

The communication of strategy, according to many authors, appears to be a given organizational practice and based upon this finding, communication of strategy appears to be an assumed action rather than a planned activity.
2.4.1 Communication barriers

Gill (1996) proposes that a number of barriers exist which makes communication less straightforward than some people may perceive. Barriers to receipt of information could include a wide range of technical, personal, motivational, professional, political, and cultural differences. Gill further notes variance occurs between different groups of people: the receipt of information, the understanding of information and the interest level between different groups in respect of strategy.

The researcher proposes that based upon the work of Gill (1996), barriers to implementing strategy may include the terminology used within the communication of strategy, and recurrent processes that link organizations and their environments. Barriers may stem from organizational characteristics that create employee resistance to strategy. Organizations may not, therefore, recognize the strength of their existing business processes and critical knowledge distribution as structural arrangements and natural components of assisting employees to embrace strategy or resist strategy implementation.

A number of authors support the view of Gill (2006) noting that resistance is a natural outcome of ineffective communication practice. The following authors do not, however, offer any concepts that would constitute a communication methodology that organizations could utilize or adapt to create effective communication of strategy.

- Miniace and Falter (1996) suggest the role of feedback to be important, reducing potential roadblocks
Ford, Ford and McNamara (2002) propose that unless communication addresses the needs of employees, the implementation effort will result in employee resistance.

Dunphy (1982) suggests that describing organizational imperatives in a vague or idealistic sense, they contain a lack of objectivity and validation, leading to implementation failure. Employees who believe they have been ignored or excluded during communication or development of change will therefore create many obstacles and resistance to the strategy. In addition, Pfeffer (1997) explains that to avoid resistance to strategy (change), employees must not perceive themselves to be, either physically or metaphorically, isolated or ignored. In addition, many corporate strategies fail due to employee resistance.

Kaplan and Norton (1996) note that the process for managing employee resistance toward an imperative to change is a major challenge for organizations.

The next part of this chapter introduces the four elements of communication: culture, politics, structure, and trust, depicted by Figure 2.6, discussed earlier in this chapter.

2.4.2 Organizational culture

Organizational culture, according to Mintzberg and Quinn (1991) entered the world of organizational management in the 1980s, gaining impetus from Peter and Waterman’s (1982) book *In Search of Excellence*. Culture is portrayed by Mintzberg and Quinn as an intrinsic part of a deeper
organizational character, in which culture plays an important role in the development of strategy.

Peters and Waterman (1982) suggest that current theory is too rigid to suit the needs of new management logic, to ensure continuous adaptation in large enterprises. The authors plead for action: the need of new metaphors and models to stitch these new terms together into a sensible, coherent whole.

Peters and Waterman (1982, p. 106) state, ‘To the extent that culture and shared values are important in unifying the social dimensions of an organization, managed evolution is important in keeping a company adaptive’.

Mintzberg and Quinn (1991) note that far from strategy formulation, there lies an organization full of people waiting to be informed, engaged and enlightened by the content of strategy and the impact this may have on their career and job security. Mintzberg and Quinn (1991, p. 351) state:

The kinds of people that are attracted to an organization and the way they can most effectively deal with problems and each other are largely a function of the culture a place builds – and the practices and systems which supports it.

Kotter and Heskett (1992, p. 141) claim:

...culture represents an interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves, sometimes over long periods of time.
Culture does not appear to be straight-forward, and its definition introduces values, behavior, and communities, which presents scope for communication to connect culture with strategy. Senge (1992, p. 66) claims that:

Living systems have integrity. Their character depends on the whole. The same is true for organizations; to understand the most challenging managerial issues requires seeing the whole system that generates the issues.

Brown (1995) notes that culture includes a set of pre-dispositions (basic assumptions) that members of an organization possess; these are designed to encourage members of an organization to think and act in certain ways. Like strategy, culture guides expressions and interpretations which are interchangeable.

Schneider (2000, p. 25) proposes that good management ideas fail due to the lack of understanding by organizations for the following reasons:

- All organizations are basically living, social organisms
- Culture is more powerful than anything else in the organization

Schneider (2000) further proposes that every organization has its own culture, character, nature, and identity, and that with these factors every organization has its own history of success, which reinforces and strengthens an organization’s way of doing things. The older and more successful the organization, says Schneider, the stronger its culture and its identity.

Schneider (2000) notes that an organization that builds an idea for strategy on the basis of organizational culture, nature and strengths, and honours its integrity as a living, social organism, has a greater likelihood its strategy
being adopted and integrated into the fabric of that organism. These views are consistent with those of Kotter and Heskett (1992).

Schneider (2000, p. 26) further suggests four types of organizational culture that are shaped by organization management over time, from their personal history, nature, socialization, experiences, and perception of what it takes to succeed in their particular marketplace:

- **Control** – based on a military system, where power is the primary motive. Control is designed to assure certainty, predictability, safety, accuracy, and dependability.

- **Collaboration** – emerging from the family concept, where the underlying motive is affiliation. Synergy is the goal of collaboration, to ensure unity, close connection with the customer, and intense dedication to the customer.

- **Competence** – derived from the university system, with the fundamental motive of achievement. Competence is about distinction, fundamentally driving the accomplishment of unparallel, unmatched products or services.

- **Cultivation** – growing from the religious sector, motivated by growth or self-actualization. Enrichment, to ensure the fullest growth of the customer, fulfillment of the customer potential, the raising up of the customer.

Schneider’s (2000) research appears to be in line with the views of Kaplan and Norton (1996) whereby the author emphasizes strategy as a value-adding initiative - not the personal theories of a consultant or manager. Schneider
points out that unless new strategy can be clearly linked to the strategy formulation process, it will be viewed by management and employees, with scepticism, at the very least.

Culture appears, from the literature reviewed, to be a dominating factor for all organizations, and therefore, knowing and communicating according to an organization’s specific cultural environment could be considered a strategy success factor.

Parker (2000) notes that shaping a constructive organizational culture is guided by processes that bring together history and everyday practice; the processes establish temporary and positive meanings of resources, even though those meanings can be contested due to competition between the understandings of what employees and the organization should be doing. The account of what people are doing in the present is a reflection of their historic accounts, concerning organizational culture politics, structure, and trust.

Mintzberg and Quinn (1991) concur with Parker, saying that it is appropriate to consider culture as an element of organization, alongside organizational structure and power. The authors note that a strong culture can develop as an ideology, dominating all else, and that culture may be considered the mirror opposite of power exercised as politics.

Green (1998, p. 7) notes that:

Although the focus on corporate culture might appear to be a reaction against the rational model of organizational life, there is an important sense in which it actually enhances the rationalist perspective.
Given that culture is considered by management a crucial factor determining how well an organization copes with a strategy, Green says that the important factor in its success is having the communication of strategy fully synchronized and harmonious with the organization’s culture. If not cultural resistance will result.

Hofstede (1997) adds that the key elements of organizational culture include rituals and symbols, which influence the organization’s acceptance of change, and that when a manager demonstrates what is important to employees, through everyday actions and language, employees receive this information as an indication of what is important to the organization, and in turn to them.

Kroeber and Kluckhohn (1952, cited in Green, 1998, p. 8) suggest that culture, like art, is difficult to define, noting the study that identified 164 definitions of culture. Green further claims that culture could be argued to mean social structure, ideology, assumptions, values and beliefs, webs of shared meanings, or symbolic processes and artefacts. It could, of course, mean all of these things, depending upon the framework of reference.

Green (1998, p. 10) explains that most literature has adopted a structural-functional perspective on culture, which has generated three related issues:

- Social morphology – how can corporate cultures be classified?
- Social physiology – how does an organization’s culture affect its strategic alignment with the environment, and hence its performance?
- Social engineering – how can corporate culture change to improve strategic alignment and performance?
Green’s (1998) notion of culture and strategy as separate subsystems suggests that new ways of unblocking cultural constraints to strategy are required, that is, changing the basis of corporate culture is no easy task for management. The problem highlighted by Green is that people in a particular social system have grown up with the values and beliefs of that system, and for them to be asked to throw these ideals away is for many unthinkable.

Green (1998) further notes that in contrast to the structural view of organizations, in which social structures, including corporate culture, effectively determine human action through a system of normative expectations and prescriptions, the social-action approach views organizations as being socially constructed through ongoing social interaction of its members. The perspective put forward by Green suggests that attention shifts from social whole to individuals, from structure to process, and from objective reality to perceptions of that reality. The author further proposes that the social-action approach focuses how action and interaction unfold in organizations over time, and how meaning and interpretations are constructed around such events.

Green’s (1998) view reinforces the importance of this research study: that to address the interpretive multiple determinants of social outcome, according to situational conditions (social constructs) and to individual tendencies, an interpretive approach to communication of strategy is required. Green further proposes that as a result of increased voluntarism in social life, it could be said that organizations behave as theory says they do. However, they often do not.
Green (1998) adds that the social-action approach views culture less in terms of normative frameworks and more in terms of the shared meanings that shape, and are shaped by, social interaction. Strategy is proposed to be conceptualized as a process for generating and encapsulating significant shared meanings about the nature, the direction, and the means and ends, of organizing tangible and intangible resources. Green says that strategy does not merely reflect or externalize culture, it modifies it by expressing it, in similar ways that speech creates meaning from language.

Green (1998, p. 26) states:

Strategy enacts culture; and in giving it visible expression, it enables people to know their own organization in the context of its interaction with the world at large. In this way strategy becomes an integral part of culture, not something that stands outside it. Through recognizing strategy’s potential as a medium for symbolically unifying disparate meanings and as a subtle way of changing how people contemplate their own destiny and that of the organization, the way is opened to a more effective strategic management process. The main task is to make meanings speak through facts, to make strategy a powerful cultural symbol rather than a weak one.

The view of Green (1998) is in stark contrast to the view of Mintzberg and Quinn (1991) determining that strategy process as portrayed by Mintzberg and Quinn, requires significant overhaul to be effective. The researcher’s modified view of Mintzberg and Quinn’s (1991) strategy process, shown in Figure 2.6, discussed earlier in this chapter, accords with the thinking of Green (1998).
Additionally, Hofstede and Hofstede (2005) suggest that cultural differences in organizations create societies that manage inequality specific to the national culture. This supports the view of Pfeffer (1997) who reinforces the importance of culture in terms of communication in everyday terms being important to management and employees.

The researcher’s understanding of organizational culture, gained from this review, is that the concept organizational culture has been evolving over many years and remains open to the suggestion that organizational culture shapes the organization itself.

2.4.2.1 Sub-cultures

Parker (2000) explains that sub-cultures bring depth to the notion that culture can be experienced or made visible. Sub-cultures also bring about a secondary notion, namely that social groups are not homogenous, but rather plural in their management of membership within organizational zones and status. Adding a layer of cultural norms within a social system provides an opportunity for choice, where employees can choose to become members of particular organizational groups, determined by profession, discipline, or other determinant.

Green (1998) concurs saying that sub-cultures are expected in organizational culture and, that these sub-cultures create opportunity for rivalry and competing systems of meaning.

The importance of Parker (2000) and Green’s (1998) claims are that they imply that large international companies face the dilemma of multiple cultures: corporate, region, country, function, and this view of sub-cultures
accords with the ideas of Hofstede and Hofstede (2005) that organizational culture and national culture support the notion of sub-cultures.

### 2.4.3 Organizational politics

The nature of organizational politics implies organization power. Mintzberg and Quinn (1991, p. 372) note that organizations can be viewed as reasonably rational and cooperative mechanisms where:

- Authority is based on legally sanctioned power
- Ideology is based on widely accepted beliefs
- Expertise is endorsed because it is officially certified

Politics according to Mintzberg and Quinn (1991) suggests that power is technically illegitimate, that is, it uses and in the end it promotes itself to achieve its aim. Political power in this sense is not sanctioned, it is not formally authorised, widely accepted, or officially certified. The result, say Mintzberg and Quinn is that political activity is usually divisive and conflictive, pitting individuals or groups against the more legitimate systems or influence, and at times, against one another.

Parker (2000, p. 227) states, ‘...politics of managerial attempts to control culture’.

There is, according to Parker (2000), little chance of controlling culture as its existence is in the form of continually shifting set of claims and counter-claims. Parker continues, noting it is not conceivable that management could facilitate total consensus when conceptions of history, present, proper strategy and mission are so divergent. Organizations are not anarchic;
however, they may appear at times to be confused and contradictory because of the patterning of legitimate power.

Parker (2000, p. 230) notes:

...even if culture is manageable it may be argued that it is a form of discipline that should be treated with extreme caution. Perhaps attempts to engineer consent should be resisted and the effort-reward bargain treated primarily as a matter of material and physical satisfactions.

To suggest that work is bereft of meaning seems as foolish as suggesting it could ever be the sum total of that meaning. Organizations are rarely, if ever, total institutions, and this means that there must be symbolic traffic in both directions.

Parker’s (2000) work provides important contribution to this case study research, presenting qualitative characteristics of organization theory as being difficult if not impossible to manage using objective-based terms.

Allison (1971, cited in Mintzberg & Quinn, 1991, p. 372) identified thirteen political games and how they relate to other systems of influence. As a result of the political games that people within organizations can adapt to and play to their fullest capability, the variety of games available indicate that politics readily exist at more than one layer in the organizational hierarchy, leaving strategy formulation and implementation at the behest of the politicians.

Mintzberg and Quinn (1991, p. 375) state:

Little space need be devoted to the dysfunctional influence of politics in organizations. Politics is divisive and costly; it burns up energies that could
instead go into the operations. It can also lead to all kinds of aberrations.

Politics is often used to sustain outmoded systems of power, and sometimes to introduce new ones that are not justified. Politics can also paralyze an organization to the point where its effective functioning comes to a halt and nobody benefits.

The point made by Mintzberg and Quinn (1991) is valuable to this research as it identifies some of associated problems that politics creates within organizations. A typical problem is that organizations are established to generate goods and services, to create value for customers, not to provide an arena in which people can fight with one another. Mintzberg and Quinn (1991, p. 376-377) note that politics may be useful in some ways to stimulate change:

- Politics as a system of influence – the strongest survive to be the top managers
- Politics to ensure that all views are heard
- Politics to stimulate change that may be blocked by the legitimate systems of influence
- Politics as a means to smooth the path of execution of decisions

Politics has a role to play in organizations, not only to irritate certain situations and people but to serve those same situations and people.

The politics of power, as described by Alvesson and Willmott (1992) can be defined from an objective, subjective or relational position. Each type of power has a specific impact on an employee. Objectivity focuses upon structure and subjectivity focuses upon conscious action, while relational
power focuses upon the interaction between groups within a structure, as shown in Table 2.3.

Although power is difficult to define or theorize on, Alvesson and Willmott (1992, p. 105) propose that, ‘...approaches to power can be described as subjectivist, objectivist, or relational depending on where they locate the main focus of power’.

Table 2.3: Politics of power (adapted from Alvesson and Willmott, 1992, p105)

<table>
<thead>
<tr>
<th>Definition of Power</th>
<th>Approach</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectivity</td>
<td>Power as a structural phenomenon</td>
<td>Constraining and oppressing or creating order in society</td>
</tr>
<tr>
<td>Subjectivity</td>
<td>Conscious exercising of power by individuals or groups</td>
<td>Elitism, Pluralism, Radicalism</td>
</tr>
<tr>
<td>Relational</td>
<td>Relational concepts</td>
<td>Interaction of groups or interests, or of subject and structure</td>
</tr>
</tbody>
</table>

Whereas a subjective definition of power encompasses elitism, pluralism and radicalism, an objectivist definition concentrates on power as a structural phenomenon, either constraining or oppressing order in society. The relational definition emphasizes the need for power to be seen as a relational concept, characterized by the interaction of groups or interests or of subject and structure.

The importance of recognizing the distinctive positions of political power is to address the influence of political power on culture, organization, structure,
and trust that together represent key elements of organizational environments where communication forms a link between these elements.

Organizations that flatten their hierarchy attempt to reduce infrastructure complexity and cost to the extent of decreasing the influence of politics over ways of doing business. Pfeffer (1997, p. 47) explains, ‘...the degree of hierarchy is defined as the extent of centralization of power and control’

Kramer and Tyler (1996) explain that in ever-changing industrial workplaces, the effect on work groups is that they are changing too. As large organizations become more diverse, employees see themselves less as members of the organization and more as members of a group, such as Engineering or Accounting. Conversely, smaller organizations should have a smaller number of functional groups and therefore greater empowerment of their employees and fewer opportunities for identification with sub-groups.

Egan (1993) concurs explaining that politics result from or leads to communication being manipulated and reinterpreted to suit individual needs. This style of politics undermines the essence of personal beliefs and values. Pfeffer (1997, p. 73) states, ‘...individuals are simultaneously, under the influence of two major sets of factors – their pleasure and their moral duty’.

Pfeffer’s (1997) explanation that the experiences of an employee conflict between pleasure and morality based upon their values and emotions does not fully account for the influence of politics. Further, Pfeffer agrees with Egan that politics is not justified by the idea of self-interest alone but the degree to which an individual action (behavior) can impact a result.
Green (1998) suggests that conflict within an organization can be conceptualized as a plurality of vested interest groups and power bases, rather than a cohesive whole. Green recognises potential for conflicting sets of values and beliefs whereby organizations are viewed as multicultural rather than unitary. Pfeffer (1997) accords with Green’s (1998) suggestion that organizations comprise a number of vested groups and power bases, saying that organizational politics can easily produce an environment characterized by power and conflict. Politics within organizations is therefore naturally embedded in organizational hierarchy.

Power, according to Pfeffer (1997) is used more forcefully when there are different points of view or disagreements between parties. The author contends that power does not mobilize itself if resources are not scarce.

Alvesson and Willmott (1992) concur with Pfeffer (1997), noting that political systems encompass key processes of organizational power and conflict, and that as organizational change increases, political systems become more important to everyday organizational life. The influence of power, ideology and symbolic or cultural practices on organizational strategy requires a focus on power-based relationships, democratic politics, discursive organizational practices, and conflict. The importance of political power suggests that political analysis of organizations should include grading from open participatory democracy through individual and group communication processes.

Parker (2000) adds to the work of Alvesson and Willmott (1992) and Pfeffer (1997), noting that critical power groups hold the key to successful change.
Issues related to management of change and to the implementation of strategy, must be identified, communicated, explained and resolved. According to Parker, it is essential that managers remain in close contact with strategy formulation and implementation, and demonstrate support for the objectives that emanate from strategy process, not only during the strategy process but also to communicate and reinforce each step toward achieving the strategy. Dunphy (1982) supports this view, suggesting that should the influence of a stakeholder be ignored during strategy formulation, trust and loyalty can be affected and disruptive implementation processes may develop.

Maitlis (2005) suggests that the intelligence of a collective mind (social group) depends upon the heedfulness with which people interrelate and retain or share their tacit knowledge.

2.4.4 Organizational structure

Chapter 1 indicated that AG Healthcare’s organizational structure contained functional, divisional, and geographical components (see 1.2). AG Healthcare’s matrix structure presented significant difficulties for AG Healthcare Headquarters’ communication of strategy.

Hatch (1997) notes that well-designed and managed modernist structures lead to systems of decision and action, driven by norms of rationality and efficiency for stated purposes. Conversely, symbolic-interpretive structures view organizations as subjective entities continually constructed and reconstructed by their members through symbolically mediated interaction. This suggests that organizations are socially constructed realities where meanings promote, and are promoted by, understanding of the self.
Modern and symbolic-interpretive periods of organizational theory are explained in Appendix C.

Social constructs according to Hatch (2006) are formed during the conversations that take place between organizational members. Berger and Luckmann (1985) concur, suggesting that the interaction of organizational members, over time, typecast examples of each other’s actions, and that these type-castings eventually become habitualized into reciprocal roles played by employees in relation to each other. The ongoing interaction of organizational members throughout the whole organization leads to the institutionalization of an organization, where meaning is embedded into individuals and society, and social reality is therefore proposed to be socially constructed.

Social construction defined by Hatch (2006, p. 198) suggests:

…members of a culture socially construct their realities by narrating.....our individual narratives give meaning to and even construct our lives, yet, because we live our lives within social and historical contexts, they are intertwined with organizational, social, and historical narratives.

Social construction requires deeper investigation than allowed for in this dissertation, as the notion of building social constructs originates with the creation of social systems that were invented or constructed by original participants of the world we know, of a particular culture or society, which exists because people agree to follow certain common activities.

Pfeffer’s (1997) work suggests that organizational structure often adopts the form that signalled compliance with social demands, including demands for accountability and for appearance. Parker (2000) concurs with Pfeffer,
explaining that interpretive theorists make sense of everyday events through organizational culture and organizational structure. Structure is complex in that it refers to an organization’s framework of hierarchy and at the same time refers to management practices and interrelationships between organizational entities.

Pfeffer (1997, p. 53) offers the following explanation, ‘Organizational structure was best understood as a response to social pressures for legitimacy and conformity to normative requirements’.

Pfeffer (1997) further suggests that structure can be conceptualized as a set of organizational processes for interfacing, communicating and engaging employees in practices and objectives of an organization and its management.

Hofstede and Hofstede (2005, p. 242) accord with Pfeffer (1997), suggesting two normative components:

- Firstly, who has the power to decide what?
- Secondly, the rules and procedures that are required to attain desired ends. The components of decisions, rules and procedures create structure, thought of as hierarchy and as the rules for engaging employees by management in relation to management’s strategy

Pfeffer’s (1997) proposal alludes to management of influence as a behaviour which becomes political when actions are taken to acquire, develop and use power, and other resources to obtain a preferred outcome. Conversely, Egan (1993) suggests that structure deals with the division of labor among units
and individuals within units: as the means for coordination and integration of work once it is divided and channelled.

Mintzberg and Quinn (1991) add that organizational structure and strategy function independently of one another. Although organizational structure is influenced by strategy, structure influences strategy by way of the related organizational strengths and weaknesses brought about by the structure. The authors note that organizational structure is used mainly by organizations to divide tasks. However, more recent views of structure are associated with emphasis and coordination: how to make it work.

Galbraith and Nathanson (1978) concur with Mintzberg and Quinn, proposing that different strategies result in different organizational structures, and that diversified strategies require multi-divisional structure for carrying the strategy through implementation.

Ghoshal and Bartlett (1995) offer an alternative view of organizational structure, suggesting that structure has been replaced by practitioners in the workplace, moving toward an organization that can foster behaviors of initiative, cooperation and learning, which cannot be achieved through structure alone.

Kramer and Tyler (1996) concur with Ghoshal and Bartlett (1995) noting that in a matrix organization the presence of employee confidence (trust) is dependent on the steps that management (strategy practitioners) adopt to create openness and decision-making at organization levels below the management layer. However, management who create openness in matrix
organizations require significant lateral communication to generate shared purpose and understandings.

Mintzberg (1979, cited in Hofstede & Hofstede, 2005, p. 254) is challenged by Hofstede and Hofstede (2005) who argue that Mintzberg’s explanation of organization structure describes five distinct parts: operating core (worker), strategic apex (management), middle line (hierarchy), techno-structure (specialists) and support staff (services), fails to recognize ‘the link between values and nationality’. Hofstede and Hofstede’s view is that employees from one national background will naturally prefer a particular organization structure compared with a different national background.

The link between nationality and organizational values, as it relates to structure, is shown for example, in that AG Healthcare Headquarters may not provide an ideal management or organizational structure for AG Healthcare Oceania. AG Healthcare Headquarters has its structure embedded within the implicit cultural environment of that country, while AG Healthcare Oceania resides in Australia where the cultural environment is purported by Hofstede and Hofstede (2005) to be quite different to Belgium. The AG Healthcare Headquarters organizational hierarchy and management, located in Belgium, do not therefore align with the management ideals of AG Healthcare, Oceania within an Australian culture.

Peters and Waterman (1982) note that modernist, bureaucratic formal organizations are driven by routine, day-to-day items of business, whereas symbolic-interpretive organizations provide structure for communication and the context of social constructs, implying adhocracy. Peters and Waterman
note that adhocracy deals with all the new issues that either fall between the bureaucratic cracks or span so many levels of bureaucracy nobody does anything: a form of paralysis.

### 2.4.5 Organizational trust

Kotter (1996, p. 61) explains, ‘When trust is present, you will usually be able to create teamwork. When it is missing, you won’t’.

Argyris (1994) supports Kotter’s (1996) claim, suggesting employees who trust their colleagues and managers feel comfortable discussing the progress of strategy initiatives without feeling threatened. Gill (1996) adds that employees may feel that their input is at times not regarded highly enough by management, and therefore top-down directives are met with resistance and a lack of employee support.

Mintzberg and Quinn (1991) concur with Argyris (1994) and Gill (1996), noting that management commitment to the development of trust within the organization is achieved through sharing of information across departmental boundaries. Although this suggestion broaches the need for a climate of trust within an organization, Mintzberg and Quinn’s proposal is nothing more than a number of incidental initiatives, adapted from examples of Japanese-based organizations, where it is said employees take part in periodic job rotations, extensive face-to-face communication, and frequent open communication with management. The concepts proposed by the authors have been sufficiently articulated to determine whether these steps would be suitable for a western-style organization.
Kramer and Tyler (1996) consider trust to be a component of human interaction: a particular kind of relationship exists between two entities (individuals or groups). Trust can be equated therefore with the degree of positive expectation from another person, set within particular contextual parameters and constraints. Although trust requires a degree of confidence in regard to a particular person or group, there can be some doubt in the relationship of trust, based on the degree of associated risk.

Kramer and Tyler (1996, p. 117) note the work of Boon and Holmes (1991, p. 194) defining trust as, ‘A state involving confident positive expectations about another's motives with respect to oneself in situations entailing risk’.

Kimber (1996) concurs, saying that trust involves understanding the values and motives of another person, or persons, noting the balance between these two perspectives is not easily maintained and can easily be misrepresented. It could be that successful results are more probable if the values and interests of all parties are considered during the development of strategy. Market development and company profit are synonymous with people being used as commodities of exchange, and Kimber additionally suggests that trust in this instance will be short term.

Kimber (2001, p. 3) notes:

The advent of internationalization; a greater emphasis on relationship building, rather than managing conflict; and a growing awareness of the importance of economic co-operation, has led to a re-evaluation of the importance of trust as a business issue in the last three decades.
Kimber (1996) continues, claiming that most academics involved with business education are from the technical, or hard social science disciplines such as computing, accounting, finance, economics, econometrics, statistics, logistics, marketing, commercial law and taxation. Kimber claims that while positivists among organization theorists and practitioners advocate that organizations and tertiary institutions are aware of the objective, rational, empirical areas of study, many people are concerned that students are being given an unbalanced view. Kimber says that organizations have lost sight of other fundamentals that are essential in successful business relationships.

Kimber (1996) further alludes to the traits of political management style, suggesting that sharing is one of the basic instincts by which to establish the basis for relationships. Conversely the opposite of sharing is considered claiming, taking, or keeping. In this instance, trust could be considered the basis of sharing being an efficient and ongoing process, ensuring both parties are confident that the sharing is being done equitably, and that both parties want this to continue.

Factors important for the development of trust are highlighted by Kimber (1996, p. 5):

- Good communication – openness, feedback
- Co-operation and sharing – shared values, congruity
- Appropriate behavior – how people act in their day-to-day work, doing the right thing
- Positivity – positive assurance, optimism
➢ Care – support of other people’s interests

➢ Time – trust does not come instantaneously, built over time

➢ Reliability and stability – an indicator of trustworthiness

➢ Equality and fairness – a necessary ingredient in a trusting relationship

Kimber (2001) continues to develop a concept of trust, highlighting that factors associated with trust can be designated: high trust, low trust, high distrust and low distrust, each existing as an independent variable in a relationship. Kimber’s work suggests that trust can be considered a calculative event, predictable and based upon rational choice. People will trust each other based on the knowledge they have of another person: performance, certification, reputation, rational choice, economic exchange.

Handy (1995, p. 44) supports the view of Kimber (2001), noting a number of factors:

➢ Trust is not blind

➢ Trust needs boundaries

➢ Trust demands learning

➢ Trust is tough

➢ Trust needs bonding

➢ Trust needs touch

➢ Trust requires leaders
Handy’s (1995) perspectives of trust provide scope for understanding the complexity of trust-based relationships, and how they could influence the dominant factors of organizational culture, politics, structure, and trust.

Michlitsch (2000) reports that a recent survey of more than 50 companies in the United States of America (USA) showed that almost 40 per cent of employees have lost trust in their management. Loss of trust can bring devastating results through lack of initiative, where employees can be found in survival mode and not participating in what could be a risk to their livelihood. Caudron (2002) adds that the link between formulation of strategy by an organization’s management, and the role of employees, can bring devastating results if the organization’s management has not been open and honest.

Pfeffer (1997) explains that open and honest communication can facilitate employee support (trust) by improving understanding of strategy in terms of how it will affect social and professional life within an organization.

The relationship between trust and the actualization of strategy appears to the researcher two-fold and is surrounded by uncertainty or ambiguity. First, an individual has to move to support strategy, and second, an individual has to be accepted into a particular social group in the context of trust.

Trust in a business environment appears to have two important aspects. First, the aspect of trust as it relates to organizational objectives, and second, trust as it relates to what may be identified as friends and acquaintances. Peer relationships, social and employment relationships rely on trust as the key factor in maintaining positive outcomes. Ogilvy (1995) explains that in some
cultures, trust extends only as far as the radius of members of one’s own family. The author notes that in USA there is a shift away from trust toward individualism, and that the decreasing trust in organizations is being met with an increased number of rules and legal entourage to go with them. The point Ogilvy makes is that the more people depend upon the rules to regulate their interactions, the less they trust one other and vice versa.

For example, Ogilvy (1995) notes that in Germany, where there is a greater trust between operational managers and employees than in France, the average operational manager is able to manage double the number of employees to that of the equivalent French operational manager. In France there is a stronger organizational hierarchy than in Germany, more vertical integration. In Germany trust substitutes the requirement for hierarchy and vertical integration.

Kimber (2001) notes that the basis of trust can be extended to apply to national culture which has an impact on trust practices. This is consistent with the view of Hofstede and Hofstede (2005) who explain that trust is considered an important factor in moving from the relational or situational space towards a practical relationship in which business may be conducted.

Kramer and Tyler (1996, p. 29) explain that in matrix organizations:

...the presence of real trust is seen both in the degree to which senior management creates the mechanism for decision making at a level of the project team and the degree to which they allow the mechanisms to function autonomously.
This statement accords with the definition of trust by Kramer and Tyler (1996) mentioned earlier in this chapter, in the sense of risk brought about by a greater emphasis on relationship building rather than managing conflict. Such parameters are derived from situational awareness and create the alignment of individuals and groups. However, these become more difficult in a matrix organization, as was the case for AG Healthcare, Oceania.

### 2.5 Chapter Summary

The purpose of the literature review, defined earlier in this chapter, was to identify existing knowledge concerning communication of strategy, to identify current concepts and to build arguments of substance. It was surprising to the researcher that so few pieces of literature were available regarding communication of strategy. Therefore, to provide a worthwhile review of literature, associated literature concerning strategy process and communication was searched and reviewed, including culture, politics, structure (see 2.2).

Mintzberg and Quinn (1991) suggest that there is no universally accepted definition of strategy. Strategy according to various authors means a specific action, a creative act, an assessment of an organization and its competition, a dream, an ambition. Mintzberg and Quinn (1991) offer five definitions, which assisted the researcher in his understanding that strategy is a complex activity and that communication of strategy is also complex.

The strategy process, as defined by Mintzberg and Quinn (1991) comprises formulation and implementation, noting the importance of interpersonal leadership as a strategy implementation role. Although Mintzberg and Quinn
(1991) provide a distinction between different leadership styles, comprising objective and subjective content, the authors’ work indicates that communication of strategy is implicit in the role of a leader rather than explicit by design.

The researcher’s proposal of a modified Mintzberg and Quinn (1991) strategy process, introducing communication as a third element to strategy process, enabled the researcher to move beyond a single perspective of strategy, and to the development of a tripartite frame for conducting the literature review.

Alternative views of strategy process suggest that current strategy process concepts employed by many organizations are primarily concerned with explanations at the organizational level of analysis necessarily sacrificing a more detailed analysis of activity construction (Jarzabkowski, 2005). For example, a focus on economics-based strategy process reduces the relative importance of the employee and organizational culture. Current thinking concerning strategy process appears out-of-touch with the complexities of strategy in practice with academics and practitioners at opposite ends of a continuum, depicted by Figure 2.7 (see 2.3.2).

The concept strategy process, as described by Minztberg and Quinn (1991) exhibits objective characteristics. However, the notion of communication being a third element of strategy process enabled communication of strategy to act as a bridge between an objective, positivistic perspective and a subjective, interpretive emphasis, having characteristics from the symbolic-interpretive period of organization theory, depicted by Figure 2.8 (see 2.3.2).
Massie and Anderson (2003) note that communication of strategy creates trust and that without it, strategy implementation is impossible.

Alvesson and Willmott (1992) note overt and covert components of communication, suggesting that prescriptive models of communication contain mostly overt, objective content, having a mechanistic approach that fails to address the covert, subjective components of culture, politics, structure, and trust. The communication of strategy appears to be an assumed organizational practice rather than a planned activity, which is emphasized by the natural formation of social groupings and their way of creating understandings.

Mintzberg and Quinn (1991) portray culture as a deep organizational character, comprising social structure, ideology and symbolic processes, enabling new ways of unblocking cultural constraints, values and beliefs. Culture in this sense is in conflict with the field of politics, where illegitimate power, for example, tacit knowledge becomes divisive and costly in terms of wasted time and energy.

Culture, according to the literature reviewed implies social constructs, living social organisms which are torn by organizations attempting to flatten their hierarchy to reduce the influence of political games. Culture is akin to structure, as it is to politics and the degree to which trust will be built and maintained. Cultural constraints, for example, social groups, can be unblocked when communication of strategy is synchronized with an organization’s culture. Social groups are said to be found during the conversations between people and the formation of teamwork, where
discussions about who has the power to decide what are to be made, and when action is to be taken.

A tension appears to exist between the various authors’ view of strategy process, communication of strategy, and the elements of culture, politics, structure, and trust: for example, professions create opportunity for rivalry and competing systems of meaning. Professions that use predominantly objective terms in their day-to-day language find qualitative characteristics of organizational environments difficult to manage, increasing the tension between social groups and organizational culture, politics, structure, and trust.

Social groups exist in the basic structure of organizational environments and structure enables people to make sense of everyday events through the lens of culture. However, organizational politics creates tension between culture and structure, leading to a potential lack of trust.

Kotter (1996) notes that teamwork is created when trust is present, implying that the role of strategy practitioners is to form the social structures for strategy to be formulated and implemented. Trust, say Kramer and Tyler (1996), is the degree of positive expectancy one can expect from another person, the degree of risk one is willing to take in divulging tacit knowledge in exchange for an environment of understanding and trust.

The next chapter introduces and explains the methodology and qualitative methods employed for this case study research.
Chapter 3

Methodology

3.1 Introduction

Chapter 3 explains the details of the case study methodology and qualitative methods employed for this research. The researcher chose to conduct an interpretive, single organization case study employing a qualitative method, negating the necessity to build a hypothesis prior to conducting the research.

It was identified in Chapter 1 that the aim of this research was to identify the contextual factors that should inform the thinking and communication of strategy practitioners (see 1.1).

Figure 3.1 depicts the design characteristics of this case study research.
Denzin and Lincoln (1994, p. 14) note:

A research design describes a flexible set of guidelines that connects theoretical paradigms of inquiry and methods for collecting empirical material.....situates researchers in the empirical world that connects them to specific sites, persons, groups, institutions, and bodies of relevant interpretive material.

Yin (1994) notes that single case study research, as the case for AG Healthcare Oceania, is an appropriate research design when researching a single group of a large organization.
Chapter 1 presented the research questions for this study (see 1.5) as follows:

- What factors does the AG Healthcare Oceania, management group, think have hindered or enabled communication of strategy?
- What are the discernable patterns of accounts and action associated with the different social processes of resistance to communication of strategy?
- What issues and opportunities does the AG Healthcare Oceania, management group, think important for effective communication of strategy?
- What kind of communication practices would represent effective communication of strategy, in a manner that would be useful, for strategy practitioners?
- What organizational contextual factors does current literature suggest should inform the thinking and communication of strategy practitioners?

Blaikie (2000) explains that the development of concepts for interpretive research should occur as part of the data collection, meaning that concepts form during interactive interviews.

Blaikie (2000, p. 129) states:

A concept is an idea that is expressed in words or as a symbol....They range in generality from the very specific to the highly abstract and from the simple to the complex. Concepts are regarded as the building blocks of social theories. Theories, in turn specify the relationships between concepts and why these relationships exist.
In the tradition of hermeneutics, the researcher works bottom-up, adopting the position of learner, learning from the interviewees, rather than positioning themselves as the expert. The interviewees teach the researcher how they understand their world: the everyday concepts and interpretations they use to make sense of it.

Hermeneutic tradition according to Blaikie (2000, P. 138) produces: ‘...concepts that the researcher uses to describe and understand any social phenomenon’.

Punch (1998) suggests that while positivists seek concrete items of fact, variables, and objective factors to which inductive, deductive or retroductive strategies may be employed, interpretivists seek to provide indicators of meaning, concepts, and second-order concepts, on which abductive strategies are employed.

Nubiola (2005) focused much of his work on that of Charles S. Peirce (1839-1914), noting that whilst in deductive logic the premises are given and valid conclusions are sought, in abduction the conclusion is conjectural, and possible premises (rules and case) must be achieved by reduction.

3.2 Philosophical Considerations

The researcher developed the framework depicted in Figure 3.2 to provide an overview of the interconnectivity of research paradigms, strategies, and methods that are available to conduct case study research. Blaikie (2000) proposes that this overview is essential in the mapping of research design, and the underlying framework that links social research with practical
situations. The highlighted area, shown in Figure 3.2, depicts the methodological interpretive paradigm (see 3.3.2), abductive strategy (see 3.3.3), and qualitative research method (see 3.4) employed for this case study.

Figure 3.2 The range of research paradigms and associated research strategies (adapted from Blaikie, 2000)

Bogdan and Biklen (1998, p. 31) offer a suitable explanation of the difference between methodology and method:

People often use the words ‘methods’ and ‘methodology’ synonymously or confuse the two. Methodology is a more generic term that refers to the general logic and theoretical perspective for a research project. Methods is a term that refers to the specific techniques you use, such as surveys, interviews, observations, the more technical aspects of the research. In good research, methods are consistent with the logic embodied in the methodology.

Hussey and Hussey (1997, p. 51) identify interpretivism as a research methodology or paradigm (reality as a social construction) under the heading of phenomenonology, which aligns itself with a subjective view of the world, employing qualitative methods (the opposite of positivism on a continuum of positivism at one end and interpretivism at the other).
Burrel and Morgan (1979, p. 32) state:

The premises of an interpretive paradigm question whether organizations exist in anything but a conceptual sense. Its significance for the study of organizations, therefore, is of the most fundamental kind.

The positivist research paradigm was not chosen for this case study research, as there is no intent to induct an outcome from the research data. Blaikie (2000) suggests that similarly the use of deduction, the logic of critical rationalism or retroduction, the logic of scientific realism, are not relevant approaches to social research inquiry.

3.2.1 Ontology

Denzin and Lincoln (1994) note that the ontology of interpretivism requires a case study approach to deal with a complex social phenomenon, hence the research questions commence with ‘how’ and ‘what’. Interpretivism, according to the authors, assumes that the world is socially constructed and is best understood through the exploration of the thinking of human actors within the study. In the case of AG Healthcare, the interviewees provided the social environment that the researcher studied.

Blaikie (2000) accords with Denzin and Lincoln explaining that social reality changes as the understandings of interviewees develop; social reality is not a fixed or given objective reality, as would be the case for a positivistic study. Blaikie (2000, p. 115-116) states that when employing interpretive study, ‘...ontological assumptions that view social reality as the social construction of social actors.....these meanings and interpretations both facilitate and structure social relationships’.
3.2.2 Epistemology

Denzin and Lincoln (1994) say that the epistemology of interpretivism assumes that the researcher and the interviewees are interactively linked so that the research results are literally created as the semi-structured interviews proceed.

Blaikie (2000) concurs with Denzin and Lincoln (1994) explaining that the consequent epistemological assumption, which underlies interpretivism, is that new knowledge should be derived from everyday concepts and meanings, given that social reality is constructed from, and resides within, everyday understandings. This research initially attempted to uncover the understandings of the interviewees as they relate to communication of strategy, and to identify the factors that the interviewees believe to have hindered or enabled communication of strategy. The researcher was able to do this with the permission of the interviewees.

The researcher attempted to present interviewees’ everyday accounts, and to develop those accounts into theories that go beyond everyday knowledge: a structural analysis that identifies the mediating frames of intelligibility that shape, enable, and constrain their understandings.

The use of a semi-structured interview guide took into account the requirement to capture the experience and views of the interviewees as strategy practitioners. The analysis of the interview data sought patterns within the data and subsequently sought to identify what the interviewees considered to be the factors that have hindered or enabled communication of strategy.
The following text is concerned with the researcher’s selection of interpretivism as the case study research paradigm, abduction as the research strategy, and the utilisation of a qualitative method that was suitable for addressing the research questions.

### 3.3 Case Study Methodology

A case study approach was appropriate for this research study because its intention was to focus on issues concerning communication of strategy experienced by the interviewees. Jankowicz (1995, p. 179) states, ‘A case study is used when your thesis focuses on a set of issues in a single organization, and you want to identify the factors involved in an in-depth study of the organization or, a single department within it’.

Hussey and Hussey (1997) contend that a case study is an instance of interpretive methodology, and is suitable for the study of a single organization. The authors note that case studies are often described as exploratory research, used in areas where there is a deficient body of knowledge.

The great advantage, says Jankowicz (1995) of the case study is that it attempts to be comprehensive, and involves the researcher in describing and analysing the full richness and variety of events and issues of the organization group – in this case the AG Healthcare Oceania, management group.

Exploratory case study research presumes a qualitative format to identify patterns in the research data, and to discover the potential relationships experienced by the interviewees. Yin (1994) notes that a case study can be
exploratory, explanatory or descriptive. However, exploratory research does not attempt to construct experiments to establish a direct cause and effect between variables. The author continues by noting that case study research is widely accepted and utilised extensively in social science research, and is a frequent mode of thesis and dissertation research.

Hussey and Hussey (1997, p. 10) explain:

> Exploratory research is conducted into a research problem or issue when there are very few or no earlier studies to which we can refer for information about the issue or problem. The aim of this type of study is to look for patterns, rather than testing or confirming a hypothesis.

Hussey and Hussey (1997, p. 65) further explain, ‘A case study is an extensive examination of a single instance of a phenomenon of interest and is an example of a phenomenological methodology’.

Punch (1998, p. 150) concurs with the views of Hussey and Hussey, stating, ‘In keeping with other approaches in qualitative research, the case study aims to understand the case in depth, and its natural setting, recognising its complexity and its context’.

Blaikie (2000) notes that some authors share concern that case studies can produce biased results. Blaikie (2000, p. 218) indicates that:

> What this criticism boils down to is a prejudice that quantitative researchers have had against qualitative data, a view based on the mistaken belief that only numbers can be used to describe and explain social life validity and reliability. Part of this prejudice is that qualitative research, unlike quantitative research, cannot be replicated because there is too much scope for the researcher to
influence the results.

In the case of this case study research, having the researcher as a member of the AG Healthcare Oceania, management group, helped to gain access to that management group, the group central to AG Healthcare Headquarters communication of strategy.

The researcher was required to be cognizant of his biases, prior knowledge and preconceived ideas about communication of strategy, and to guard against these when determining the categorizing, interpretation and coding of responses.

3.3.1 Validity and reliability

Yin (1994, p. 18) suggests two aspects of quality for researchers conducting exploratory single organization case study research to maximize:

- Construct Validity
- Reliability

Evaluating the design and application of this case study on the two criteria ensures validity and reliability. The following analysis applies Yin’s (1994) conceptual framework to this study.

3.3.1.1 Construct validity

For this case study, the researcher’s construction of the data collected was agreed with the interviewees as being a true and accurate picture of their experience concerning AG Healthcare Headquarters’ communication of strategy, and therefore it is argued that this case study offers construct validity.
Hussey and Hussey (1997) note that validity is the extent to which the findings, as a construct, represent what is really occurring in a particular situation.

A semi-structured interview guide assisted the researcher in generating conversation with the interviewees, to gain an understanding of their experiences concerning communication of strategy. Their responses demonstrated a common content in regard to the issues.

Yin (1994) accords with Hussey and Hussey (1997), noting that construct validity involves the establishment of correct operational concepts being studied.

### 3.3.1.2 Reliability

Concerning reliability, Cassell and Symon (1994) note that interpretive case study research, in seeking to describe and understand how people make sense of their world requires researchers to embed themselves in the world of the interviewees. This was an essential part of the research study and provided content reliability.

Hussey and Hussey (1997) characterise qualitative reliability as being one component of the reliability/validity scrutiny matrix of research designs.

The case study research design utilizes commonly available research design concepts. The use of a qualitative semi-structured interview method sought to gain an understanding of the interviewees’ social reality.
Yin (1994) adds to the view of Hussey and Hussey (1997), noting that the reliability of research requires that the data collection process can be repeated, with the same results.

### 3.3.2 Interpretivism

According to Burrell and Morgan (1979) the range of sociological debate can be understood by mapping organization theories with a subjective-objective spectrum on one axis of a quadrant and the regulation-radical spectrum on the other, as shown in Figure 3.3.

#### Figure 3.3  Four paradigms for the analysis of social theory (adapted from Burrell and Morgan, 1979, p23)

Burrell and Morgan (1979) note that to be located in a particular paradigm is to view the world in a particular way, and that interpretive research is informed by a concern to understand the world as it is, to understand the fundamental nature of the social world at the level of subjective experience.
O’Brien (1998) concurs with Burrell and Morgan (1979) noting that interpretivism is designed to deal with social reality, the web of relationships, institutions, organizations, shared beliefs, cultures, and meanings that exist within a group of people.

Burrell and Morgan (1979, p. 23) say that paradigms are, ‘...defined by very basic meta-theoretical assumptions which underwrite the frame of reference, mode of theorizing and modus operandi of the social theorists who operate within them’.

Hussey and Hussey (1997, p. 47) concur with Burrell and Morgan, defining paradigm as:

The term paradigm refers to the progress of scientific practice based on people’s philosophies and assumptions about the world and the nature of knowledge; in this context, about how research should be conducted.

Given the definition of Hussey and Hussey (1997), and that of Burrell and Morgan (1979), paradigms offer a framework for research practitioners comprising a set of accepted theories, methods, and ways of defining research data. Punch (1998, p. 28) concurs with the views of Hussey and Hussey stating, ‘Paradigm is a complex term, which occurs very frequently in the research literature. As used in social science, it means a set of assumptions about the social world’.

Blaikie (2000) notes that interpretive research assumes an inter-subjective world where researchers can interpret the concepts of social actors (interviewees) to understand their social construction of reality. The intent of interpretive study is to seek patterns of meaning and motive from the
interviewees, to understand some phenomenon, a social reality, and to use these patterns to more deeply understand a particular situation. Abductive research strategies treat the meanings and interpretations of social actions as social reality.

Berger and Luckmann (1985, p. 13) state:

> It will be enough, for our purposes to define ‘reality’ as a quality appertaining to phenomena that we recognize as having a being independent of our own volition (we cannot ‘wish them away’), and to define ‘knowledge’ as the certainty that phenomena are real and that they possess specific characteristics.

Interpretivism was appropriate for this research because the study was designed to provide insights and understandings rather than to detect determinative causal laws. As mentioned previously (see 3.2) a positivist methodology was not considered appropriate for this study as the researcher sought to identify new understandings of the contextual factors that should inform the thinking and communication of strategy practitioners.

Blaikie (2000, p. 115) claims:

> Interpretivists are concerned with understanding the social world people have produced and which they reproduce through their continuing activities. This everyday reality consists of the meanings and interpretations given by the social actors to their actions, other people’s actions social situations, and natural and humanly created objects. In short, in order to negotiate their way around their world and make sense of it, social actors have to interpret their activities together, and it is these meanings, embedded in language, that have
The interpretive paradigm is an approach to social enquiry that requires the researcher to discover the world experienced by the interviewees and to describe it from their experience.

Interpretive research assumes that the researcher will have some participatory stance, and in the case of this research, the participatory stance of the researcher was shaped by his position at AG Healthcare, Oceania as a Senior Manager. The position assumed by the researcher gave him an insider view of AG Healthcare; however, it did not prepare him for the content of conversations he had with the interviewees. To this end, the researcher does not consider his role influential in the process of data collection or analysis.

The interpretive research paradigm was more relevant to this research than the radical humanist paradigm because there was no intent to emphasize a view that existing social arrangements should be overthrown. From the interpretive stance, the qualitative data collection method was developed to ensure data verification and relevance to the research aim.

3.3.3 Abduction

This research employed an abductive strategy because abduction was used to generate lay accounts from the actions of interviewees, to abstract and abduct their interpretations of social life.

Denzin and Lincoln (1994, p. 25) define a strategy of inquiry as:

...comprises a bundle of skills, assumptions and practices that researchers employ as they move from their paradigm to the empirical world. Strategies of
inquiry put paradigms of interpretation into motion. At the same time, strategies of inquiry connect the researcher to specific methods of collecting and analyzing empirical raw data...Research strategies implement and anchor paradigms in specific empirical sites, or in specific methodological practices, such as making a case the object of study. These strategies include the case study.

Blaikie (2000, p. 25) states:

The abductive research strategy ....is sometimes described as involving induction, but this grossly underestimates the complexity of the task involved. The starting-point is the social world of the social actors being investigated: their construction of reality, their way of conceptualizing and giving meaning to their social world, their tacit knowledge......- Hence, the researcher has to enter their world in order to discover the motives and reasons that accompany social activities.

Abduction according to Blaikie (2000) has not been widely acknowledged, but is highly appropriate to the social (and organizational) sciences. Being associated with the interpretive paradigm, abductive strategy rests upon the ontological assumption that social reality is constructed by interviewees. This construct results from the process by which interviewees build mutual knowledge and meanings, thereby structuring and facilitating social relationships.

Abductive strategy according to Shank and Gleber (2002) is the logic of discovery based upon resolution of meaning. The authors suggest that the scope of abductive inference can include the following: hunches, omens, metaphors, clues, patterns and explanations. This openness to possible
meanings provides a significant opportunity of discovery rather than being a weakness.

Shank and Gleber’s (2002) view of abductive inference is consistent with the researcher’s experience, as a practitioner of strategy, whereby organizational communication of strategy renders management with the job of abducting sense out of the communication content. Maitlis (2005, p. 21) supports the view of Shank and Gleber (2002), stating:

Organizational sensemaking is a fundamentally social process: organization members interpret their environment in and through interactions with others, constructing accounts that allow them to comprehend the world and act collectively.

Abductive reasoning according to Johnson and Krems (2001) is the process of identifying the best explanation for a set of observations. Abduction allows creation of new knowledge, a cognitive flash: an act of time and insight.

### 3.4 Qualitative Method

The following text focuses on the ‘method’ part of the ‘methodology – method’ differentiation. Methodology was discussed earlier in this chapter (see 3.3).

#### 3.4.1 Data collection

As this study employed an interpretive paradigm, a qualitative semi-structured interview guide was adopted to ensure that the same general areas of information were collected from each interviewee; this provided more focus than the straight-forward conversational approach, but allowed a
degree of freedom and adaptability in collecting information from the interviewees concerning communication of strategy. The responses of each interviewee were hand written during the interviews. They were not put into pre-determined categories.

Qualitative researchers have several methods available to them for the collection of data, ranging from an interview, direct observation or personal experience. Cassell, Buehring, Symon and Johnson (2006) say that qualitative data can be collected through semi-structured interviews and observation, and focuses on textual data or visual images, while excluding techniques specifically involving quantification processes. Blaikie (2000) concurs with the view of Cassell et al. (2006), proposing that qualitative methods include participant observation, and in-depth interviews.

It was identified in Chapter 1 that prior to commencing the semi-structured interviews an application to proceed was made to the RMIT Ethics committee (see 1.4). Approval to conduct the interviews was received. A Plain Language (see Appendix A) and a Participant Consent form (see Appendix B), complying with RMIT University research ethics requirements were presented to each of the participants, and were signed prior to the collection of data.

According to Van Manen (1990) there are three components comprising a semi-structured interview. Van Manen (1990, p. 98) states:

A conversation is structured as a triad. There is a conversational relation between speakers, and the speakers are involved in a conversation relation with the notion or phenomenon that keeps the personal relation of the
Hussey and Hussey (1997) indicate that when the sample size is small, as is the case with AG Healthcare, Oceania - which is appropriate for a single organization case study - it is normal to collect data about each member of the population. Punch (1998, p. 174-175) claims:

The interview is one of the main data collection tools in qualitative research. It is a very good way of accessing people’s perceptions, meanings, and definitions of situations and constructions of reality. It is also one of the most powerful ways we have of understanding others.

3.4.2 Interview method

Strategy in the context of this case study research is what each interviewee had understood to represent organizational strategy: divisional, geographical, and regional. It was important not to focus on one stream of strategy, but instead to seek information that generated data in regard to the issues and opportunities surrounding AG Healthcare Headquarters’ communication of strategy to the AG Healthcare Oceania, management group.

Scrupulous attention was applied to the content of the interview guide to ensure that appropriate questions were available to stimulate discussion with each of the interviewees. Attention to the interview schedule ensured that data were collected over a few weeks rather than months, to ensure that the content was derived from AG Healthcare Headquarters’ communication of strategy to the interviewees.

The purpose of the data collection interview guide was to stimulate conversation with each interviewee, and therefore, it was not used as an
interview sheet, applying fixed questions. The guide (see Appendix E) was
developed, knowing that the content was assistive rather than an intrinsic
fixed one-question, one-answer style of interview; it was utilized as a prompt
for questions that contributed to the development of rapport, and creation of
trust, with each interviewee.

Patton (1980, p. 197) defines three types of interview: ‘...the informal
conversational interview, the general interview guide approach and the
standardized open-ended interview’.

The definition offered by Patton (1980) provides the basis of a continuum of
interview type. Tightly structured, standardized interviews exist at the left of
the continuum, and, unstructured open-ended interviews at the other end.
Punch (1998) concurs with Patton saying that an interview is a data collection
tool of great flexibility, adaptable to a wide variety of research situations.
Punch (1998, p. 176) states, ‘The type of interview selected should therefore
be aligned with the strategy, purposes and research questions’.

The semi-structured interview approach serves specific purposes, Van Manen
(1990, p. 66) says:

...it may be used as a means for exploring and gathering narrative experiential
material that may serve as a resource for developing a richer and deeper
understanding....

...the interview may be used as a vehicle to develop a conversational relation
with a partner (interviewee) about the meaning of an experience.
The interviewees as described in Chapter 1 (see 1.4) are normally very busy people and would be unlikely to find the time and respond positively to someone who was not known to them. Given the new strategy released by AG Healthcare Headquarters the interviewees were faced with two priorities: first, to succeed in their organizational positions, and second, to understand the impact that the new strategy would have on them. Problems of inconsistency were considered to be minimal as each member of the management team had worked for AG Healthcare for a number of years (see 1.4) and had prior experience working for other organizations as strategy practitioners.

An interview was considered a joint activity, a conversation, between the interviewee and the researcher, resulting in transcripts that contained details of what was talked about and how it was talked about.

The interview guide was trialed with one of the interviewees and although not every question was required for the interview, the questions prompted discussion of issues, and identified current practices concerning AG Healthcare Headquarters’ communication of strategy. An appropriate time was agreed with the interviewee for each interview. In no case was the date or time changed from what had been arranged and the average time for each interview was one hour and thirty minutes.

At the conclusion of each semi-structured interview the interviewee was asked if they would be available for further discussion and if they would like to receive a copy of the research study upon completion. If either answer to
these questions received a ‘yes’ response, the contact details were recorded on the interview guide.

The data, consistent with the expectations of a single organization case study approach, are naturally biased toward the views of the interviewees, their experience and practice. No difficulties were experienced concerning data collection during the interviews.

Bogdan and Biklen (1998, p. 95) state:

> With semi-structured interviews you are confident of getting comparable data across subjects...Good interviews communicate personal interest and attention to subjects by being attentive, nodding their heads, and using appropriate facial expressions to communicate.

The researcher was cognizant of his biases, prior knowledge and preconceived ideas about AG Healthcare Headquarters’ communication of strategy, and he guarded against these when determining the categorizing, interpretation and coding responses. The same rigor was also applied during the analysis of data to reduce the possibility that the conclusions drawn were based upon the preconceptions of the researcher.

All interviews were conducted in a confidential setting where only the informant and the researcher were present. The transcribed data specific to each respondent were stored separately and transcriptions formatted for entry into a database. The database is in the form of a Microsoft Word (version 2003) file that is stored and maintained by the researcher. The data was collected over a period of twelve weeks, satisfying RMIT ethics standards.
The reason for a confidential setting for the semi-structured interview was that the content of conversation could have been of a sensitive nature, and therefore, seen as negative toward the AG Healthcare Headquarters strategy.

Interviewees were provided the option of location and time for the interview, and interview notes were transcribed, and then presented to each interviewee for comment on accuracy and approval (signature) prior to being used in the study.

It was explained to the interviewees that a confidential format for the interviews was necessary for compliance with ethical standards and professional standards of doctoral research at RMIT.

The semi-structured interview approach enabled the interviewees to contribute openly and outside of specific questions that formed part of the questionnaire. Interviewees were encouraged to divulge their views openly and without hesitation, including personal work related experiences.

### 3.4.3 Role of researcher

Chapter 1 explained that the researcher had reflected upon what it is that he brings to this study as the researcher (see 1.3).

Blaikie (2000, p. 52) proposes that the researcher can take a particular stance towards the research process and interviewees. These include:

- **Detached Observer** -- The traditional scientific stance is that of the detached observer, an uninvolved spectator in the process of data collection and analysis
Empathetic Observer - aims to achieve a level of objectivity but insists on placing oneself in the position of the social actor

Faithful Reporter - role is to allow the interviewees to speak for themselves and in doing so the faithful reporter will present the interviewees’ point of view

Mediator of Languages - is the mediator between everyday, lay language and social scientific or technical language. Detached objectivity is considered impossible

Reflective Partner -- is committed to the emancipation of the participants from whatever kind of oppression they are experiencing

Dialogic Facilitator -- emphasizes the dialogue between the researcher and the interviewees involved in the research

The role of the researcher during the data collection stage of this case study was considered to be that of the faithful reporter, presenting views provided by the interviewees but without being detached. The role of dialogue facilitator was also adopted because dialogue with interviewees through informal interviews allowed for a polyphony of voices, which later assisted in the data reduction and analysis.

The role of dialogue facilitator within qualitative case study research required the researcher to be somewhat self-scrutinizing. It was appropriate for the researcher to be actively reflexive and to be mindful of his reflections concerning data collection and the later data analysis that led to the identification and exploration of the contextual factors that should inform the thinking and communication of strategy practitioners.
Knowing that the researcher has to be mindful of the situation in which they find themselves, it is not proposed that they work in a vacuum or void. The researcher has a background, a historical experience, and a particular way of looking at the world built upon a set of implicit values, beliefs and organizational norms. Denzin and Lincoln (1994, p. 11) state, ‘The gendered, multiculturally situated researcher approaches the world with a set of ideas, a framework that specifies a set of questions that are then examined in specific ways...’.

Bogdan and Biklen (1998, p. 34) suggest a way of managing this phase of the study:

Some researchers and writers are so concerned about controlling their personal biases that it immobilizes them. Our advice is to lighten up. Acknowledge that no matter how much you try you cannot divorce your research and writing from your past experiences, who you are, what you believe and what you value......The goal is to become more reflective and conscious of how who you are may shape and enrich what you do, not to eliminate it. On the other hand, do not be so headstrong about who you are and what you believe that it leads to being unreflective and to losing your self-consciousness. It is fine to shape your study, but you need to be open to being shaped by the research experience and to having your thinking be informed by the data.

The researcher’s background, detailed in Chapter 1, (see 1.3), accords with the notion offered by Bogdan and Biklen (1998) of being conscious of one’s experiences, values, and beliefs is an important aspect of managing, shaping, and enriching this case study research.
3.4.4 Data reduction and analysis

As mentioned above, the interview data were transcribed during the interview and then entered into a Microsoft Word (version 2003) database. Upon completion of the twelve interviews the interview transcriptions were coded ‘one to twelve’. The interview data was reviewed by the researcher several times, with a lag time of not more than four weeks between, to ascertain recurring patterns within the data. Data were then continuously reviewed to identify common words and phrases, and a content analysis was prepared to identify descriptive data from which categories were developed and content was coded. See Appendix F.

Robinson (1993, cited in Hussey & Hussey, 1997, p. 248) claims:

The main challenge to qualitative data analysis is that there is ‘no clear accepted set of conventions for analysis corresponding to those observed with quantitative data’.

Two processes were considered critical during the reduction and analysis phase: the review of patterns relating to the association of existing issues with current communication of strategy experienced by the interviewees, and the identification of the factors that interviewees thought may have hindered or enabled the communication of strategy.

Blaikie (2000, p. 273) states that:

In results from qualitative analysis, the words may have be describing abstractions, such as ideal types, which have been derived from lay accounts and/or researcher’s descriptions of observations and other encounters with social actors.
Qualitative analysis attempts to retain the integrity of the information generated. The researcher remains close to the information and language of the interviewees but does not initially impose any concepts and categories to the lay accounts.

### 3.4.4.1 Data reduction

The data were critically reviewed in order to eliminate any confused information. Data were reduced, sorted and discarded so abstractions could be drawn from them. The intention was to interrogate the data without prejudice. The data reduction occurred at the physical and conceptual level, for example, sorting, categorizing and prioritizing data to make the data manageable. The data were developed into information categories and from this information, abstracts and abductive insights were drawn.

Cassell and Symon (1994) suggest that there are four main analytical techniques: quasi-statistical, templating, editing, and immersion/crystallization.

First, the quasi-statistical technique attempts to turn textual data into quantitative data that may be manipulated statistically. The abductive paradigm seeks insight from the interview data and does not require statistical formatting and thus this technique was ignored.

Second, templating is a useful technique to adopt in seeking to identify insightful content through the use of categories relevant to the research questions. Templating provides an opportunity to review the categories arising from the continuous review of data and the resulting data are reviewed qualitatively, not quantitatively.
Third, editing is a useful process to search for meaningful segments of data that led to the formation of reduced summaries to reveal the interpretive truth.

Fourth, immersion/crystallization provides an opportunity for the researcher to immerse themselves in the lived experiences of the research subject for a prolonged period to produce an account of their sensemaking processes through analytical reflection and intuitive crystallization of meaning. The approach taken for this research does not involve immersion in the research and therefore immersion was not utilized.

The researcher employed templating and editing techniques for the reduction and formation of data categories.

The sample size was not considered appropriate for the use of commonly available statistical software tools. Microsoft Word (version 2003), however, was utilized to capture the data in a format for review and access during the case study research.

The data reduction activity led to the presentation of research data in the form of data categories that are fully described in Chapter 4.

3.4.4.2 Data analysis

Subsequent to the interview data being reduced to form data categories the data were analysed using abduction.

Blaikie (2000, p. 77) says:

Abduction is the logic of inquiry in which the researcher, at least initially, takes on the role of learner and seeks to be educated by the people being studied.
The initial task is to learn about their form of life and the way they conceptualize and make sense of it. With this knowledge as an ingredient, the researcher may then proceed to re-describe lay accounts of the social world in social scientific language.

The use of an abductive strategy enabled interviewees’ pieces of puzzle (conundrums) and new insights to be drawn from the interview data concerning culture, trust, politics and structure, as structural constituents of organizational sensemaking. A deeper review of the interviewee conundrums led to the identification of four patterns of interviewee behaviour revealing that the interviewees shape their perception about AG Healthcare Headquarters new strategy, collectively rather than independently.

The identification of interviewee conundrums, new insights and the findings from the literature review led the researcher to identify the contextual factors that should inform the thinking and communication of strategy practitioners.

Lindlof (1995, cited in Hussey & Hussey, 1997, p. 256) refers to four interrelated domains which the Lindlof describes as:

- A process where the analysis of data takes place continuously throughout the study
- Reduction in data takes place at the physical level and at the conceptual level
- Explaining is what Lindlof describes as understanding the coherence of meaning and action is the case under study
- Theory is the context in which the analysis of qualitative data offers explanations
3.5 Chapter Summary

Exploratory case study research assumes that the world is socially constructed and is best understood through exploration of the thinking of the interviewees. It does not attempt to construct experiments to establish a direct cause and effect between variables. Social science research, in particular, does not support the construction of experiments to establish cause and effect.

Using an interpretive approach, a semi-structured interview guide was designed to enable conversations with the interviewees, to gain an understanding of their thinking and understanding of AG Healthcare Headquarters’ communication of strategy. This case study research was granted RMIT ethics committee approval to proceed.

The interview data was entered into a Microsoft Word database before reduction and analysis.

Chapter 4 presents the research data collected during this case study.
Chapter 4

Interview Data

4.1 Introduction

This chapter presents the interview data collected during qualitative semi-structured interviews with the interviewees at AG Healthcare, Oceania. Chapter 5 presents an analysis of this data.

Figure 4.1 depicts the steps taken by the researcher to review, edit and categorize the interview data. The content of said categories is systematically displayed in this chapter, thereby presenting specific content of the data.

Figure 4.1 Interview data structure
Appendix G presents a sample of the interview data from interviewees numbered 3 and 6.

During the reduction of interview data and formation of data categories, the researcher observed that the data comprised specific content but that the content was a narrow explanation of the internal activities at AG Healthcare Headquarters concerning communication of strategy.

4.2 Observations

During each interview there was opportunity to witness at first hand the reaction of each member of the AG Healthcare Oceania, management group, to the semi-structured interview approach. Body language, movement, expression, and verbal response were evident.

Rapport was achieved during each interview, between interviewee and researcher by the researcher explaining to the interviewee the semi-structured interview approach, including the role of the interviewer to ask open questions. As the researcher was a peer of the AG Healthcare Oceania, management group, the rapport contributed to the collection of the accounts of the interviewees.

In the ensuing discussions with interviewees information was provided freely. The interview was in most cases conducted in a closed office within AG Healthcare, Oceania facilities. There were, however, some interviews conducted outside of AG Healthcare Oceania company premises, and some via telephone. The responses to open questions were hand-written and confirmed with each interviewee before proceeding to further questions.
Although there was an element of caution in the early stages of the interview, there did not appear to be any withholding of information.

Interview timeframes were not too demanding on interviewees: not more than two hours. The researcher remained at all times aware that his prior experience could affect content and interviews were conducted therefore without prejudice.

Questions posed to each of the interviewees at the end of a conversation sought feedback from the interviewee in regard to the interview process and content. In all cases the interviewee made comment that the process was of an appropriate length in time and contained important content. The interviewees commented that the openness of the interviews enabled freedom to discuss issues and successes at AG Healthcare.

4.3 Interview Data

This chapter brings together the qualitative interview data collected from the interviewees. As a result of coding, editing and reducing the data, five data categories were identified: Communication, Culture, Politics, Structure, and Trust.

The data categories align with the researchers thinking and discovery of a communication of strategy circle, shown in Figure 2.4 (see 2.2) and the development of a modified strategy process, shown in Figure 2.6 (see 2.3.2).

Denzin and Lincoln (1994) suggest that the word ‘qualitative’ implies an emphasis on process and meanings that are not rigorously examined or measured in terms of quantity, amount, intensity, or frequency.
The interview conversations were initially scribed in a raw format, as heard by the researcher, and subsequently penetrated through templating and editing techniques, producing a depth of information beyond what was viewed during the raw data state.

The initial review of interview data in the form shown in Appendix G saw the researcher reading the transcripts several times, highlighting specific data as he went through the conversational material collected from each of the interviewees. During this activity the researcher gathered a mental picture of the world accounted for by the interviewees, the transcripts gathering highlights and the researcher consolidating the highlights into an electronic file for later use.

Punch (1998) says that data collection, data reduction, and data display are interwoven as concurrent components of data analysis. Data collection and reduction incorporate the steps to code and compress the data, while data display involves the presentation of data for further templating and analysis.

The researcher reviewed the data to create a new file that contained a summary of the data suitable for forming into categories of interpretive content. The researcher saw several advantages to coding, editing and reducing the data for presentation as this enabled the identification of the aforementioned data categories: communication, culture, politics, structure, and trust, presented in Appendix F.

The Oxford Dictionary (1971) lists category as an identification of differences found during the review of data whereby the data are sorted into data groups.
Earlier in this chapter, the researcher noted that the views of the interviewees’ concerning communication of strategy were narrow. This observation represents their experience at a point in time, a lived experience, of working with other people at AG Healthcare, Oceania.

An intuitively robust explanation of the interviewees’ accounts of their social world is made possible by way of the researcher being a member of AG Healthcare, Oceania. The researcher has considerable insider understanding of the conversations with interviewees. The rapport, which developed during the interviews, occurred due to the interviewees and researcher being mutually interested in identifying the contextual factors that should inform the thinking and communication of strategy practitioners at AG Healthcare Headquarters.

The literature review sensitized the researcher to a world other than AG Healthcare, and enabled him to see the AG Healthcare organization being played out in the form of interview data particular to that organization.

4.3.1 Communication

The first category is concerned with communication, containing interview data relevant to this study.

Issues highlighted by the interviewees include: Inconsistency, Relativity, Communication Method, and Emergent Strategy.

From the information contained in Appendix F, communication category, and the interview data, the researcher provides the following elaboration of the data supporting the issues identified by the interviewees:
4.3.1.1 Inconsistency

Communication of information from AG Healthcare Headquarters to AG Healthcare Oceania appeared inconsistent in content and frequency of information release. AG Healthcare Headquarters communication of strategy was not linked to AG Healthcare, Oceania business objectives.

Tailored information resulted from the interviewees taking a personal view of strategy and subsequently reconfiguring it to suit local culture, organizational goals and structure.

One of the interviewees made the following comment:

Employees find it difficult to accept AG Healthcare Headquarters strategy in terms of what it is, how it will be implemented, and where it fits and how it will be applied at each organization layer. (No 5)

4.3.1.2 Relativity.

The communication of strategy did not include a timeline, goals and acknowledgement of prior achievements. The background to AG Healthcare Headquarters strategy formulation was not made available and, therefore, the resultant support from the interviewees was not high.

Geographically located managers should have easy access to information, made available in many forms. Communication should be clear for each social group, with links and timeline linked to local strategies and other social groups within the organization.

One of the interviewees made the following comment: 'Every employee should be capable of repeating the organization’s goals'. (No 1)
4.3.1.3 Communication method

An important factor in gaining support of strategy is the method of communication. AG Healthcare Headquarters used a variety of communication tools. However, it was not clear that there was a common/consistent communication approach. For example, to what extent was a particular communication to be explained to organizational levels below the level of the interviewees? The communication of strategy should enable a link between the strategy formulation and implementation, and a business or individual’s objectives.

The communication method should promote a forum for exchange of information, to gain an understanding among employees of what strategy means, participation, and digestion, allowing time for feedback. The interviewees should communicate frequently and inform subordinates of the strategy facts rather than preclude them from the strategy detail.

The communication of strategy method should provide the interviewees with information that describes the progress of strategy formulation and implementation, and its impact on business and resources. The process must have sufficient rigor to sustain giving and receiving of information, derived from factual data.

The communication of strategy method should provide opportunity for employee feedback to create open communication between employees, the AG Healthcare Oceania, management group, and AG Healthcare Headquarters.
One of the interviewees made the following comment, ‘There is a desire from employees to know what is happening around them’. (No 2)

4.3.1.4 Emergent strategy.

New components of strategy were not adequately communicated or explained by AG Healthcare Headquarters. The strategy content normally contained what was to occur but not how it was to occur. The result was a lack of confidence from the interviewees in communicating the strategy, and its emergent content, to a wider audience.

The communication of strategy method should address emergent strategy and its impact on original strategy. A process of building-up and building-down of AG Healthcare Oceania to suit the new strategy must be explained to social group members as an integral component of social group member participation.

Emergent strategy content should be linked with original strategy, linking day-to-day business imperatives, operational activities, culture, social constructs, and environments of trust.

One of the interviewees made the following comment, ‘AG Healthcare should have formulated a strategy at the outset that enabled people to what, why, how, and when they would be involved’. (No 5)

4.3.2 Culture

The second category is concerned with culture, containing interview data relevant to this study.
Issues highlighted by the interviewees include: Motivation, Success, Openness, and Understanding.

From the information contained in Appendix F, culture category, and the data contained within the interview notes, the researcher provides elaboration of the data supporting the issues highlighted by the interviewees:

4.3.2.1 Motivation

Motivation of the interviewees was not considered during the release of new strategy. There were no group-building activities to engage or to create understanding of what AG Healthcare Headquarters had formulated.

The interviewees sought to be part of strategy, not to be excluded, and in doing so wanted to participate in the understanding and formulation of what was to be implemented, rather than sit and watch AG Healthcare Headquarters struggle to achieve desired strategy outcomes.

Informal communication clarifies possible misconceptions by employees, resulting in creation of a more tangible position for employees to consider.

One of the interviewees made the following comments:

If communication content and format does not create passion within the employee groups, survival tactics will result. (No 8)

Show in strategy something in it for me, and I can be part of it, and make a difference. (No 8)
4.3.2.2 Success

Strategy success should be linked directly to business performance whereby management, employees, customers, and partners can share in the success. Legacy of prior strategy success is an important factor in how AG Healthcare Oceania cope with new strategy, and what this means to the future development of business rules and environments.

Follow-through in terms of objectives tracking, reporting and communicating strategy success or formulation of emergent strategy is a key part of management credibility.

Short-term strategy goals overshadow longer-term strategy goals, and visibility of progress toward longer-term strategy goals. Consistent messaging about strategy success between AG Healthcare Headquarters and the AG Healthcare Oceania, management group, is an integral and important element for effective communication of strategy.

One of the interviewees made the following comment, 'Some communication can create misunderstanding, in particular people that see no future in the implementation of strategy. (No 9)

4.3.2.3 Openness

Providing scope for management feedback enables contribution without judgment. Openness (two-way communication) between layers of the AG Healthcare hierarchy, and between AG Healthcare Headquarters and AG Healthcare, Oceania, is important to management and employees in their understanding of organizational management.
Organize AG Healthcare Headquarters’ communication of strategy in such a way as to provide the interviewees opportunity of providing feedback.

One of the interviewees made the following comments:

There is need to ensure that all employees across the organization are capable of reinforcing strategy. (No 11)

People want to know what is happening within an organization, as it directly affects them. (No 11)

4.3.2.4 Understanding.

AG Healthcare Oceania’s environment was one of family commitment and teamwork whereby people who had worked for AG Healthcare, Oceania for many years had developed their careers within a stable and familiar setting.

AG Healthcare Headquarters did not appear concerned that their strategy was not linked to AG Healthcare Oceania business results. There was no time to consume the information, to make sense of the content, to absorb or understand.

The interviewees wanted to participate in the knowing and sharing of AG Healthcare Headquarters’ strategy, and what it was attempting to achieve. They want to know what the strategy outcome would look like, what changes to the organization would occur, how long it would take to implement the strategy, and how it would ensure the outcome would bring improved working environments compared with previous environments.
AG Healthcare Headquarters’ communication of strategy should be available as well as a process for challenging their communication whenever the structure is not understood or believed not to be effective.

The interviewees wanted to participate in the knowing and sharing of what AG Healthcare Headquarters’ strategy was attempting to achieve. What would the organization look like when the strategy was achieved? How long it will take to get there? Moreover, compared with previous strategy implementation, would it be an improvement?

Two of the interviewees made the following comments:

If the ground could stop moving, employees may be capable of understanding strategy. (No 5)

As information moves through and down the organization, the detail gets lost, and therefore, people start to dismiss information and their belief in the strategy. (No 5)

Top-down communication fails to address the interface between strategy and the connection with employees. (No 4)

4.3.3 Politics

The third category is concerned with politics, containing interview data relevant to this study.

Issues highlighted by the interviewees include: Power, Information Tailoring, Organizational Hierarchy, Progress, and Underlying drivers.
From the information contained in Appendix F, politics category, and the data contained in the interview notes, the researcher elaborates on the data as follows:

4.3.3.1 Power

The interviewees appeared to be losing some of their power regarding local decisions toward business development, customer management and the people who deliver services to these customers, caused by the formulation and implementation of AG Healthcare Headquarters new strategy.

There appears to be a gap between AG Healthcare Headquarters strategy and how this strategy was then interpreted by the interviewees. In some cases there were politicized actions resulting from the AG Healthcare Headquarters strategy, hiding information, and forming new social groups, thereby precluding the interviewees from having knowledge of strategy.

One of the interviewees commented, ‘Employees find it difficult to accept AG Healthcare Headquarters’ strategy in terms of how and where it fits with AG Healthcare Oceania, business objectives, and how it will be applied at each organizational layer’. (No 5)

4.3.3.2 Information tailoring

Information received from AG Healthcare Headquarters would in some cases be tailored by members of the AG Healthcare Oceania, management group, for local consumption within AG Healthcare Oceania. This means that the true strategy was not communicated but a diluted version aimed at AG Healthcare Oceania business goals.
Tailored information is the result of AG Healthcare Headquarters taking a high-level view of strategy and social group members subsequently reconfiguring it to suit AG Healthcare, Oceania culture, and business goals.

Two of the interviewees made the following comments:

Employees have a desire to know what is happening around them, in detail.

(No 2)

Informal communication requires a culture of openness and sharing whereby feedback is viewed positively, however this is not the case at AG Healthcare Oceania, possibly due to many hidden agendas. (No 11)

4.3.3.3 Organizational hierarchy

Differences in the understanding of strategy between AG Healthcare Headquarters and AG Healthcare, Oceania gave rise to confusion among management concerning business priorities.

Maintaining the organizational balance whilst implementing new strategy requires special attention to the communication of strategy including communication style, content and impact on people, their social groupings and organizational hierarchy.

AG Healthcare Headquarters strategy impacted upon AG Healthcare, Oceania localised strategy and business goals, and therefore AG Healthcare Headquarters strategy should have taken into account, perhaps even decentralised the strategy content for localisation, delivered through localised AG Healthcare, Oceania groups for local shared success.

Two of the interviewees made the following comments:
Top-down communication fails to address the interface between strategy and its connection with employees. (No 4)

If a general flattening of the business rules were possible, communication of strategy could become more readily accepted. (No 1)

4.3.3.4 Progress

Monitoring of strategy progress was limited by AG Healthcare Headquarters’ communication of strategy. This limitation presented a problem in terms of clarity of business progress toward achieving strategy and the method utilized for monitoring and validating strategy goals.

Groups must be able to share tacit knowledge without fear of losing control. Having the right information in a timely manner creates openness and response from recipients.

One of the interviewees made the following comment:

Employees do not understand strategy because they are not privy to the same level of information as the people formulating it, for example, planned strategy outcomes are not framed at a level where the impact of strategy affecting the daily lives of people can be directly related to their social group. (No 4)

4.3.3.5 Underlying drivers

Confusion existed regarding the underlying drivers of strategy content and communication. Organizational stability was questioned by the interviewees, in terms of the strategy goals, and the impact these may have on existing business initiatives and customer loyalty.
AG Healthcare Headquarters had not expressed clearly the reasons for formulating new strategy and therefore, the interviewees were sceptical of its content.

One of the interviewees advised, ‘Strategy is scary without the means to get there; people just don’t believe it’. (No 2)

4.3.4 Structure

The fourth category is concerned with structure, containing interview data relevant to this study.

Issues highlighted by the interviewees include: Social Groups, Competencies, Personal Impact, and Management initiatives.

From the information contained in Appendix F, structure category, and the data contained in the interview notes, the researcher elaborates on the data as follows:

4.3.4.1 Social groups

People subscribe or become enrolled in various social groups within AG Healthcare Oceania and people within these groups become involved and are connected to what is going on around them. These groups provide a link to management and other senior executives. Social groups exist at all levels of the organization, macro and micro. Key influences affecting communication of strategy appear to be formal and informal approaches to communication. Of particular value was informal communication within specific social groups. There did not appear to be any consideration by AG Healthcare Headquarters of the politics surrounding their new strategy.
Strategy communication needs to be overarching in its attempt to reach out to groups in support of AG Healthcare Headquarters strategy. The internal groups of administrative services along with key external suppliers, partners, and customers all need to be included because these groups need to have visibility of AG Healthcare Headquarters strategy and the changes it will bring.

Management in geographical locations can perceive a gap between a headquarters strategy and its interpretation at the geographical (country) level. In some cases there are politicized actions, in this case originating from AG Healthcare Headquarters, leading to withholding of information by individuals or groups of people (cliques); this is a form of interference restricting information flow to people that require it. The general feeling among the interviewees was that there was no clear line of authority to promote strategy.

A consistently applied communication format, delivered without surprising or new content is necessary to provide an environment of trust among employees and management. Under these conditions employees may choose to regurgitate strategy with ease among their chosen social groupings.

Two of the interviewees stated:

Line managers do not pass on all information they have. (No 4)

If the ground could stop moving...people may be capable of understanding strategy, but with so much change it is difficult to comprehend where they fit. (No 5)
4.3.4.2 Competencies

Strategy goals should address the development of new competencies, new skills, and new organizational groupings that bridge the gap between where the organization is now, and where it wants to be at some future point in time, to achieve the new strategy. Certain aspects of strategy can result in people thinking they do not have appropriate skills, and they become concerned that they may not have the required skills to maintain their position.

People should have available to them the information that identifies where they stand in terms of their technical and commercial skills, how to apply these skills, and how these skills will be improved through implementation of the new strategy.

Inclusion of how the new strategy integrates with emergent strategies requires a strategy roadmap of change over time including visibility of the steps required to achieve the new strategy. There appeared to be an inability of AG Healthcare Headquarters to communicate its intentions for the new strategy to the interviewees.

One of the interviewees commented:

There is a general lack of applying good ideas from a bottom-up approach to the AG Healthcare Headquarters top-down communication of strategy.

(No 12)

Do we have the right skill set to implement strategy? (No 12)
4.3.4.3 Personal impact

Awareness of what the strategy goals mean in terms of personal growth is missing from AG Healthcare Headquarters’ communication of strategy. Participation in achievement of strategy goals means linking the goals to personal circumstances, the effect these goals will have on an individual and their relationships within and outside of AG Healthcare Oceania.

Confidence in the information contained in AG Healthcare Headquarters’ communication of strategy generates opportunities for the interviewees to provide feedback and to participate in the implementation of strategy. At all times management must believe they form part of the strategy, at which time they will choose whether to participate further.

One of the interviewees claimed, ‘Time is a critical factor and mostly inefficient in communicating the link between strategy and business results’. (No 2)

4.3.4.4 Management initiatives

Initiatives to promote achievement of AG Healthcare Headquarters strategy goals does not take into account the impact of social groups, nor the reason why these groups were capable of creating success. Initiatives to create new organizational structures that deliver new services or products are created under a cloud of objectivity, pushing for optimized productivity and business excellence without consideration of social networks or social reasoning for building teamwork and trust.

Maintaining the balance between AG Healthcare Headquarters and AG Healthcare Oceania, while implementing strategy requires significant
communication effort, including consideration of communication style, content, and frequency.

A marketing approach to employee engagement is required. For example, the provision of a data pack and awareness sessions to explain the process, benefits, and reporting arrangements that could be used for reference and feedback.

AG Healthcare Headquarters strategy should be decentralized for local implementation through local teams whereby the localization would enable a clearer understanding of the strategy and its impact on local stakeholders.

One of the interviewees asked the following question:

Why is the strategy not developed in a high-level format that can be given to every employee, for example, a marketing exercise to emphasize process, benefits, reporting of progress, and the need to involve people in the strategy process? (No 12)

4.3.5 Trust

The fifth category is concerned with trust, containing interview data relevant to this study.

Issues highlighted by the interviewees include: Belief, Engagement, Confidence, and Accessibility.

From the information contained in Appendix F, trust category, and the data contained in the interview notes, the researcher provides elaboration of the data as follows:
4.3.5.1 Belief

The interviewees demonstrated a low level of trust toward AG Healthcare Headquarters and their strategy, because a gap exists between AG Healthcare Headquarters’ strategy and the business goals of the AG Healthcare Oceania, management group. With no explanation of how this gap can be addressed, trust cannot be established.

Groups of employees must have the opportunity to believe that tacit knowledge can be shared without fear of losing control. Trust cannot be created if employees feel threatened, are not listened to or feel the need to move into a survival mode.

Two of the interviewees made the following comments:

People want to know what is happening within an organization as it directly affects them, but most communication efforts does not provide a direct link to an individual, or their role in the organization. (No 11)

People are in the main, survivors doing their day job first, caring for customers without focus on strategy. (No 9)

4.3.5.2 Engagement.

AG Healthcare Headquarters did not engage the interviewees in understanding the new strategy. Engaging management and employees using familiar practices would ensure that passions are aired and the connection between AG Healthcare Headquarters and AG Healthcare, Oceania are obvious and maintained. Management tend to resort to survival mode tactics when communication content appears different to that expected.
An AG Healthcare Headquarters marketing approach toward engagement of the interviewees, in the form of an information pack, awareness sessions, reports, celebrations of success, should form part of AG Healthcare Headquarters reference material and organizational culture to promote feedback.

The communication of strategy should reinforce strategy goals, emergent strategy, and actions, and provide opportunity for feedback. The content of communications must be believable to employees.

It appeared important to the interviewees that they were engaged in the new strategy to ensure messages between AG Healthcare Headquarters and them were consistent.

Three of the interviewees stated:

Communication release is perhaps what the organization wants to hear, rather than finding out, and establishing what the communication of strategy needs to deliver. (No 11)

If communication content and format does not create passion within the employee groups, survival tactics will result. (No 8)

A plan of communication to deliver success and progress would benefit ongoing support. (No 3)

4.3.5.3 Confidence.

Organizational stability provides people with the confidence to resume a level of commitment to AG Healthcare Oceania without fear of being made redundant, for example, investment in skills development. Gaining the
confidence and cooperation of the interviewees would provide the best means of communicating strategy to lower levels in the hierarchy as the interviewees were central to the strategy and were opinion leaders within their teams and the wider AG Healthcare, Oceania organization.

Communicating the right information in a timely manner must enable people to reconcile the information and provide a response. Caring for the specific needs of individuals or groups may generate interest in and a willingness to participate, which can make a difference to the degree of strategy success.

By encouraging informal communications, any misconceptions of the new strategy may be corrected allowing employees to achieve an improved understanding. This results in the creation of a more tangible position for employees to consider.

Two of the interviewees commented:

Too much change and people stop listening or receiving communication.
(No 5)

E-mail is abused as a communication tool to the extent that people switch off.
(No 9)

4.3.5.4 Accessibility

Access to the AG Healthcare Headquarters, management during the release of new strategy was considered to be a key success factor with regard to ongoing trust between AG Healthcare Headquarters and AG Healthcare, Oceania. Access however, was not consistent as the communication media was not simple to understand and could be interpreted in many different
ways. This meant that several, and sometimes confusing, variations of the strategy content were communicated via formal and informal channels.

The interviewees’ lack of confidence in AG Healthcare Headquarters communication of strategy emanates from AG Healthcare Headquarters’ lack of initiative to review their strategy with the interviewees; for example, two-way communications, promotion of feedback and informal conversations.

One of the interviewees made the following comment, ‘Management should be more proactive in delivering/capturing employee feedback and communicating at the local management level the concerns of employees’. (No 3).

4.4 Data Spread

Data content analysis shows that some of the interviewees’ responses were unique. Taking into account that the sample size was twelve, these responses were discounted during the data reduction process as they were considered by the researcher to contain insignificant content.

Examples of unique responses are:

Most importantly, management must be capable of demonstrating the need to change business technology and gain employee buy-in. (No 2)

The size of the organization may be an issue in terms of communication ability to reach all employees with messaging specific to the individual needs. (No 6)

The researcher notices that associations between the responses suggest that the seniority of interviewee within AG Healthcare, Oceania produced a
response that more strongly supported AG Healthcare Headquarters than those interviewees with less hierarchical seniority. Figure 4.2 depicts a relationship between the interviewees being supportive of the AG Healthcare Headquarters’ strategy, relative to their hierarchical position. Figure 4.2 suggests that people higher in AG Healthcare Oceania’s hierarchy appeared more supportive of AG Healthcare Headquarters’ new strategy than those lower in the hierarchy. Figure 4.2 does not, however, imply that people higher in the AG Healthcare Oceania hierarchy have more of an understanding of AG Healthcare Headquarters new strategy.

Figure 4.2  Support versus hierarchical position

The variation in responses among the interviewees was not unexpected as the twelve interviewees were experienced strategy practitioners in their own right, having worked for many years in management positions.
4.5 Chapter Summary

Chapter 4 identified that although the data comprised specific content, it was a narrow explanation of AG Healthcare Headquarters’ communication of strategy.

The interview data have been enhanced through categorization and presentation, elaborations by the researcher, and extracts taken from interviewee accounts. Specific interview notes add context to the reduction and generation of categories that are much more inclusive than raw data.

The researcher recognizes that the reduction and presentation of interview data, in the form of categories have led to a set of data that could be considered new information to AG Healthcare, Oceania strategy practitioners, but may be considered conventional to an experienced academic researcher.

The next chapter presents an analysis of the interview data, illuminated by theory from the literature review.
Chapter 5
Data Analysis

5.1 Introduction

This chapter presents an analysis of the interview data using an abductive research strategy.

Figure 5.1 depicts the structure of the chapter, showing the steps to perform the analysis of data. The researcher employed abduction for the analysis of interviewee data, to generate new insights and pieces of a puzzle. This led the researcher to identify from the interviewee accounts, four distinct interviewee behaviors (whole puzzle). Analyzing data, according to Seidel (1998), is essentially a simple process consisting of three parts: noticing, collecting, and thinking about interesting things.
The interview data presented in Chapter 4 identified that the interviewees view, concerning communication of strategy, was a narrow explanation of their experiences resulting from AG Healthcare Headquarters’ efforts to communicate it formulation and implementation of strategy. Moreover, because the interviewees’ narrative expressed a narrow explanation of the issues, concerning AG Healthcare Headquarters’ communication of strategy, the researcher could not adequately address the research questions using the interview data alone to inform the research.

To facilitate the researcher’s identification of the contextual factors that should inform the thinking and communication of strategy practitioners, it was necessary for the researcher to formulate an additional research question. The new research question was:

- What organizational contextual factors does current literature suggest should inform the thinking and communication of strategy practitioners?
Chapter 5 – Data Analysis

The new research question enabled the researcher to use literature, discussed in Chapter 2, to assist in the identification of the contextual factors that should inform the thinking and communication of strategy practitioners.

The outcome of the data analysis using abduction, shows that engagement of social group members is one of the fundamental determinants of an organization’s ability to communicate the formulation and implementation of new strategy.

The chapter can be considered through the eyes of the researcher: an engineer, strategy practitioner, and senior manager. The presentation of the analysis is from this perspective.

Table 5.1 depicts the interview data categories identified in Chapter 4 (see 4.3) inclusive of the issues raised by the interviewees. The content of Table 5.1 provided a point of reference for the analysis of interview data.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Communication</th>
<th>Culture</th>
<th>Politics</th>
<th>Structure</th>
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<td>Relativity</td>
<td>Success</td>
<td>Information Tailoring</td>
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<td>Emergent Strategy</td>
<td>Understanding</td>
<td>Progress</td>
<td>Management Initiative</td>
<td>Accessibility</td>
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The next part of this chapter presents an analysis of the interview data using abduction. The interview data categories were used as the basis for the analysis, each category occupying a separate component of this chapter.
5.2 **Analysis**

It was identified in Chapter 3 that abduction is a research strategy where the researcher infers an explanation from an observation. Shank and Gleber (2002) reminds the researcher that abductive inference can include the following: hunches, omens, clues, patterns and explanations. This openness to possible meanings provided a significant opportunity of discovery, rather than being a weakness.

The analytical process employed by the researcher enabled him to move from the data to discover the way the interviewees’ conceptualised (constructed reality), and gave meaning to their world. He did this by making several observations, whereby he was able to infer an explanation: an abducted insight into the way the interviewees made sense of the AG Healthcare Headquarters communication of strategy.

5.2.1 **Communication**

5.2.1.1 **Observations**

The researcher observed that the interviewees were not pleased with their lack of involvement in AG Healthcare Headquarters strategy process. During the conversations with each of the interviewees the researcher asked if they thought that there was a strong correlation between formal and informal communication activities. Their response was unanimous that AG Healthcare Headquarters communication of strategy was formal, leading to much informal communication, and political and structural action among social groups.
Perhaps the response of the interviewees was driven by their lack of confidence in AG Healthcare’s new CEO and his new strategy. Two of the interviewees commented:

Employees find it difficult to accept HQ strategy in terms of how and where it fits, and will be applied, at each organization layer. (No 5)

Top-down communication fails to address the interface between strategy and the connection with employees. (No 4)

The interviewees indicated through their conversations with the researcher that a growing distrust was occurring. This was due to the inconsistency of communication content, leading to information tailoring (politicizing) by some interviewees. As identified by Kimber (2001), factors associated with trust can be designated: high trust, low trust, high distrust and low distrust, each existing as an independent variable in a relationship. When asked if they were aware of the timing for achievement of strategy goals, the interviewees responded saying that their position at AG Healthcare Oceania made it difficult for them to engage with AG Healthcare Headquarters, in their communication of strategy. Two of the interviewees commented:

Every employee should be capable of repeating the organization’s goals. (No 1)

People want to know what is happening within an organization, as it directly affects them. (No 11)

The new strategy was not clear to the interviewees. The interviewees sought engagement from other social group members; a cultural stratification, which enabled the interviewees to break down the barriers of AG Healthcare Headquarters organizational matrix-based hierarchy. According to Selfridge
and Sokolik (1975), overt and covert communications facilitate relationships between an organization and its workforce.

The interviewees’ response to being asked if they saw a relationship between the communication method and their support of the strategy was that the communication at first appeared plausible. However, after discussion among social group members, the content was not so clear. One of the interviewees commented, ‘As the information moves down through the organization the details get lost’. (No 5)

The interviewees appeared to seek engagement in AG Healthcare Headquarters’ strategy process and gave the impression that their lack of involvement led to increased informal communications. As identified by Peters & Waterman (1982), informal communication opens up discussion among people to get their jobs done, and it closes the gap found in more formal ways of communicating, for example, rules and policies. AG Healthcare Headquarters utilized several media for their communication of strategy, but failed to create rapport with the interviewees whereby they could develop an understanding, and share this among social group members, seeking to resolve any misconceptions. One of the interviewees noted, ‘Employees have a desire to know what is happening around them, in detail’. (No 2)

The release of emergent strategy caused the interviewees to be surprised by the content, not knowing if they understood its meaning, causing frustration and confusion. Their frustration resulted in resistance to the new strategy as it was their credibility on the line if they communicated its content to
subordinates. One of the interviewees stated, ‘What’s in it for me? What are the benefits I will see if I support this new strategy?’ (No 3)

Communication of emergent strategy quickly became taboo as the interviewees struggled to understand the content of this new strategy. The interviewees felt compelled to interpret the new information, to elicit its content and be inventive about its intent. They appeared disappointed by their lack of involvement in AG Healthcare Headquarters’ strategy process and the lack of integration between emergent strategy, original strategy and the day-to-day business activities. One of the interviewees said, ‘AG Healthcare Headquarters should have formulated a strategy at the outset that enabled people to see what, why, how, and when they will be involved’. (No 5)

What constitutes effective communication? The interviewees’ response to communication of strategy, received through AG Healthcare Headquarters’ various media, was to resist the content when it was not easy to assimilate with AG Healthcare Oceania business objectives. Communication provides the means to engage people in the role of strategy and its messages must be easy to understand, addressing questions that people may have, and for the creation of immediate learning (Dunphy 1982; Kramlinger 1998). The interviewees resisted the new strategy because they were not sure of its content, what the outcome would be, and how they should react. One of the interviewees noted, ‘Buy-in is an informal communication activity utilising networks and people who have influence’. (No 2)

When the researcher asked the interviewees if they had an awareness of a relationship between communication method and their support of the new
strategy, their response was that, although the essence of strategy was being communicated, the detail was missing. One of the interviewees said, ‘Some communication can create misunderstanding, in particular people that see no future in the implementation of strategy’. (No 9)

The relationship between sensemaking and communication of strategy for the AG Healthcare Oceania, management group, appears two-fold, and is surrounded by uncertainty and ambiguity. First, a member of the AG Healthcare Oceania, management group, creates an understanding from the communication of strategy, and second, this individual is a member of a particular social group, which influences their perception and understanding of what was communicated. According to Venzin et al. (2005), contextual understanding is required between a Headquarters group and a geographical group, to ensure value is created at the geographical level. It is no surprise perhaps that the interviewees sought solace from their social group memberships. One of the interviewees commented, ‘It is difficult for people to comprehend where they fit, what role they will play, and the direction the new strategy will take them’. (No 5)

The researcher observed that the interviewees visualization of the new strategy was a process of cognitive evaluation (mental picture-building) built from the interaction with social group members. Their socializing enabled them to gain an improved understanding (picture) of the new strategy and what it meant (sensemaking) for AG Healthcare Oceania. The problem that appeared to emanate from the process of sharing information, from person to person, was that the true message became distorted by an interpretation and reinterpretation process.
The interviewees appeared to interpret their understanding of strategy through interaction with other social group members, which generated sensemaking. As noted by Maitlis (2005), organizational sensemaking allows people to deal with uncertainty and ambiguity by creating accounts of their world, and sharing these among social group members.

The researcher asked the interviewees if they accepted the AG Healthcare Headquarters strategy. Their response was that the strategy was difficult to comprehend in terms of what it meant to current business, to product portfolios and customers, often resulting in actions of survival by some interviewees. One of the interviewees commented:

> Employees find it difficult to accept AG Healthcare, Belgium strategy in terms of what it is, how it will be implemented, and where it fits and how it will be applied at each organization layer. (No 5)

The response from the interviewees indicated that they were resistant to AG Healthcare Headquarters’ new strategy as they were not able to easily understand its content.

The interviewees appeared challenged by AG Healthcare Headquarters’ new strategy and the first sign of this, recognised by the researcher, was that although the interviewees were extremely busy people, they found time to openly participate in this research study. Giving up their time, sharing their experiences and explaining the way they saw the strategy unfold was a pathway for them to make sense of what was going on around them. This openness indicates a passionate and perhaps desperate management group,
seeking to improve the communication of strategy between AG Healthcare Headquarters and AG Healthcare Oceania.

Additionally, the interviewees used a mix of sayings to explain their thinking and sensemaking of new strategy. For example, one of the interviewees said, ‘Always look on the bright side of life’. (No 4)

The casual nature of this response appeared to be borne from the interviewees’ frustration about not being involved in AG Healthcare Headquarters’ new strategy, leading to an environment of distrust. They appeared to have no control, no input and no clarity of the situation, and no means to communicate the new strategy to their subordinates.

During the conversations the researcher asked to what extent communication of strategy could enable early understanding of the new strategy. The interviewees’ response was that current business rules and hierarchy made understanding AG Healthcare Headquarters’ new strategy difficult. One of the interviewees noted, ‘If a general flattening of business rules and hierarchy were possible, strategy communication could be more readily understood’. (No. 1)

This comment suggests that the interviewees could not make sense from AG Healthcare Headquarters’ communication media alone and as there was no feedback loop for clarification: the opportunity for resolution of misconception was missed. As noted by Miniace and Falter (1996), the role of feedback is an essential component of reducing the potential of roadblocks developing, as in the case of AG Healthcare Headquarters’ communication of strategy to the interviewees. Two of the interviewees noted:
Communication of strategy, for example new objectives, is scary without the means to achieve what is required. People will not act if the communication is not logical. (No 2)

There are areas of the business not committed to the new strategy as the BIG picture is missing. (No 11)

The response from the interviewees indicates that panic occurred among the AG Healthcare Oceania, management group, when they could not make sense of AG Healthcare Headquarters’ new strategy.

5.2.1.2 Pieces of the Puzzle

What was surprising to the researcher, as a member of the AG Healthcare Oceania, management group, was that the interviewees’ responses were so candid. The candid nature of the interview data put the researcher in a position of confidence having gained a view from the interviewees that was not necessarily available from other sources.

The interviewees felt misinformed by the communication content, they were sceptical of achieving strategy success and lacked confidence in AG Healthcare Headquarters. Ineffective overt communication led to covert communication among social group members, resulting in political moves by some of the members. According to Selfridge and Sokolik (1975), covert communications form the environment in which social construct is consolidated that subsequently determines the degree of strategy success.

The interviewees were not pleased with their position: they were disgruntled and felt rejected by AG Healthcare Headquarters, which led to a degree of frustration and confusion. The feeling of rejection (being disenfranchised)
appeared to emanate from a perceived lack of respect from AG Healthcare Headquarters for the experience of the interviewees as strategy practitioners (managers and leaders).

Perhaps the organizational environment experienced by the interviewees was such that the ineffective communication brought about panic among the group. Not being able to understand AG Healthcare Headquarters’ new strategy, in terms of its connection with AG Healthcare Oceania business activities, caused the interviewees to resist the communication content, leading to an environment of distrust. According to Gill (1996), barriers to receipt of information could include a wide range of technical, personal, motivational, professional, political, and cultural differences. The interviewees were not able to link the AG Healthcare Headquarters’ communication of strategy to their management positions at AG Healthcare Oceania.

Distrust caused the interviewees to reject AG Healthcare Headquarters’ communication of strategy on face value. They preferred rather to discuss the content locally and gain a consensus of the meaning and only then choose to communicate to a wider audience or do nothing. Socializing among social group members enabled the interviewees to understand their situation concerning, their future role, what the organization expected of them, and for politicians to gain their buy-in of the interpretations put forward. As noted by Argyris (1994), people, who openly share information to gain an improved understanding of strategy, trust their colleagues (social group members).
The logic of the interviewees’ resolve concerning communication of strategy lies in their ability to interpret the communication content, to share their misconceptions and issues with social group members, and to reach a new position of understanding.

### 5.2.1.3 New insights

Four new insights follow:

- People who find themselves in a position where they cannot construct an understanding of their environment seek answers from their social group memberships.

- When situations cause people to be misinformed, they are at risk of political manipulation from the communication of strategy. Covert communication should address the potential of overt communication and turn the social stratification to its advantage.

- Engaging people in strategy process enables conversations and rapport, which enriches the influence of covert and overt communications.

- For communication of new strategy to succeed it must address current understandings, objectives and actions of its recipients (social group members). A strategy process must connect the new emergent content with the value (worth) of the present content.

It was identified in Chapter 2 (see 2.4) that communication is a process of developing a climate in which open communication can occur. Selfridge and Sokolik (1975) note that communication contains both overt and covert content and an organization must develop the capability of communicating.
strategy in a meaningful manner to all relevant parties, for example, AG Healthcare Headquarters communication of strategy to the interviewees.

5.2.2 Culture

5.2.2.1 Observations

The researcher observed tension in the interviewees’ comments, indicating that the influence of internal politics upon everyday understanding of meanings, led to a degree of frustration. According to Brown (1995), culture includes a set of pre-dispositions that members of an organization possess, encouraging members to think and act in certain ways. During the conversations with the interviewees the researcher asked if they were embracing the strategy or simple doing what was required to survive. Their response was that people invariably dodge difficult situations, when they lack motivation, focusing instead on their work at hand. One of the interviewees commented, ‘If communication content and format does not create passion within the employee groups, survival tactics will result’. (No 8)

AG Healthcare Headquarters’ new strategy appeared difficult for the interviewees to accept. Its content was new, and challenging, something perhaps the interviewees had not experienced before. The researcher observed that the interviewees found difficulty in linking the new strategy to the business initiatives at AG Healthcare Oceania giving them concern for their identity, their meaning as managers, and members of the AG Healthcare Oceania, management group. One of the interviewees commented, ‘Management should be more proactive in delivering and
capturing employee feedback and communicating at the local management level to address the concerns of employees’. (No 3)

The interviewees appeared perplexed by the apparent, almost oblivious, dismissal of AG Healthcare Oceania’s cultural rituals and symbolic misgivings by AG Healthcare Headquarters. As identified by Parker (2000), shaping culture is guided by processes that bring together history and everyday practice to establish meanings where these can be contested and misunderstandings resolved.

The interviewees asked the researcher if AG Healthcare Headquarters had any idea of the impact such a new strategy would have on existing business, and its social group members. AG Healthcare Headquarters’ communication of strategy had not taken into account its impact on the actions of AG Healthcare Oceania social group members and organizational culture. As noted by Hostede and Hofstede (2005), cultural differences between a headquarters group and a geographical group have the potential to create societies that manage inequality specific to the national culture. Two of the interviewees commented:

Some communication can create misunderstanding, in particular people who perceive no future resulting from the implementation of strategy. (No 9)

As information moves through and down the organization, the detail gets lost, and therefore, people start to dismiss information and their belief in the strategy. (No 5)

The interviewees found the lack of information regarding the communication of strategy success, or lack thereof, caused them to be concerned for the
security of their management positions. According to Maitlis (2005), the notion of sensemaking is something that occurs when members of a social group confront events, issues, and actions that are somehow surprising or confusing, allows people to deal with uncertainty and ambiguity. By creating rational accounts of their world, preceding decision-making, the interviewees can make sense of the communication of strategy.

The lack of openness concerning their future was exacerbated by the lack of opportunity for feedback, which gave them cause for being coy with their peers and subordinates. Two of the interviewees commented:

People want to know what is happening within an organization, as it directly affects them. (No 11)

Strategy communication fails to address how daily issues will be resolved, for example, no realization of the connection between strategy and reality. (No 4)

The interviewees indicated that their local success (Oceania) was not taken into consideration by the AG Healthcare Headquarters. They felt unable to integrate the new strategy with AG Healthcare Oceania business activities, without a clear understanding, of what was to be achieved. Their motivation appeared to be almost non-existent. Two of the interviewees stated:

Show in strategy something in it for me, and I can be part of it, and make a difference. Identify key motivators and business drivers that are linked to people. (No 8)

If the ground could stop moving, management may be capable of understanding strategy. (No 5)
The interviewees appeared to have rapport with one another and indicated that there should have been an AG Healthcare, Oceania spokesperson for receipt of the new strategy, breaking the stronghold of AG Healthcare’s organizational matrix.

Appointing someone who would constitute a single point of contact for communication of strategy may have improved the interviewees’ understanding and created a conduit for feedback to AG Healthcare Headquarters. As identified by Kotter and Heskett (1992), cultural environments represent an interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves. One of the interviewees commented, ‘Communication of strategy should perhaps be checked by one of the AG Healthcare Oceania, management group, prior to it being communicated further’. (No 4)

The response from the interviewees confirmed the importance of informal communication and of working together (culture) in their social groups to resolve misconceptions and issues. As noted by Schneider (2000), strategy often fails due to the lack of understanding that organizations are living organisms and culture is one of its components. AG Healthcare Headquarters appeared to have developed a top-down communication culture, where communication was conducted as a means to inform people but not designed to engage or to accommodate the multiple conversations that occur between social groups in a large matrix organization.

The researcher further observed that the interviewees were not afforded the time required to participate in the new strategy, which was perceived by the
interviewees as a means to exclude them from participating in the AG Healthcare Headquarters’ strategy process. The researcher asked the interviewees if they understood the AG Healthcare Headquarters strategy and their response indicated that confusion reigned over its boundaries. The interviewees mentioned that there were too many components of strategy, some original and some emergent. One of the interviewees stated:

There is a disconnect between AG Healthcare Oceania and AG Healthcare Headquarters, which has resulted in our inability to keep in touch with the ongoing development of strategy. (No 5)

The response from the interviewees indicates that because they were not engaged in AG Healthcare Headquarters strategy process, they were not able to gain an understanding of the new strategy. As noted by Green (1998), changing culture is hard because it requires people to change their beliefs. One of the interviewees commented:

The communication of strategy is not in a format that would create interest in the recipient whereby they could generate some kind of understanding. The communication of strategy must be tabled in a format that is easy to understand and AG Healthcare Headquarters, Belgium has not addressed this point. (No 8)

Business is driven through a top-down hierarchy of European decent. A ‘do as you are told’ environment rather than an inclusive one. AG Healthcare Headquarters need to engage people in their communication of strategy seeking consensus and alternative thoughts. (No 8)
5.2.2.2 Pieces of the puzzle

Perhaps the interviewees were surprised by the lack of information concerning new strategy, and that their prior success in AG Healthcare Oceania, as strategy practitioners, had not been taken into account. The outcome of such an error of judgement by AG Healthcare Headquarters was that the interviewees resisted the new strategy, its content and its ambitious goals.

Because the interviewees felt excluded from being able to provide feedback and the opportunity of resolving any misconceptions, they adopted a survival mode. The interviewees responded only to what was asked of them and resisted participation in the new strategy. The interviewees’ responses indicate that they were not afforded the opportunity of providing feedback to resolve their misconceptions and misunderstandings.

A tension exuding from the analysis of data portrays the interviewees’ frustration and despondency concerning AG Healthcare Headquarters’ lack of awareness and respect for the AG Healthcare Oceania culture. According to Green (1998), an organization’s strategy should be synchronized with its culture otherwise resistance will result, as in the case of AG Healthcare Headquarters new strategy. The interviewees found the communication of emergent strategy to be surprising and challenging which resulted in further resistance to its implementation. As noted by Maitlis (2005), sensemaking occurs when social group members confront events, issues and action that are surprising.
The interviewees appeared to be asking a question. Who are we? What is our worth if we cannot understand the new strategy and its link to AG Healthcare Oceania day-to-day business activities? As noted by Peters & Waterman (1982), culture, identity and shared values are important in unifying the social dimensions and managing the evolution is important in keeping a headquarters group, as was the case for AG Healthcare Headquarters (Belgium), and AG Healthcare Oceania (Australia). AG Healthcare Headquarters’ communication of strategy was not enabling the interviewees to understand the strategy nor how it would be implemented and disseminated to other social group members (sensegiving). As noted by Maitlis (2005) sensegiving occurs when social group members engage in behaviours that attempt to influence others.

The researcher’s conversations with the interviewees’ indicated that the AG Healthcare Oceania, management group, as a social group, had developed their relationships over a number of years to form a position of strength. The interviewees were a cohesive group whereby they could resist, accept or simply delay, further communication of strategy.

5.2.2.3 New insights

Three new insights follow:

- Social groups are an enabler for people to gain an improved understanding of their contextual environments. Informal communication affords people the opportunity to round-out any misconceptions, resulting in a more tangible position for them to consider
Understanding the culture of an organization, its rituals, and symbolic happenings, is one of the key success factors for communication of strategy. Engaging people in strategy process enables them to move through the layers of a metaphorical communication pyramid, from their current environment, through facts, ideas, feelings, and openness to the potential of embracing new strategy. Affording social group members’ participation in AG Healthcare Headquarters’ strategy process permits the discovery of meaning (sensemaking) and an improved understanding of strategy.

To neglect the power of social groups is a recipe for a failed strategy. Engaging social group members in strategy process would result in a greater awareness of its formulation, implementation, and communication. A positive awareness would require engagement of social group members in the practice of open participation, in AG Healthcare Headquarters strategy process.

5.2.3 Politics

5.2.3.1 Observations

The researcher observed that the tension, mentioned above, was partly due to the result of the interviewees losing power: the power to formulate, implement and communicate strategy at the AG Healthcare Oceania level. AG Healthcare Headquarters strategy was causing tension among the interviewees leading to political moves, by some members, which distorted the communication of strategy. As noted by Pfeffer (1997), politics are used more forcefully when there are different points of view.
The interviewees’ interpretation of AG Healthcare Headquarters’ communication of strategy appeared to foster tailoring of their response, acting independently and collectively. According to Green (1998), politics comprise a plurality of vested interest groups and power bases rather than a cohesive whole. Perhaps the interviewees saw the tailoring of information as a way of regaining localised power. One of the interviewees commented:

Informal communication requires a culture of openness and sharing whereby feedback is viewed positively, however this is not the case at AG Healthcare Oceania, possibly due to many hidden agendas. (No 11)

The researcher observed situational tension, perhaps caused by the interviewees’ frustration, despondency, and distrust, which led them to elicit their views through political means. As identified by Mintzberg & Quinn (1991), politics is divisive and conflicting due to its sanctioned nature. Politicizing AG Healthcare Headquarters’ ineffective communication and sharing these interpretations of strategy with social group members were perhaps a way of making sense of AG Healthcare Headquarters’ communication of strategy. One of the interviewees commented, ‘Some people found that implementation of strategy was difficult to understand and resorted to surviving on what they know, rather than exploring where they were going’. (No 1)

The interviewees appeared to interpret formal communication through informal communication among social group members. The interview data indicates that AG Healthcare Headquarters’ strategy process requires special attention to communication of strategy including communication style, content and impact on people, their social groupings, and organizational
hierarchy. One of the interviewees stated, ‘Everyone seeks to share their opinion and thus informal communications is an immediate reaction to a formal communication’. (No 9)

The researcher asked the interviewees if they were able to link AG Healthcare Headquarters communication of strategy with changes in their organizational management structure and business processes. Their response was that AG Healthcare Headquarters communication of strategy was not clear, causing confusion about the underlying drivers of strategy and their impact on organizational structure (social groups). According to Barrett (2002), without effective communication change is impossible. Perhaps the interviewees were caught between maintaining the Oceania organizational balance while attempting to understand and implement AG Healthcare Headquarters’ new strategy. One of the interviewees commented:

Employees find it difficult to accept AG Healthcare Headquarters strategy in terms of how and where it fits within AG Healthcare Oceania, and how it will be applied at each organizational layer. (No 5)

Because AG Healthcare Headquarters communication of strategy caused confusion among the interviewees, political action formed part of the process interviewees employed to make sense of the strategy. The potential for miscommunication arose from AG Healthcare Headquarters’ communication media and its content, presenting opportunity for misconceptions of meaning and understandings. One of the interviewees stated:

Employees do not understand strategy because they are not privy to the same level of information as the people formulating it, for example, planned strategy
outcomes are not framed at a level where the impact of strategy, as it affects
the daily lives of people, can be directly related to social groups. (No 4)

Perhaps the development of political actions by the interviewees was the
result of the members wanting an elaborated communication of strategy,
which could be connected to the business activities of AG Healthcare Oceania
and be easily understood. One of the interviewees said:

Buy-in is important to ensure that negative ‘informal communication’ is
reduced to a minimum. Negative informal communication can result from a
lack of early buy-in (understanding) of the people involved. (No 2)

The interview data indicates that politics can create a negative environment
where communication flow is thwarted due to conflict and personal interest.
As noted by Mintzberg & Quinn (1991), politics could paralyse an
organization, causing it to dysfunction, as was the case for AG Healthcare
Headquarters new strategy. Although an individual may benefit from
personal power, the influence of the individual on a group can be supportive
or destructive toward achievement of strategy goals.

The researcher observed that interviewees were trying to adapt, influence or
build new solutions around AG Healthcare Headquarters’ communication of
strategy, by sharing their views among social group members. One of the
interviewees commented:

Formal communication does not easily find its way into a format that enables
understanding and unless the content of formal communication engages
people in understanding the strategy, informal communication will take place,
looking for a consensus of alternative thoughts. (No 8)
The interviewees’ response indicates that social groups are the powerhouses of organizations as they have the ability to influence outcomes and success, comprising functional, disciplinary or gender-based groups. According to Parker (2000), social groups that retain their tacit knowledge hold one of the keys to strategy success. Managing the needs of an organization’s power groups, in relation to strategy and communication of timeline, should be a key component of strategy process. According to one of the interviewees, ‘Filtering of messages occurred, for example, framing of information in a particular way by managers’. (No 4)

The interviewees’ notion of politics assumes that political activity is an informal action of social group members. As identified by Alvesson & Willmott (1992), politics can exhibit three forms of behavior: objective politics with structural phenomenon, constraining or oppressing an organization’s strategy efforts; subjective politics with social group power of eliticism, pluralism or radicalism; and relational politics of social group interaction.

‘Survival’ was a term frequently used during the interviewees’ conversations with the researcher, which is perhaps one of the reasons communication tailoring and resistance (frustration, despondency, distrust, tacit knowledge retention) occurred. One of the interviewees claimed, ‘Informal communications round the edges of sharp formal communications, for example, a format (warm and fuzzy) that provides a greater depth and meaning’. (No 4)
The response from the interviewees confirms the importance and influence of informal communication.

5.2.3.2 Pieces of the puzzle

The interviewees appeared to suffer from being a geographical location (country) within the Asia Pacific (ASPAC) region. Their geographical position created a feeling of lost importance between AG Healthcare Headquarters new strategy and that of AG Healthcare Oceania day-to-day business activities.

Because the interviewees were unsure about the underlying drivers for AG Healthcare Headquarters new strategy, and were knew that their recent business performance in AG Healthcare Oceania had been exemplary, they were somewhat perplexed by AG Healthcare Headquarters’ ineffective communication of strategy.

The interviewees feeling of lost power caused retention of tacit knowledge and copious tailoring of communication to suit self-interest or to create a positive picture that appeased social member concerns of job security. Parker (2000) notes that organizations may appear at times to be confused and contradictory because of the patterning of legitimate power, as was the case for AG Healthcare Headquarters’ ineffective communication of strategy, which led to the interviewees tailoring the content through interaction among social group members. Tailoring was a form of regaining power, and a demonstration of sensemaking by the interviewees; tailoring also meant that AG Healthcare Headquarters communication of strategy was ineffective.
The interviewees’ political actions created a degree of clarity for social group members, which was not possible from AG Healthcare Headquarters’ communication media alone. The interviewees adapted, influenced and found new solutions for the communication of strategy that could be more easily understood (sensemaking).

5.2.3.3 New insights

Four new insights follow:

- Groups must be able to share tacit knowledge without fear of losing control. Having the right information in a timely manner creates openness and positive response from recipients

- Engaging social group members in strategy process enables the sharing of information and knowledge with minimum risk of manipulation

- Engagement affords social group members the opportunity of sharing concerns over day-to-day performance and new strategy, creating the potential of openness

- Ineffective communication of strategy results in social group members adapting and creating positions of influence

5.2.4 Structure

5.2.4.1 Observations

The researcher observed that the new strategy presented by AG Healthcare Headquarters resulted from a top-down decision-making process, congruent
with corporate matrix management structures. The interviewees were not engaged in AG Healthcare Headquarters strategy process.

The situational tension mentioned above, in the discussion about culture and politics, emerges from the interview transcripts as an issue of engagement or lack thereof. According to Berger & Luckmann (1985), type castings emanate from the interaction among social group members over time, which are habitualized into reciprocal roles, played by social group members in relation to one another creating social reality and institution. The interviewees expressed a view that suggests an action that engages people in a process of understanding is an essential step in resolving tension. Engagement was said to help people understand where they stand in terms of their technical and commercial skills, and how these apply or will be improved, through implementation of strategy. One of the interviewees commented, ‘There is a general lack of applying good ideas from a bottom-up approach to the AG Healthcare, Headquarters top-down communication of strategy’. (No 12)

The response from the interviewees indicated a desire to be involved in AG Healthcare Headquarters strategy process and that this would assist their understanding of new strategy.

The interviewees were members of AG Healthcare Oceania but had membership to other AG Healthcare social groups outside of Oceania. For example, regionally based sales and services groups, global groups, and specific discipline groups offered the interviewees multiple social group memberships. As noted by Ghoshal & Bartlett (1995), structure appears to have been replaced by practitioners in the workplace, fostering behaviors of
initiative, cooperation and learning which cannot be achieved through structure alone. The linkages (social group networks) provided by the various groups brought a complexity of controversy, meaning that the interviewees, being members of AG Healthcare Oceania, were also receiving interpretations of the new strategy from other social groups, enabling or sometimes disabling, their sensemaking of the new strategy. One of the interviewees commented, ‘The tool chosen for communication of strategy should engage or disengage people, for example, email is abused to the point where people switch off’. (No 9)

The researcher observed that the interviewees did not enjoy surprise; they instead preferred to be engaged, informed, and in a position to discuss and resolve their misconceptions. The conversations between social group members, resulting from ineffective communication, led to many hours of lost productive time. According to Pfeffer (1997), the concept of structure is a set of processes for interfacing, communicating and engaging people in the practices and objectives of an organization, and this applies to AG Healthcare Headquarters. The researcher asked the interviewees if it was possible to link the new strategy with organizational structure. Their response was that it was not easy at first but that open discussion among social group members brought clarity to the meaning of communication and its impact on social groups. Three of the interviewees commented:

Too much information creates a lack of support for what is being communicated, perhaps due to the lack of time, to gain an understanding of what the strategy is. (No 7)

If the ground could stop moving...people may be capable of understanding
strategy, but with so much change, it is difficult to comprehend where they fit. (No 5)

Time is a critical factor and mostly inefficient in communicating the link between strategy and business results. (No 2)

The interviewees’ response indicates that time is a factor in the process of social group members sharing information prior to gaining an improved understanding of strategy.

The researcher asked the interviewees if they believed the new strategy was linked to other business initiatives, for example, product release or business operations (competencies). Their response was that without visibility of the new skill requirements, people become anxious about their position, often fleeing the nest to gain employment in another organization where it appeared the environment could be less confrontational. The interviewees appeared surprised that AG Healthcare Headquarters was not communicating the steps, the schedule, and the actions, necessary to achieve the strategy. Three of the interviewees stated:

Do we have the right skill set to implement strategy? (No 12)

Show in the strategy something in it for me and I can be part of it, and make a difference then I will be there. Communication should engage people to enable a positive understanding of employment security, organizational stability, and longevity. (No 8)

Line managers do not pass on all information they have. (No 4)
Interviewees commented that they were supportive of participation in achievement of strategy goals, and for linking these goals to personal circumstances, vis-à-vis, reward and recognition. Perhaps a process of interaction, leading to resolution of misconceptions could be achieved if the new strategy were decentralized for local implementation through the AG Healthcare Oceania, management group. One of the interviewees reflected:

Why is the strategy not developed in a high-level format that can be given to every employee? For example, a marketing exercise to emphasize process, benefits, reporting of progress, and the need to involve people in the strategy process? (No 12)

The researcher observed that the interviewees were supportive of one another, creating a sense of solidarity among them. They appeared to have a common goal to act as one in the success or failure of AG Healthcare Oceania. One of the interviewees stated, ‘The communication of strategy should reinforce the strategy messages, connecting people and involving people in the delivery of the communication’. (No 9)

The interview data indicates that new strategy should be formulated at the most basic of levels, supported by engagement of the social group members in AG Healthcare Headquarters strategy process to emphasize social group member benefits and reporting of progress.

5.2.4.2 Pieces of the puzzle

The interviewees considered their social group to be isolated from the strategy process resulting in members acting to survive in their positions as managers rather than acting in support of the strategy. They felt
disenfranchised by the actions of AG Healthcare Headquarters in their communication of strategy.

Survivors appear to take two forms. First, those who allow (adaptors) the social group politicians to act for a specific social group, although they do not know the impact on other social groups (a form of political suicide), and second, those who become the politicians (sponsors and influencers) who create clarity from confusion and assist members in resolving misconceptions to form a common view, which in turn creates a position of power. According to Kramer & Tyler (1996), structure and openness creates an environment of confidence and trust between social group members.

The interviewees were members of multiple social groups which led to information overload. Their interpretations of AG Healthcare Headquarters’ communication of strategy brought about a contentious environment fuelled by the politicians who created positions of power from clarifying and elaborating the communication of strategy. As noted by Green (1998), social interaction creates perceptions of the reality that was initially an objective reality.

Conversations with social group members were the means by which interviewees made sense of their position as managers. The interviewees indicated an urgency to work together in the creation of a common understanding of AG Healthcare Headquarters’ strategy and what it meant in terms of the impact upon their management of AG Healthcare Oceania’s business performance.
5.2.4.3 New insights

Four new insights follow:

- Strategy process must be capable of engaging social group members to maximize the power of working together: common priorities, understanding, goals, and communication.

- Strategy process must accommodate and allow social group members to absorb, resolve, and clarify communication of strategy before its content is final.

- Strategy process must consider social group impact by involving members of these groups in the discussions concerning new skills, relationships, and value creation. The communication of strategy process must provide for the explanation of what is to occur through the process of formulation, implementation, and communicating of strategy.

- Strategy process must be capable of engaging social group members whereby there is scope for the delegation of responsibility and ownership of localizing the strategy.

5.2.5 Trust

5.2.5.1 Observations

The researcher observed that the interviewees’ trust of AG Healthcare Headquarters was limited by their perception of a gap between the strategy formulated by AG Healthcare Headquarters and the business activities of AG Healthcare Oceania. Had AG Healthcare Headquarters’ communication of
strategy explained the workings of a synergistic relationship between the two entities, trust could have increased. As noted by Kimber (1996), trust involves understanding the values and motives of another person, or persons. One of the interviewees commented:

People want to know what is happening within an organization as it directly affects them, but most communication efforts does not provide a direct link to an individual, or their role in the organization. (No 11)

Earlier discussion in this chapter highlighted that the interviewees were experiencing a feeling of being disenfranchised from the activities of AG Healthcare Headquarters’ strategy process. According to Pfeffer (1997), open and honest communication of strategy could facilitate trust by improving the interviewees’ understanding of the new strategy. The interviewees were disgruntled, felt unimportant and rejected by AG Healthcare Headquarters. The interviewees’ discontent, expressed during the conversations with the researcher, indicated a growing distrust between the management groups of AG Healthcare Oceania and AG Healthcare Headquarters.

AG Healthcare Headquarters’ communication of strategy did not take into account the impact on the interviewees and their business activities (environment). The interviewees indicated that AG Healthcare Headquarters assumed that the new strategy could be integrated (implemented) into existing business without their involvement in the formulation, implementation, and communication process. One of the interviewees said, ‘Communication release is perhaps what the organization wants to hear, rather than finding out, and establishing what the communication of strategy needs to deliver’. (No 11)
The interviewees appeared acutely aware of the need for social group members to share tacit knowledge without fear of losing control, becoming redundant or feeling threatened. As identified by Ogilvy (1995), trust in some cultures extends only as far as the radius of members of one’s own social group and the more people depend upon the rules to regulate their interactions, the less they trust one other and vice versa. The interviewees did not feel engaged or able to discuss their concerns with AG Healthcare Headquarters so they could begin to understand and support the new strategy. Two of the interviewees commented:

People are in the main, survivors doing their day job first, caring for customers without focus on strategy. (No 9)

Too much change and people stop listening or receiving communication. (No 5)

The researcher observed that the interviewees lacked confidence in AG Healthcare Headquarters’ new strategy. Their response to being asked if they had a role to play in AG Healthcare Headquarters strategy process was a mixed response, illustrated in Figure 4.2 (see 4.4), depicting the spread of support for the new strategy against the hierarchical position held by each member of the interviewee group.

According to Kramer & Tyler (1996), the presence of real trust is seen in the degree to which senior social group members create a mechanism for decision-making at the level of a project team, and the degree to which they allow the mechanisms to function autonomously. The interviewees were annoyed by their lack of involvement in the new strategy and that social
group politicians were attempting to generate views of what the communication strategy meant for them. One of the interviewees said this was, ‘A do as you’re told environment rather than an inclusive one. AG Healthcare Headquarters does not gain the buy-in at all levels of management’. (No 8)

Interviewees commented that it was difficult to access communication material, which led to a lack of belief (trust) in AG Healthcare Headquarters and their new strategy. Access to AG Healthcare Headquarters management was impossible and because of emergent strategy the correlation of information by the interviewees was found to be impractical. One of the interviewees stated, ‘If communication content and format does not create passion within the employee groups, survival tactics will result’. (No 8)

The researcher asked the interviewees if they could link the reporting of strategy success with current business, over time. Their response was that there was no attempt to link the reporting of AG Healthcare Headquarters’ new strategy to the business performance of AG Healthcare Oceania. One of the interviewees observed, ‘A plan of communication to deliver success and progress would benefit ongoing support’. (No 3)

The interviewees’ way of accessing AG Healthcare Headquarters management was to address their inquiries through AG Healthcare’s organizational matrix, asking social group members of functional, business or regional groups their interpretation of the communication media.

The researcher observed that the interviewees considered communication content inconsistent. It was apparent from the researcher’s conversations
with the interviewees that social group members communicated among their peers to share and discuss interpretations of strategy and to reinforce their positive expectation (trust) in each other. Two of the interviewees commented:

People will support strategy through informal communications where private discussions create a positive reaction. (No 10)

Support comes from the belief that management supports the new strategy. (No 9)

The interviewees’ response indicates that trust is created when an organization cares for the specific needs of individuals and groups, whereby engaging social group members in strategy process, could make the difference between strategy success and failure. As noted by Kimber (1996), sharing is one of the basic themes that establish the basis for relationships. Conversely the opposite of sharing is claiming, taking or keeping.

5.2.5.2 Pieces of the puzzle

The interviewees were appalled by their poor access to information. The overt communication media (formal) was not addressing, by way of a feedback loop, the covert communication (informal) among social group members.

The interviewees wanted their input to be valued, as strategy practitioners, managers and people, and to participate in the strategy knowing that their effort was worthwhile and that someone somewhere appreciated their contribution.
Because the interviewees were not engaged in AG Healthcare Headquarters strategy process they felt disenfranchised, disgruntled, rejected, and frustrated. The interviewees withheld information, aiming to protect themselves and their subordinates from being exposed by the outcome of AG Healthcare Headquarters’ new strategy. Anarchy was forming at AG Healthcare Oceania which put AG Healthcare Headquarters’ new strategy at risk of failure. The interviewees wanted to be sure of their participation in the new strategy and the new organization that it would create, and not be exposed by social group politicians. According to Kotter (1996), when trust is not present you will usually not be able to create teamwork.

The interviewees’ lack of confidence in AG Healthcare Headquarters concerning new strategy appeared to emanate from their perception of being excluded from AG Healthcare Headquarters strategy process. Not having access to information that explained the formulation, implementation and communication of strategy in a format that connected the content with the workings of AG Healthcare Oceania business, led the interviewees to distrust AG Healthcare Headquarters. As noted by Handy (1995), the basis of trust is a complexity of trust-based relationships: bonding, touch, leadership, learning, boundaries, not being blind.

5.2.5.3 New insights

Three new insights follow:

- Ensure that social group members are engaged in strategy process to bridge the gaps between new strategy and the vagaries of day-to-day business
Involving social group members in strategy process affords them the opportunity of airing their views and resolving misconceptions to create awareness and a common view of the strategy.

Ensure that the involvement of social group members in strategy process provides access to information. For example, progress reports, emergent strategy, schedules, resources.

5.3 The Whole Puzzle

Subsequent to the analysis of interview data the researcher started thinking more deeply about the pieces of the puzzle (conundrums) and abducted insights, identified earlier in this chapter. According to Blaikie (2000), the cognitive process experienced by the researcher is typical of an interpretive study. The loop-like pattern of multiple rounds of revisiting the data, as explanations of the researcher’s observations emerged, engendered a deeper understanding of how the interviewees made sense of AG Healthcare Headquarters’ communication of strategy.

This subsequent review of the interviewee conundrums led to the discovery of four patterns of interviewee behavior as depicted in Figure 5.2.
It appears to the researcher that the interviewees made sense of AG Healthcare Headquarters’ communication of strategy by sharing their understanding among social group members, seeking clarification and resolution of misconceptions. What the puzzle reveals therefore, is that the actions of the interviewees shape their perception about AG Healthcare Headquarters’ new strategy, collectively rather than independently. As identified by Green (1998), social interaction and shared meanings shape, and are shaped by, the conversations among social group members. An example of this collectiveness was discussed earlier in this chapter (see 5.2.1.1) highlighting the way the interviewees mediated their communication of strategy through interaction with social group members.

5.3.1 Distrust

Distrust appears to be an interviewee behavior caused by the lack of opportunity to provide feedback (involvement) to AG Healthcare
Headquarters. The interviewees’ lack of access to information (see 5.2.5.2) and feeling of being excluded from AG Healthcare Headquarters’ strategy process resulted in an environment of distrust.

Strategy practitioners who formulate, implement and communicate strategy should consider the needs of its social group members. Engaging the interviewees in AG Healthcare Headquarters’ strategy process could have closed the gap and reduced the confusion surrounding AG Healthcare Headquarters’ strategy with the day-to-day business activities of AG Healthcare, Oceania.

Inconsistency of communication content and a lack of connectivity between original strategy and emergent strategy resulted in the interviewees disbelieving AG Healthcare Headquarters’ communication of strategy (see 5.2.5.1). Trust could be considered a calculative event, predictable and based upon rational choice. According to Kimber (2001), people will trust each other based upon the knowledge they have of another person: performance, certification, reputation, rational, choice, and economic exchange.

Strategy practitioners need to consider creating an environment of inclusiveness that would enable the interviewees to be engaged and to provide feedback to AG Healthcare Headquarters. A story-board approach, comprising the status of strategy formulation, implementation and communication, could provide a visualisation of the macro and micro components of AG Healthcare Headquarters strategy.

The result of the growing distrust was exacerbated by AG Healthcare Oceania’s social group politicians who distorted the communication of
strategy, creating positions of power, leaving the interviewees not knowing the facts (truth) about the desired outcome of the new strategy.

5.3.2 Resistance

The interviewees appeared frustrated by not knowing the strategy details, the background to strategy formulation and implementation, and how decisions were being made. Their lack of involvement and not being engaged caused them to resist the new strategy. The interviewees felt misinformed and rejected by AG Healthcare Headquarters.

Resistance appears to be an interviewee behavior caused by a combination of frustration over AG Healthcare Headquarters’ ineffective communication of strategy (see 5.2.1.1) and being surprised by the release of emergent strategy, which led to tacit knowledge retention (roadblocks). As noted by Pfeffer (1997), to avoid resistance to strategy, employees must perceive themselves to be either physically or metaphorically isolated or ignored.

Tension was observed by the researcher between the interviewees and AG Healthcare Headquarters due to the interviewees’ lack of involvement in the new strategy. The lack of a feedback loop caused the interviewees to feel excluded and disenfranchised (see 5.2.2.2) leading to despondency in the group.

5.3.3 Adapting-influencing

The reaction of the interviewees uncovered during the analysis of data was that of disbelief, uncertainty and confusion about what AG Healthcare Headquarters’ new strategy was to deliver. Although the reaction of the
interviewees was in some ways resistance to the new strategy, it also portrayed the interviewees adapting to their new environment, elaborating the communication of strategy from AG Healthcare Headquarters through interaction with social group members to make sense of its content. Some interviewees sought to tailor the communication of strategy (see 5.2.3.2) to suit self-interest or to purport that they had a good understanding of its meaning.

The interviewees sought solace from their social group memberships to create a common view of the new strategy; its nuances and its future impact on the AG Healthcare Oceania organization (see 5.2.2.2).

Tailoring communication of strategy appears to be a reaction by interviewees, a kind of survival response, to influence the views of other social group members by tailoring the content toward AG Healthcare Oceania culture and subsequently sharing this among social group members.

5.3.4 Sensemaking

Why were the interviewees exhibiting signs of frustration, resistance, survival and distrust? Perhaps these were symptoms of the interviewees’ way of mediating communication of strategy. The most obvious and striking observation made by the researcher is that the interviewees often sought refuge from their social group membership, attempting to make sense of the communication of strategy through organizational culture, politics, structure, and trust.

The cause of the interviewees’ plight appears to have resulted from their exclusion from AG Healthcare Headquarters strategy process. While the
interviewees attempted to make sense of AG Healthcare Headquarters’ communication of strategy, their lack of involvement and therefore knowledge about the strategy, resulted in negativity and misunderstanding about its content. As noted by Maitlis (2005), sensemaking is fundamentally a social process where social group members interpret their environment through interaction with other social group members.

The interviewees made sense of AG Healthcare Headquarters’ communication of strategy through interaction with one another, a collective approach to building an improved understanding (see 5.2.4.2). The interviewees shared their misconceptions among their social groups to reach an improved position of understanding (see 5.2.1.2).

Organizational social groups appear to have influence over organizational politics which emanate from various memberships, for example, professionals. The political power of social group members appears to shape organizational culture leading to the development of altered (new) culture, also influencing organizational structure, leading to altered (new) structure. The result of political influence over culture and structure is tension among individuals, which can affect one’s positive expectation of another; for example, the extent to which trust can be developed, resulting in the development of altered (new) trust relationships.

This next part of the data analysis seeks to explore the interviewee patterns of behaviour, pieces of puzzle and new insights to identify the organizational contextual factors that should inform the thinking and communication of strategy practitioners.
5.4 Organizational Contextual Factors

Strategy practitioners who formulate, implement, and communicate strategy should consider the reaction of social group members: distrust, resistance, adapting/influencing, and sensemaking through organizational culture, politics, structure, and trust.

Integrating AG Healthcare Headquarters’ strategy process with the way in which social group members make sense of the communication of strategy, provides a much broader and deeper organizational context for strategy practitioners to be involved in, in their pursuit of strategy success.

The interviewees did not appear to be aware that their actions regarding communication of strategy constituted sensemaking. Rather, they came across as being disillusioned by the actions of AG Healthcare Headquarters. The analysis of data shows that although the interviewees’ response was candid, their resistance and environment of distrust brought about tailoring of AG Healthcare Headquarters’ communication of strategy, leading to further elaborations about the new strategy.

The identification of interviewee conundrums, new insights and findings from the literature review led the researcher to create Table 5.2: Organizational contextual factors. The organizational contextual factors were identified by the researcher conducting a synthesis of the constituents comprising the data analysis (pieces of puzzle and new insights), and literature, which was discussed in Chapter 2. Strategy practitioners should consider these factors in their efforts to communicate strategy to involve,
engage and embrace social group members through the organizational lens of culture, politics, structure, and trust.

The content of Figure 5.2 suggests that an extended process of communication using engagement to connect social group members with an organization’s strategy process could mitigate the issues experienced by the interviewees.
<table>
<thead>
<tr>
<th>Table 5.2  Organizational contextual factors</th>
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<tbody>
<tr>
<td><strong>Communication</strong></td>
</tr>
<tr>
<td>Allow interviewees to actively share their thoughts with other social group members</td>
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<tr>
<td>Provide a feedback mechanism for two-way communication</td>
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<tr>
<td>Create openness</td>
</tr>
<tr>
<td>Engage the interviewees in strategy process</td>
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<tr>
<td><strong>Culture</strong></td>
</tr>
<tr>
<td>Engage the interviewees in creating a positive awareness of the new strategy and what it connects with their culture</td>
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<tr>
<td>Social group members improve their understanding through interaction with others</td>
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<tr>
<td>Local identity must be retained</td>
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<tr>
<td>Openness reduces retention of tacit knowledge</td>
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<tr>
<td>Bridging the knowledge gap between country, region and global entities, using engagement, may reduce the political moves by social group members and increase trust</td>
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<td></td>
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<tr>
<td>Minimize influence of the matrix structure</td>
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<tr>
<td>Provide structure for interviewees to mediate their understanding of strategy through their social group memberships</td>
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<tr>
<td>Consider creating macro and micro views of strategy</td>
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<tr>
<td>Communication of strategy should engage all social groups to ensure the interpretation and re-interpretation of meaning is successful</td>
</tr>
<tr>
<td><strong>Trust</strong></td>
</tr>
<tr>
<td>Provide opportunity for social group members to air their views, concerns and understanding, to resolve misconceptions</td>
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<tr>
<td>Create openness by sharing the evolution of strategy. Trust is a calculable event underpinned by openness.</td>
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5.5 Chapter Summary

The analysis of interview data led the researcher to identify the interviewees’ issues (pieces of puzzle), and new insights. A subsequent review of the analysis identified four patterns, comprising the interviewees’ behavior, toward AG Healthcare Headquarters new strategy.

The analysis of data and literature enabled the identification of the contextual factors that should inform the thinking and communication of strategy practitioners.

The outcome of the data analysis using abduction and the literature review shows that a number of factors should be considered by AG Healthcare Headquarters strategy practitioners in their communication of strategy. It appears to the researcher that should AG Healthcare Headquarters engage the interviewees in their strategy process it would create potential for improving the richness of conversations among social group members: feedback (two-way communication), openness, and interaction, resulting in a more positive experience for all concerned.

The factors mentioned above should be considered by organizational strategy practitioners in their quest to formulate, implement and communicate new strategy.

The researcher, as an engineer with a primarily rationalist, objective approach to communication, found the abductive findings significant and surprising because this way of thinking about communication of strategy is new to him as a strategy practitioner.
The next chapter presents the researcher’s notion of a strategy environment model and a strategy engagement model.
Chapter 6
Communication of Strategy Models

6.1 Introduction

The identification of interviewee conundrums (pieces of puzzle) and organizational contextual factors, as discussed in Chapter 5 (see 5.4), led the researcher to develop two new strategy models: a strategy environment model and a strategy engagement model depicting a broad concept of strategy. The models were derived from the data analysis, current literature, and to a lesser extent the researcher’s experience as a strategy practitioner, and are discussed later in this chapter.

Engagement was identified as a key factor in motivating the interviewees (see Figure 5.2), and had AG Healthcare Headquarters engaged the interviewees in their strategy process, the issues experienced by the interviewees could have been addressed.

Abduction was employed as the research strategy for conducting the analysis of the interview data, which enabled the identification of new insights. Blaikie (2000) suggests that abduction enables a researcher to identify new insights, and unlike deduction, induction or retroduction, abduction is a strategy where the researcher infers an explanation from an observation. However, as
many explanations may exist for an observation, abduction can be useful as a heuristic, particularly when conducting further reviews of the interviewee data to create a deeper understanding of its content. Michalewicz and Fogel (2004) note heuristic methodology involves the researcher thinking about new ways to explain existing problems.

The researcher’s development of a strategy environment model and an engagement model are heuristic representations of the researcher’s logic of discovery and abductive inference including patterns, explanations, clues, and hunches (Shank & Gleber, 2002). The development of the strategy environment model and engagement model addresses the following research question:

- What kind of model of communication practices would represent effective communication of strategy in a manner that would be useful for strategy practitioners?

The researcher’s development of a strategy environment model discusses an extension of the conventional objective-based strategy process, akin to Mintzberg and Quinn’s (1991) strategy process (see Figure 2.5), with the addition of a subjective organizational lens of culture, politics, structure, and trust. The development of the strategy environment model is further extended by the researcher incorporating the notion of strategy environment layers, representing the trans-organizational relationships of a matrix organization.

The development of the strategy environment model led the researcher to think more deeply about an engagement model, taking into account the
contextual factors that should inform the thinking and communication of strategy practitioners, and the nuances of a broader systems approach to trans-organizational relationships. Senge (1992) notes that systems theory proposes that events which are connected within the same pattern, each have influence on the other, and that we can only understand systems concerning communication of strategy by contemplating the whole, not the individual parts or the pattern.

An explanation of how strategy practitioners could employ the researcher’s proposed strategy environment and engagement models in their workplace is presented later in this chapter. The researcher discusses the role of strategy practitioners in the development of theory (practitioner theory) illuminating the benefits of practitioners adopting a systems approach to their communication of strategy. Robinson (2001) claims that, ‘Practice, far from being mundane, is a subtle, sophisticated and managed accomplishment’. Research efforts therefore need to be cognizant of the significant problems faced by practice-oriented workplaces.

The researcher presents a retrodictive analysis of AG Healthcare Headquarters’ approach to communication of strategy, and its failure to address the connectivity between the objective components of strategy process, and the subjective components of organizational culture, politics, structure, and trust. The problems faced by AG Healthcare Headquarters were identified in Chapter 5 (see 5.3) as pieces of puzzle, which were subsequently distilled into four distinct interviewee behaviors: distrust, adapting - influencing, sensemaking and resistance. The researcher discusses how AG Healthcare Headquarters employed several separate channels for
their communication of strategy, omitting the importance of a systems approach, and how the proposed engagement model could assist strategy practitioners to address the issues at AG Healthcare Headquarters. The researcher explains what should have happened and how strategy practitioners could take into account the subjective organizational elements of organizational culture, politics, structure, and trust to positively influence their communication of strategy.

The strategy environment model and the engagement model presented in this chapter represent a significant contribution to practice.

Figure 6.1 depicts the structure adopted for this chapter.

Figure 6.1 Strategy models structure

<table>
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<th>Chapter 6: Strategy Models</th>
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<tr>
<td><strong>Introduction</strong></td>
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<tr>
<td>Strategy environment model and its structural layers extending the concept of strategy process to include a subjective lens</td>
</tr>
<tr>
<td>Engagement model</td>
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6.2 Strategy Environment Model

As mentioned earlier in this chapter, the development of a strategy environment model was derived from data analysis, current literature and to a lesser extent the researcher’s experience as a strategy practitioner. The
strategy environment model attempts to address the nuances of communication practices that would represent effective communication of strategy in a manner that would be useful for strategy practitioners.

It was identified in Chapter 2 that current literature does not adequately address the role of communication within the strategy process (see 2.3.2). Mintzberg and Quinn’s (1991) strategy process addresses formulation and implementation, briefly noting the importance of politics, culture, and structure, but without considering integration of these factors.

The researcher’s view of strategy as a process, depicted by Figure 2.6 (see 2.3.2), includes communication as an additional component to Mintzberg and Quinn’s (1991) strategy process. This approach provided an integrated strategy process comprising strategy formulation, implementation and communication.

The complexity of strategy identified in Chapter 2 noted multiple possible definitions of the term ‘strategy’ (see 2.3.2), which assisted the researcher in the identification of strategy factors that, according to the literature, are essential for strategy success: action, goals, assessment, information, coordination, people, and creativity.

According to Denzin & Lincoln (1994), strategy is a complex activity and it struggles to maintain the opposition of subjectivity and objectivity, engagement and objectivism. Current literature further enabled the researcher to produce Figure 2.8 depicting a central connectivity between objectivity, in the form of Mintzberg and Quinn’s (1991) strategy process and subjectivity, in the form of social community (sensemaking).
Strategy remains open to interpretation, not only because there are multiple definitions of the term, but because strategy itself comprises multiple concepts, each having specificity to a particular organizational situation. As identified by Mintzberg and Quinn (1991), creating strategy is the act of being specific about a particular event, being ambitious and creative, whilst assessing an organization, its competition, and its opportunities.

The researcher observed, during the conversations with the interviewees, that they attempted to make sense of the information received from AG Healthcare Headquarters, by asking for clarification or additional information, and sharing their experience among social group members.

The importance of connecting strategy process objectivity with the nuances of subjective social interaction, illuminated by Figure 2.8 (see 2.3.2), motivated the researcher to think more deeply about the interviewees’ comments and current literature. It was noted by Jarzabkowski (2005), that current strategy process employed by many organizations is primarily concerned with explanations at the organizational level of analysis, necessarily sacrificing a more fine-grained analysis of activity construction.

AG Healthcare Headquarters adopted a conventional objective-based strategy process for their new strategy formulation and implementation, viewing communication as a separate activity. AG Healthcare Headquarters’ overt communication was usually delivered well after covert communication had disseminated the latest strategy information throughout social group members; making political power moves a negative activity.
The interviewees described their position as tenuous, meaning that AG Healthcare Headquarters was not aware of the interviewees’ strategy environment, its components and its workings. The interviewees felt misinformed and disenfranchised, and that AG Healthcare Headquarters did not respect their experience as strategy practitioners. According to Stopford (2001), the point of strategy is to help individuals choose their priorities, while strategy itself is a dream, which promotes a climate of values helping people make choices for themselves.

The interviewees were isolated (disconnected) from the ongoings at AG Healthcare Headquarters, not knowing which of the new components (emergent) of strategy would be communicated next. Although their social group memberships within AG Healthcare Oceania and throughout the greater regions of AG Healthcare’s matrix structure enabled their sensemaking, a contentious environment of political interpretations and actions had developed. As identified by Maitlis (2005), sensemaking activities are informed by an organization’s culture, politics, structure, and trust relationships, providing people with the means to deal with uncertainty and ambiguity by creating accounts of the world that enable action.

Given that the interviewees’ environment of negativity and of being disenfranchised, was caused by AG Healthcare Headquarters’ ineffective communication of strategy, the researcher’s notion of connecting strategy process with the nuances of organizational culture, politics, structure and trust, in the form of a strategy environment, starts to unfold.
What emerges from the data analysis and current literature is that an organization’s social group members are not adequately informed by conventional strategy process, as a two-dimensional activity comprising formulation and implementation, depicted by Figure 2.5 (see 2.3.2). Instead, the researcher’s notion, as a strategy practitioner, suggests that a strategy environment based upon a systems approach would inform social group members through a combination of overt and covert communications. It is worth noting that each component of communication can influence another, thereby reinforcing a systems approach to a strategy environment. Senge (1992) notes that human interactions are bound by interrelated actions, the effects on each other often taking years to fully play out.

The proposed systems approach to the development of a strategy environment incorporates both objective and subjective organizational elements, bringing together a view that affords strategy practitioners the opportunity of focusing upon the whole strategy, and not just on its parts.

Figure 6.2 is the first of two developments resulting from the researcher’s efforts to create a strategy environment model inclusive of objective and subjective components. The researcher’s second effort extends the concept of a strategy environment model with the addition of environmental layers, depicted by Figure 6.3.

Figure 6.2 represents a synthesis of the researchers thinking behind Figures 2.4 (see 2.2), 2.6 and 2.8 (see 2.3.2) depicting strategy process as one component of an organization’s strategy environment. Figure 6.2 depicts an ideal organizational context comprising strategy process, organizational
culture, politics, structure, and trust, and the contextual factors, identified earlier in Chapter 5 (see 5.4), that strategy practitioners could consider in their communication of strategy.

Figure 6.2  Strategy environment

Figure 6.2 presents a view of strategy as a system, suggesting that strategy success is dependent on not only the individual components of a strategy environment, but the workings of these components as a whole system, representing an interconnected strategy environment.

Further to Figure 6.2, the researcher noted that the context of trans-organizational relationships was not well represented, and that it was possible to create a secondary environment (layer) between the environment of a parent organization (AG Healthcare Headquarters, Belgium) and a geographical location (AG Healthcare Oceania), which is depicted by Figure 6.3. Bachmann (2001) notes that the parent organization has a crucial role in shaping the quality of trans-organizational relations, and that institutional
structure and the level of inter-personal interactions are closely connected with intermediary mechanisms, such as geographical locations.

Although AG Healthcare Headquarters had commenced their communication of strategy, the interviewees commented that it was ineffective. The interviewees also commented that they felt a loss of power and identity, resulting in an inability to make local decisions regarding AG Healthcare Headquarters strategy. Mintzberg and Quinn (1991) note that a disconnection between a parent organization and a trans-organizational relationship could result in the dysfunction of an organization’s strategy.

Figure 6.3 represents an extension of Figure 6.2, depicting a parent organization (AG Healthcare Headquarters) residing in one layer of the environment, while trans-organizational relationships (AG Healthcare Oceania) reside in a separate layer of an organization’s matrix environment.

Figure 6.3 presents a systems view of strategy practice suggesting that a strategy environment embodies the objective aspects of strategy process with the subjective elements of culture, politics, structure, and trust as an integrated process, inclusive of trans-organizational relationships and identity.
The success of Figure 6.3 is dependent upon the strategy environment working as a whole and not as individual components, which differentiates this model from Mintzberg and Quinn’s (1991) strategy process. AG Healthcare Oceania’s local identity is portrayed as an environmental layer within the subjective elements of culture, politics, structure, and trust and the contextual factors that should inform the thinking and communication of strategy practitioners.

The researcher’s thinking behind Figures 6.2 and 6.3 inspired him to develop an engagement model. The researcher proposes that the engagement of social group members in the broader sense of a strategy environment could address many of the issues experienced by the interviewees and similarly other organizations involved in strategy.
The next part of this chapter discusses the researcher’s development of a strategy engagement model.

6.3 Strategy Engagement Model

The researcher’s motivation behind the development of a strategy engagement model was to provide a practical model for practitioners to employ in their workplace, assisting them to address objective and subjective components of strategy. The engagement model is derived from the data analysis, current literature and to a lesser extent the researcher’s experience as a strategy practitioner. The model is based upon the aforementioned strategy environment model, Figure 6.3.

The development of an engagement model attempts to provide strategy practitioners with the means to address the nuances of communication practices that would represent effective communication of strategy.

The researcher observed, during the conversations with the interviewees, that their prior success, as strategy practitioners, had not been taken into account by AG Healthcare Headquarters strategy process. AG Healthcare Headquarters’ lack of respect for the interviewees’ experience led them to withhold their tacit knowledge, resist strategy implementation, and to develop an environment of distrust.

Every organization has its own culture, character, nature, and identity, and with these factors every organization has its own history of success, which reinforces and strengthens the organization’s way of doing things. According
to Schneider (2000), the older and more successful an organization, the stronger its culture and its identity.

It was identified earlier in this chapter that the interviewees made sense of AG Healthcare Headquarters’ communication of strategy by asking for clarification, additional information, and sharing their experience among social group members.

What appears absent from the workings of AG Healthcare Headquarters strategy process and the researcher’s newly developed strategy environment model, Figure 6.3, is a connection between the objectivity of strategy process and the subjectivity of organizational culture, politics, structure, and trust. O’Connor and McDermott (1997) note that a systems approach enables strategy practitioners to see beyond what appears to be isolated and independent incidents to visualise deeper patterns. Recognizing the connectivity between events offers strategy practitioners the opportunity of improving their understanding and influence of these events.

The interviewees commented that access to information at AG Healthcare Headquarters was impossible and they felt excluded from AG Healthcare Headquarters’ strategy process, resulting in their lack of confidence to disseminate their sensemaking efforts (sensegiving) to their peers, subordinates, customers and suppliers.

The interviewees described their situation as one of being disengaged, isolated and excluded from the workings of AG Healthcare Headquarters strategy process. They were frustrated by their lack of involvement in AG Healthcare Headquarters’ new strategy. What emerges from the data analysis
is that strategy process was assumed by the interviewees to be a homogenous activity. The interviewees were not aware of the nuances of a strategy environment or its environmental layers. Their comments indicate a narrow perception of strategy and a superficial understanding of the contextual factors that should inform the thinking and communication of strategy practitioners.

Given that the interviewees’ perception of their environment was negative, caused by a the lack of access to information, the researcher’s notion of a systems-based engagement model presents an opportunity to address the vagaries of an objective-based strategy process through employment of a systems thinking approach. As noted by Farjoun (2002), the formulation of strategy should be viewed as organic and constantly evolving, as it comprises complex steps in a process of changing the status quo and the behaviors of individuals which can be observed by strategy practitioners.

In the case of the interviewees they shared their views among each another, positively and negatively, structurally and politically, culturally and socially, eliciting their sensemaking activities through interaction with social group members. According to Green (1998), as strategy gives culture visible expression, it enables social group members to know their own organization in the context of its interaction with the world at large.

Figure 6.4 extends the researcher’s thinking beyond the strategy environment systems approach, suggesting that social group members can be connected with strategy process through a feedback loop and communication hub. The model focuses on emphasizing the importance of connecting the objective
components of strategy process, with the subjective nuances of how managers (social group members) make sense of the communication of strategy. As identified by Schneider (2000), an organization that builds an idea for strategy on the basis of organizational culture, and honors its integrity as a living, social organism, has a greater likelihood of its strategy being adopted and integrated into the fabric of that organism.

Figure 6.4 shows a communication hub being central to the connection between objective and subjective components of a strategy environment, representing a place of collective minds, where organizational characteristics of strategy form the basis of communication media, engagement and understanding.

Figure 6.4  Engagement model
The communication hub provides a central role in the proposed engagement model. It represents an action step involving strategy practitioners reviewing the objective characteristics of strategy against the subjective characteristics of strategy, to determine the communication media for social group members. The communication hub aims to ensure that strategy practitioners have the opportunity of clarifying the impact of strategy (understanding) with their social group members through the two-way feedback loop. The communication hub provides a meeting place for strategy practitioners (social group members) to reach agreement on the actions resulting from strategy process, deciding who is to lead what, by when, and how, and the actions that will ensure that the communication media takes culture, politics, structure, and trust into account when it addresses social group members.

The engagement model proposes that strategy process and its objectivity are only part of the activities involved in engaging social group members in the essence of strategy. A systems approach to engagement suggests that the interactions between the objectivity of strategy process and the subjectivity of organizational culture, politics, structure, and trust could enable strategy practitioners to address the issues of trans-organizational relationships.

The engagement model proposed by the researcher reflects his notion of an ideal model for effective communication of strategy through engagement of social group members. The model could be applied to any organization.

Further research should be conducted to validate the model; this is discussed in Chapter 7 (see 7.3.1).
6.4 Employing the Strategy Models (practice)

Organizations that choose to employ the researcher’s proposed strategy environment and engagement models would need to adopt a systems-thinking approach to their communication of strategy.

A systems approach requires an organization to view their objective and subjective components of strategy as an environment where the collective nature of these components represents a number of different social group interactions.

Having presented the development of a strategy environment model and an engagement model, the researcher reflected on the interviewees’ reaction to AG Healthcare Headquarters’ new strategy. Their reaction was one of disbelief, uncertainty and confusion about what the new strategy would deliver. This reaction appears typical for an organization using a conventional objective-based model of the type shown in Figure 2.5.

Schon (1983) notes that strategy process objectivity creates quantitative measures permitting the system of control, and the other systems that depend upon it, for example, uniformity, precision, and detachment. However the qualitative narrative accounts of social group members’ experience as strategy practitioners will form many of the factors determining the success of an organization’s strategy.

The implementation of the proposed engagement model would require social group members to be engaged at an early stage in an organization’s new strategy. An organization’s strategy practitioners need to understand the
nuances of a systems approach to engage social group members to engender a culture of trust.

Organizations that embrace the possibilities of a strategy environment (Figures 6.2 and 6.3) recognize the importance of a systems approach to strategy and create opportunity to gain an improved understanding of the organizational relationships between strategy process and organizational culture, politics, structure and trust.

The researcher proposes the following steps for an organization to implement the proposed strategy environment model and engagement model:

- Identify the various social groups within an organization, including the trans-organizational relationships and define the organization’s environment and culture at corporate and other layers in the organization

- Establish an understanding (model) of the organization’s strategy environment and engage social group members in the formulation, implementation and communication of strategy through organizational culture, politics, structure, and trust

- Ensure that the organization’s engagement model connects its communication of strategy to a communication hub where social group members can meet to explore and improve their understanding of strategy

- Explain to social group members that the communication hub is an environment of openness:
• Inclusive of a two-way feedback loop for social group members to seek resolution of their misconceptions

• A place for social group members to share in the strategy success, to reduce the influence of politics while maximizing the opportunity for trust

• An integrated communication channel (media) that provides social group members with access to information concerning the new strategy, its schedule, achievements, emergent components, resources

• Monitor and communicate the progress of new strategy, contrasting current performance with desired new performance, providing the opportunity to openly, and jointly, celebrate success

➢ The recognition of trans-organizational layers affords strategy practitioners the opportunity to determine which decisions will be made at each of the various layers

Organizations that follow the researcher’s proposed steps for implementation of the strategy environment and engagement models, using a systems-thinking approach, would engage social group members in developing an understanding of their strategy environment and its trans-organizational relationships.

The benefit of the engagement model, embodying the strategy environment model, for strategy practitioners, is that it displays a complex set of organizational connections, each having an influence over the other. Reed
(2001) notes that particular combinations of trust and control (politics) relations generate, shape and constrain the development of contrasting forms of expert power in a range of organizational contexts.

The potential contribution of the engagement model for strategy practitioners is that social group members have the opportunity of an improved understanding of strategy, leading to possible improvements (emergent strategy) and support of its implementation.

The engagement model enables strategy practitioners to look to a new reality and experience to discover what social group members seek to resolve and embrace (be engaged) in new strategy. Strategy practitioners who apply the model to manage the organizational characteristics of culture, politics, structure, and trust, gain an insight into how social groups are portrayed, giving them information that will guide their actions to engage social group members.

Engaging strategy practitioners (social group members) simultaneously in the importance of the new strategy could overcome many of the obstacles that appear as resistance. Strategy practitioners could access information concerning strategy from the communications hub and provide feedback for discussion and resolution of any misconceptions.

The value of the engagement model to strategy practitioners is that they could utilize the model to establish ways of improving the positive influence of culture, politics, structure, and trust on the trans-organizational relationships. Bachmann (2001) notes, trans-organizational relationships,
between organizational layers, can be coordinated by the activities of trust and politics (power).

Strategy practitioners who employ the engagement model would validate its content and in the process of implementation, develop new theory from their experience and reflection. Jarvis (1999) notes, practitioners who reflect upon their practice and learn from their experiences have the opportunity to create new theory from which to practise.

Keedy (2004) notes that the concept of practitioner theory provides a way of understanding the role that managers (strategy practitioners) play in the development of theory around an organization’s day-to-day practices.

6.4.1 Practitioner learning cycle

Practitioner knowledge is the practitioner’s own knowledge legitimized through practice (Jarvis, 1999). Kolb (1984) suggests that experiential learning can be expressed as a four-stage cycle of learning, in which immediate or concrete experiences provide the basis for observations and reflections. The author notes that the observations and reflections are assimilated and distilled into abstract concepts, which can be actively tested in turn creating new experiences.

Kolb (1984) further notes that four learning styles can be defined from the combination effects of the cycle of learning. The author suggests:

- Diverging occurs between concrete experience and reflective observation
➢ Assimilation occurs between abstract conceptualization and reflective observation

➢ Converging occurs between abstract conceptualization and experimentation

➢ Accommodating occurs between concrete experience and experimentation

An adaptation of Kolb's (1984) learning cycle and learning styles is presented by Figure 6.5.

Figure 6.5  Cycle of learning (adapted from Kolb, 1984)

Organizations that adopt the proposed strategy environment and engagement models have the opportunity of putting into practice their systems-based approach, inclusive of objective and subjective components, seeking to gain experiential learning from concrete experience, reflective observation, abstract conceptualization and active experimentation.
Brewer (1998) proposes that a practitioner is the person who is responsible for developing the means for others to learn. Brewer (1998, p. 10) states, ‘Practitioner theory refers to those guiding principles, either explicitly acknowledged or implicitly held, which guide the behavior of the practitioner’.

Schon (1983) suggests that in organizational and social settings, ends are not pre-defined: they are socially constructed and questionable. Technically oriented problem-solving is not the right solution when, as in organizational and social matters, problems are not previously defined, and must be set and framed therefore in the course of practice.

Practitioners may not be aware of all the assumptions implicit in the theory of practice: their assumptions about culture, politics, structure, and trust, and the importance of understanding and using the objective and subjective elements of a strategy environment and an engagement model to create positive connections between these elements. Mintzberg et al. (2003) suggest that strategy draws academics and strategy practitioners (leaders) into some of the most fundamental issues about organizations as instruments for collective perception and action (practice).

6.5 AG Healthcare Headquarters Communication of Strategy

This case study research commenced shortly after AG Healthcare Headquarters’ release of new strategy to the AG Healthcare Oceania, management group, which was a surprise to the interviewees because they were not involved (engaged) in the new strategy process.
AG Healthcare Headquarters had little idea of what it was like to receive their communication of strategy in a geographical location, such as AG Healthcare Oceania, and had no means of creating a feedback loop for resolving the interviewees’ misconceptions. AG Healthcare Headquarters could not see the system dynamics producing a blind response. Rather, they were interested only in being critical of the interviewees’ lack of initiative to implement their new strategy.

The researcher’s observation of AG Healthcare Headquarters’ approach to strategy process suggests that their focus was on strategy formulation and implementation rather than its communication, making it impossible for them to bridge their objective-based strategy process with the subjective nuances of culture, politics, structure, and trust. Schon (1983) says that when conditions are not clear, having no identified ends, that practitioners bound by positivist epistemology find themselves caught in a dilemma. Practitioners bound by objectivity are troubled by the uncertainty, uniqueness and value conflict of the qualitative characteristics of organizational life.

The interviewees’ responses confirm that AG Healthcare Headquarters was not interested in their point of view or their contribution (involvement in AG Healthcare Headquarters strategy process). According to Venzin et al. (2005), a corporate strategy, such as that of AG Healthcare Headquarters, requires a contextual understanding of the relationship between two partes, in this case, AG Healthcare Headquarters and AG Healthcare Oceania.

The interviewees did not consider AG Healthcare Headquarters’ communication of strategy to be effective. Rather, AG Healthcare
Headquarters’ approach appeared to address explanations at the organizational level but sacrificed a more detailed (fine-grained) analysis at the level of culture, politics, structure, and trust. The interviewees' feeling of disenfranchisement was perhaps the result of AG Healthcare Headquarters not understanding the complexity of its trans-organizational relationships.

AG Healthcare Headquarters had lost the support of the interviewees, who were resisting the implementation of new strategy by tailoring information (politicizing) to suit personal interests, retaining tacit knowledge, and enacting roles of adaptor or influencer in an act of survival.

AG Healthcare Headquarters’ lack of a systems approach in their communication of strategy engendered responses from the interviewees that could be distilled into data categories, which were discussed in Chapter 4: communication, culture, politics, structure, and trust. However, further analysis of the data revealed that the interviewees worked collectively, rather than independently in their sensemaking of AG Healthcare Headquarters communication of strategy.

A systems approach to AG Healthcare Headquarters communication of strategy, using the researcher's proposed strategy environment and engagement models, would have enabled strategy practitioners to address AG Healthcare Headquarters' trans-organizational relationships through culture, politics, structure, and trust. As noted by Green (1998), synchronization of the new strategy, for example, in this case, between AG Healthcare Headquarters’ culture and AG Healthcare Oceania would have addressed the issues associated with geographical distance.
Because AG Healthcare Headquarters’ strategy process comprised three distinctly separate activities: formulation, implementation, and communication, the interviewees were confused by the content of overt communication. They did not have the links between the new strategy and the day-to-day business of AG Healthcare Oceania. Bolman and Deal (1997) note that when an event is clear and unambiguous people tend to agree on its intent and work together to bring the event to fruition. The reverse occurs when events are unclear and ambiguous.

The interviewees were not engaged in the new strategy because AG Healthcare Headquarters was not thinking about the influence of culture, politics, structure, and trust on effective communication of strategy. Berger and Luckmann (1985) suggest that successful socialization means establishment of a high degree of symmetry between objective and subjective reality. The researcher suggests therefore that AG Healthcare Headquarters had a degree of unsuccessful socialization, meaning asymmetry between objective and subjective reality caused by their conventional approach to strategy process.

Figure 6.6 depicts the interviewee behaviors, identified in Chapter 5 (see 5.4), comprising the whole puzzle. Each leg of Figure 6.6 represents a separate set of interviewee responses to AG Healthcare Headquarters’ communication of strategy. AG Healthcare Headquarters did not adopt a systems approach to their communication of strategy or an approach that would address the trans-organizational relationships of their matrix organization. Rather, they adopted a several channels for their communication of strategy, omitting the
importance of organizational culture, politics, structure, and trust in engaging the interviewees.

Figure 6.6 Whole puzzle

The proposed engagement model shown earlier in Figure 6.4 provides AG Healthcare Headquarters with some of the basic determinants of strategy success, emphasizing the importance of a systems approach to engaging the interviewees in a process of social interaction, communication, and feedback that engenders openness and an environment of collective minds.

Had AG Healthcare Headquarters adopted a systems approach to their new strategy, in the form of the researcher’s strategy environment and engagement models, they would have understood the benefits and value of developing an environment of openness through the creation of a feedback loop and communication hub.

The researcher’s proposed engagement model provides an integrated (systems) approach to the communication of strategy connecting objectivity
with subjectivity. The model would assist AG Healthcare Headquarter’s strategy practitioners to address the trans-organizational relationships by recognizing the organizational layers between a headquarters group and a geographical location. The model creates opportunity for the development of an improved understanding of the interrelationships between objectivity and subjectivity through the use of a feedback loop and a communication hub, where conversation and understandings about the new strategy can occur.

The engagement model could enable AG Healthcare Headquarters to establish ways of improving the positive influence of culture, politics, structure, and trust in their trans-organizational relationships, by creating a visual of the connections between each of the objective and subjective elements of their environment. The ideas and principles of organizational and social interaction also form part of the reality one must understand and act upon.

6.6 Chapter Summary

This chapter explored the opportunity of developing two new strategy models: a strategy environment model and a strategy engagement model. The development of an initial strategy environment led the researcher to develop a second, layered strategy environment, representing the complexity of AG Healthcare Headquarters trans-organizational relationships.

The newly developed strategy environment model gave rise to the researcher’s notion of an engagement model where he described how organizations could be connected with their social group members through a feedback loop and a communication hub.
The outcome of having developed the two strategy models is a significant contribution to AG Healthcare Headquarter’s strategy practitioners and other organizations involved in effective communication of strategy.

The engagement model contributes to practice by providing strategy practitioners with a practical systems-based model that can be applied in the workplace. Its value to practitioners is in its use of a strategy environment to create an understanding of organizational layers, to which a feedback loop and communication hub can be integrated, to form an engagement model, where social group members seek to resolve their misconceptions, access information and participate in the strategy decision-making process.

The researcher’s experience as a strategy practitioner, and the knowledge gained from this case study research suggests that when people are informed and have opportunity for open participation in strategy process, their understanding and support for the strategy improves.
Chapter 7

Conclusion

7.1 Introduction

This chapter presents conclusions as well as opening up new questions and opportunities for further learning. It identifies the key research findings, makes recommendations for further research, and presents limitations of this case study research.

My personal learning is valuable as the interviews and analysis thereof revealed that a systems approach to strategy environment engenders openness, which builds an understanding of the interactions among social group members. The engagement of social group members in a strategy environment affords them the opportunity of mediating their communication of strategy through organizational culture, politics, structure, and trust.

This research is beneficial from an academic and professional perspective and I believe I have achieved the research aim of identifying the contextual factors that should inform the thinking and communication of strategy practitioners, and addressed the research questions through the development of two new strategy models: a strategy environment model and a strategy engagement model. The journey has benefited me and I am much more aware as an engineer and senior manager of the importance of these factors in my workplace, and that strategy environments and engagement of social group
members are key components of an organization’s effective communication of strategy.

7.2 Key Findings

The background to AG Healthcare in general, and the appointment of a new CEO, who formulated, implemented and communicated new strategy was discussed in Chapter 1. The selection of the interviewee group was explained and the choice of a single organization case study justified.

It was identified in Chapter 2 that within the strategy process (see 2.3.2), according to Mintzberg and Quinn (1991), strategy formulation is the process of deciding what to do, and strategy implementation is the process of achieving results. Communication, suggested by the researcher in the form of Figure 2.6, (see 2.3.2) provides a link between the decisions that formulate new strategy and the resulting achievements from its implementation. The literature indicates that communication of strategy is an assumed action, somewhat ad hoc, rather than a conscious and thoughtfully planned event.

Chapter 3 explains the details of the case study methodology and qualitative methods employed for this research. The researcher chose to conduct an interpretive, single organization case study research employing a qualitative method, negating the necessity to build a hypothesis prior to conducting the research.

Five data categories were identified in Chapter 4, indicating that the interviewees’ understanding was a narrow conception of the actions associated with strategy process, resulting in the formation of a new research
question to facilitate the use of current literature in the identification of the contextual factors that should inform the thinking and communication of strategy practitioners

Members of social groups were identified in Chapter 5 to have the opportunity of sharing information, seeking resolution of their misconceptions, and providing feedback to one another in a way that encourages an improved understanding of strategy. In the case of the AG Healthcare Oceania, management group, the members of this group shared their views with one another to make sense of AG Healthcare Headquarters’ communication of strategy.

Four patterns of interviewee behavior were identified, indicating that the actions of the interviewees shape their perception of AG Healthcare Headquarters’ new strategy, collectively rather than independently.

Contextual factors that should inform the thinking and communication of strategy practitioners were identified, highlighting the importance of social group members, their openness, inclusion, localized decision power and access to information concerning AG Healthcare Headquarters communication of strategy.

The identification of contextual factors led to the development of two new models: a strategy environment model and a strategy engagement model, which were discussed in Chapter 6. The engagement model, embodying the strategy environment model, was developed using a systems-thinking approach. This involves group members being engaged in the strategy process in a broader sense, addressing their issues and connecting them with
an organization’s strategy environment through organizational culture, politics, structure and trust, and a feedback loop connected to a communication hub.

The use of a systems approach in the development of a strategy environment and an engagement model recognises the complexity of trans-organizational relationships, suggesting that the interactions between the objectivity of strategy process and the subjectivity of organizational culture, politics, structure, and trust could enable strategy practitioners to focus upon the whole strategy, and not the parts thereof.

### 7.3 Recommendations for Further Research

This case study research facilitates further research that could build upon theory. Further research concerning communication of strategy could be focused on the following areas:

#### 7.3.1 Strategy process

Strategy process concepts have been relatively static since the 1960s and 1980s, noted by Mintzberg and Quinn (1991).


New interpretive concepts of approaching strategy formulation, implementation and communication are required for organizations to address the subjective characteristics of organizational environments. No
longer is it the technology or external environment alone that determines the approach to strategy. It is the importance of engaging social group members in the creation of strategy: to involve them, retain them and enlighten them in changing times.

### 7.3.2 Strategy engagement model

An investigation into the deployment of the proposed strategy engagement model should be conducted to establish its validity.

A study of this kind should include evaluation of the strategy environment model as a means to understand the scope of an organization’s strategy environment, for example, trans-organizational relationships prior to evaluating the engagement model.

The investigation should include a number of organizations embarking on new strategy and conducted over an extended period.

### 7.3.3 Leadership

An investigation into the role of leadership should be conducted to gain an improved understanding of the influence leadership has on an organization’s communicating of strategy.

The role of leadership should be defined within an organization’s strategy environment, such that an improved understanding of what constitutes leadership could be established.

Assuming the role of leadership is to ensure organizational goals are set, and takes account of the organizational conditions of what the organization can, and must do, to realize strategy, the proposed investigation should present
communication of strategy contrasting its implicit nature in the role of leader with that of being explicit by design.

7.4 Limitations of this Research Case Study

The researcher considers this research case study to have the following limitations:

7.4.1 Interviewee group

It was identified in Chapter 1 that the interviewees were selected due to their managerial position at AG Healthcare Oceania and because of their management experience as strategy practitioners (see 1.4).

The interview data collected during the conversations with the interviewees portrays a narrow understanding of the actions associated with strategy process. The selection of a single geographical location and single management group was specific to this case study research and important to understand the problems faced by this group regarding the release of new strategy from AG Healthcare Headquarters.

Although this research was an in-depth study of the issues experienced by the AG Healthcare Oceania, management group, the subject is wide and has many applications. This research identified some of the factors that should inform the thinking and communication of strategy practitioners. Unfortunately, the factors may not be conclusive due to the limited size of the interviewee group.

The results of a case study of this type may be different should a second study be conducted over a longer period, for example, two years, continuing
to identify factors that should inform the thinking and communication of strategy practitioners, and deepening the concepts of strategy environment and engagement models.

It was not considered appropriate for this interpretive case study to conduct the research across a number of organizations because the researcher sought to understand from qualitative data the specific issues relating to AG Healthcare Oceania. Had the researcher adopted a positivist approach, it would then have been appropriate to conduct the research across multiple organizations seeking quantitative data for analysis and testing of a hypothesis.

7.4.2 Matrix organization

It was identified in Chapter 1 that AG Healthcare’s matrix organization in the form of Figure 1.5 (see 1.2), presented a complex web of organizational relationships, social groups, and professional groups. The context in which the AG Healthcare Oceania, management group, found themselves concerning new strategy at AG Healthcare Headquarters was that their position in the AG Healthcare matrix comprised business, functional and geographical components.

AG Healthcare Headquarters was formulating new strategy in Belgium, and then communicating it through the AG Healthcare’s matrix to managers in countries outside of AG Healthcare Headquarters, for implementation. The implementation of strategy through functional, business and geographical groups, for example, the AG Healthcare Oceania, management group, did not
appear easy to understand, or enable its recipients to connect it to everyday
actions.

Including additional AG Healthcare management groups, for example, the
AG Healthcare Headquarters, management group, in this study would have
introduced the significant factor of country culture. However, this was not
considered appropriate, because country culture was a differential the
researcher could not accommodate in the scope of this case study.

### 7.5 Conclusion

The aim of this interpretive research case study identified in Chapter 1 (see
1.1) was to identify the contextual factors that should inform the thinking and
communication of strategy practitioners.

The research questions identified in Chapter 1 (see 1.3) that have been
addressed are:

- What factors does the AG Healthcare Oceania, management group,
  think have hindered or enabled communication of strategy?
- What are the discernible patterns of accounts and action associated
  with the different social processes of resistance to communication of
  strategy?
- What issues and opportunities does the AG Healthcare Oceania,
  management group, think important for effective communication of
  strategy?
What kind of model of communication practices would represent effective communication of strategy in a manner that would be useful for strategy practitioners?

What organizational contextual factors does current literature suggest should inform the thinking and communication of strategy practitioners?

The outcome of this case study research shows that connecting strategy process with the nuances of social group memberships, using a systems-thinking approach affords strategy practitioners the opportunity of mediating their communication of strategy through organizational culture, politics, structure, and trust.

The mediating role that organizational culture, politics, structure, and trust plays in effective communication of strategy is to connect social group members with each part of an organizational environment, to form a ‘whole’ environment, inclusive of an organization’s trans-organizational relationships.

Strategy practitioners, who see beyond what appears to be isolated and independent incidents, visualise deeper patterns of social group member behavior and have the opportunity of engaging social group members in an organization’s strategy process through the creation of a strategy environment, and a feedback loop connected to a communications hub.

Strategy practitioners who understand the intricacies of trans-organizational relationships and the dynamic interaction between each part of the ‘whole’
strategy environment (system) mediate their communication of strategy through organizational culture, politics, structure, and trust.

This study contributes to strategy practitioners’ understanding of the interactions between strategy process and organizational culture, politics, structure, and trust, trans-organizational relationships and that a systems-thinking approach integrates each organizational element into a ‘whole’ strategy.

The outcome of this study was surprising to the researcher, as an engineer and manager and the development of a strategy environment model and a strategy engagement model has made the effort to complete this research study worthwhile.

The content of this study could be communicated in the form of informative business articles by way of appropriate industry journals and industry forums.

Terence Owen Miles
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Appendix A – Plain Language Statement

Date

Dear Participant

I am currently a Doctoral student in the School of Management at RMIT University School of Business. My thesis explores the identification of new insights that would provide scope for the improvement of strategy process, through the development of effective strategy communication, and my supervisors are Dr Paul Gibson, RMIT University, and <INSERT NAME>.

I am inviting you to participate in my research. Your participation will involve an informal interview with me for approx one hour. Participation in this research is voluntary and you may withdraw at any time.

The data generated will be analyzed for my thesis and the results may appear in publications. The results will be reported in a manner, which does not enable you to be identified. Thus, the reporting will protect your anonymity. Each of you will receive a copy of the research conclusion.

If you have any queries regarding the project please contact my supervisors

Dr. Paul Gibson, RMIT University (03) 9925 5945

<INSERT NAME>, AG HealthCare (03) 9264 7711

Alternatively, you can contact the chair of the RMIT University Business Human Research Ethics Sub-Committee, Professor Robert Brooks, (03) 9925 5594, email, Robert.brooks@rmit.edu.au

Yours sincerely

Terry Miles
Appendix B – Participant Consent Form

HREC Form No 2b
RMIT HUMAN RESEARCH ETHICS COMMITTEE
Prescribed Consent Form for Persons Participating in Research Projects Involving Interviews, Questionnaires or Disclosure of Personal Information

FACULTY OF ____________________________
DEPARTMENT OF ____________________________
Name of Participant: ____________________________
Project Title: ____________________________

Name(s) of Investigators: (1) ____________________________ Phone: ____________________________
(2) ____________________________ Phone: ____________________________

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorize the investigator or his or her assistant to interview me or administer a questionnaire.
4. I acknowledge that:
   (a) Having read Plain Language Statement, I agree to the general purpose, methods and demands of the study.
   (b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
   (c) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
   (d) The confidentiality of the information I provide will be safeguarded. However should information of a confidential nature need to be disclosed for moral, clinical or legal reasons, I will be given an opportunity to negotiate the terms of this disclosure.
   (e) The security of the research data is assured during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to ____________________________ (specify as appropriate). Any information, which will identify me, will not be used.

Participant's Consent

Name: ____________________________ Date: ____________________________

(Witness to signature)

Where participant is under 18 years of age:

I consent to the participation of ____________________________ in the above project.

Signature: (1) ____________________________ (2) ____________________________ Date: ____________________________

(Signatures of parents or guardians)

Name: ____________________________ Date: ____________________________

(Witness to signature)

Participants should be given a photocopy of this consent form after it has been signed.

Any complaints about your participation in this project may be directed to the Chair, RMIT Business Human Research Ethics Committee, RMIT Business, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 5594, the fax number is (03) 9925 5595 or email address is rdu@bf.rmit.edu.au

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Appendix C – Organizational Theory

Appendix C briefly discusses the background and current literature concerning modernism and symbolic-interpretivism.

According to Hatch (1997) the periods of organizational management development can be arranged in a sequence from 1900s to 1990s, as shown below:

- Classical, 1900 – 1950s
- Modern, 1950 – 1980s
- Symbolic Interpretive, 1980 – 1990s
- Postmodernism, 1990s forward

The role of theory in the organization sciences is according to Pfeffer (1997) problematic, based on what theory is or should be. Pfeffer (1997, p. 197) states:

One way to navigate the morass of different theories, and one way to evaluate the theories that present themselves, is to ask the extent to which theory or perspective is linked to a particular, important organizational phenomenon and affords the insight into understanding that phenomenon.

Modernist theorists (Hatch 2006) assume that complete knowledge means understanding how and why an organization functions the way it does, and how the functioning is influenced by different environmental conditions. Organizations that develop know-how to manage business situations more effectively and efficiently create competitive advantage and profitability. From the modernist perspective, effective organizations are able to balance
internal and external pressures, develop core competencies, increase efficiency and adapt to change.

Hatch (1997, p. 49) states, ‘The modernist perspective takes an objective epistemological position in that the organization is studied as an object with dimensions that can be reliably measured...’.

Hassard (1993) suggests that modernism is premised on processes of differentiation. As organizations become complex in their task structure it is increasingly unlikely that any one person can have sufficient knowledge to control all practices adequately. The mapping of people by type of job therefore is the control of their discretion once they are in place, and the task division is no longer related by normative community but through organizational relations in the form of hierarchy.

Hassard (1993, p. 114) explains that, ‘Modernism relates to the styles associated with artistic movements which originated around the turn of the century and have dominated the various arts until recently’.

Elwell (1996) concurs with Hassard identifying modernism to be a primary function of the executive, where the power of decision is held at a management level. Burrell and Morgan (1979) agree, suggesting that structured management concepts, change imperatives and management objectives are embedded in the modernist perspective of organization theory.

Social constructionists (interpretivists) assume that all human knowledge is social knowledge, and that knowledge is created by groups of people. O’Brien (1998) says that interpretivism is designed to deal with social reality, the web
of relationships, institutions, organizations, shared beliefs, cultures, and meanings that exist in a group of people.

Hatch (1997) further notes that social constructionism explicitly recognizes that the categories of language used to understand organizations, such as environment, culture, and structure, are not real or natural in an objective sense. Instead Hatch suggests they are the product of beliefs held by members of a society, proposing that people act and interpret action within a socio-cultural context of their own making. In this sense Hatch notes that once the social constructionist perspective has been reified, the world goes on as it does for those who take a purely objectivist position.

Hatch’s (1997) concept of organizations being social constructs means that they are reconstructed continuously by the people living in them, and should people be aware of the processes to achieve this, could change them in the reconstruction process.

Hatch (1997) suggests that subjectivists believe that knowledge is relative to the knower and can only be created and understood from the point of view of the individuals who are directly involved. Hatch adds that reality is defined by the individual’s subjective experience, albeit under social and cultural influences. Interpretivists look at organizations not as an object to be measured and analysed. Rather, they treat the organization as a subject whose meanings are to be appreciated and understood.
Appendix D – Kaplan and Norton:

Appendix D briefly discusses the Kaplan and Norton Balanced Scorecard and Strategy Maps concepts.

Balanced Scorecard

Kaplan and Norton (1996) suggest their Balanced Scorecard (BSC) approach provides an appropriate framework that translates a company’s vision and strategy into a coherent set of strategy performance measures. Translating mission and strategy into objectives and measures, organized into four different perspectives: financial, customer, internal business process, and learning and growth, provides a structured strategy performance management tool, irrespective of good or bad performance. It does not however, offer content to address the subjective perspectives of culture, politics, structure, and trust.

Kaplan and Norton (1996, p. 25) note the requirement of organizations to communicate strategy. However, the authors do not explain how such conversation should occur, stating:

....Balanced Scorecard should be used in a different way -- to articulate the strategy of the business, to communicate the strategy of the business, and to help align individual, organizational, and cross-departmental initiatives to achieve a common goal.

The BSC provides a method (tool) for the description of strategy goals and actions that could form part of an organization’s media approach, aiding positive influence of management and employees. The BSC appears to provide a well-structured approach, comprising a pre-determined format for
organizations to document strategy content, its goals and nuances, such that management and employees have a common point of reference. The structure purports to provide the means for capturing the broad nature of strategy, as it applies to an international company with many divisions and sub-units; accordingly it describes strategy goals and actions but does not indicate how the content could address the subjective organizational perspectives of politics, trust, structure, and culture.

The view of Kaplan and Norton (1996) appears to assume that communication of strategy is a given outcome of having deployed the BSC. The notion that a document containing objective material comprising four different perspectives is capable of communicating strategy, at a level to engage management and employees, is an objective-based approach to strategy process.

The BSC clearly forms part of a strategy implementation plan: a measurement tool for communication of objectives and actions that result from strategy. It is not a tool that provides a means for communication of strategy addressing the subjective organizational perspectives of trust, culture, politics, and structure.

Kaplan and Norton (1996, p. 147) claim, ‘It creates shared understanding. ...employees can see how they contribute to organizational success...focuses change efforts’.

Niven (2005, p. 1) notes, ‘there is little doubt that the BSC has joined the pantheon of successful frameworks, providing organizations with a tool that contains highly elusive, qualities of broad-based appeal and proven
effectiveness’. The author claims that although there has been a high volume of organization take-up to the use of the scorecard, the concept does not provide guaranteed success; in fact most of the companies using the BSC initiatives fail in their strategy implementation, the most common failure caused by poor design and difficulty of implementation.

Niven (2005) says that a BSC approach addresses the vagaries of strategy implementation, bringing strategy objectives and resulting actions to a consolidated framework for deployment. The rise of Kaplan and Norton’s (1996) Balanced Scorecard (BSC) popularity demonstrates organizational interest in seeking out and applying new theory in the workplace. The results of BSC implementation however, indicate that most companies fail in their strategy implementation. And although there are many success stories, it implies the tool has inherent application difficulties. Whatever these may be, they will not be discussed in this dissertation.

Niven (2005, p. 45) states, ‘...the Balanced Scorecard champion is the logical task master of the process; scheduling meetings, tracking results, ensuring the distribution of materials, and interacting with executive sponsors’.

The champion role is an implementation role. Niven (2005) notes that for BSC practitioners the topic is one of scrutiny and investigation; the field of knowledge surrounding the subject is growing, with researchers and practitioners alike, providing new insights into even the most arcane of scorecard initiatives.

Niven (2005, p. 50) notes that General Electric in the USA learned: ‘...the most transformational communication tool.........was Quality x Acceptance
= Effectiveness...many organizations have abundance of “Q” portion of the
formula, but face a major deficiency in the “A” component’.

Niven (2005) notes that employees need to accept an idea before they act
upon it. Niven (p. 52) points out that before contemplating a BSC approach to
capturing and describing strategy in terms of objectives and actions, there
should be a focus on a communication campaign to:

- Increase awareness of strategy plan
- Increase awareness of BSC and how it will be used/applied
- Encourage employees to ask questions and provide feedback

Van Veen-Dirks and Wijn (2002) concur with much of Niven’s (2005) work,
suggesting that the BSC can be enhanced with the concept of market-driven
Critical Success Factors (CSF). The authors note that the BSC is designed to
describe strategy goals and actions, and thereafter, provide a means to track
implementation performance. Conversely, the CSF method identifies
potential threats to the chosen strategy. Combining the measurement aspects
of the BSC with the warning indicators of the CSF, discrete changes in the
market can be detected directly and the BSC adjusted accordingly. This
approach concerns the process of documenting and changing the strategy
content based upon external data. However, it does not offer any contribution
to support subjective perspectives relating to communication of strategy to
management and employees.

Krause (2003) notes that integration of strategy formulation and strategy
implementation is a key business weakness, and tools such as BSC have not
helped. The author says that although the BSC is highly regarded by many
international organizations, empirical evidence suggests that the BSC does not deliver the expected results. Krause (2003, p. 4) maintains of the top 200 organizations in Germany:

- Only 12 per cent say that their planning and budgeting processes have improved since adopting the BSC
- Only 10 per cent agreed that BSC improved their performance
- 32 per cent reported their resource allocation is now in line with their strategy
- 31 per cent reported that the BSC has improved strategy learning

Krause (2003) suggests that the underlying operational qualities of the BSC are inadequate. First, BSC is financially driven. Second, the resulting performance management system is static, making the change management aspects of strategy inflexible. Third, the BSC is out of step with the pace of change in Information Technology businesses, preferring a set of clearly defined goals rather than a more mobile view of what is happening in the market.

Krause (2003) proposes a new approach to overcome the shortcomings of the BSC. A Management Systems Engineering (MSE) approach is suggested by the author to provide a means to translate a management task into a specific strategy in order to deliver a benefit. In fact, the proposed concept builds upon Kaplan and Norton’s (1996) model, providing an alternative mechanism for the description of strategy. The MSE does not, however, adequately address how the concept could be used as a communication tool or for the engagement of social group members in support of strategy.
Another form of integrated approach is offered by Witcher and Chau (2007), suggesting that the BSC could be integrated with Hoshin Kanri. Hoshin Kanri is a term that means policy management referring to a statement of strategic objectives and its strategies. Witcher and Chau propose a structure that combines the strategic planning and management of priorities with BSC, noting that the first balanced scorecard was developed by Arthur Schneiderman while he was Vice-President of Quality and Productivity at Analog Devices Incorp, a US-based organization. It was Schneiderman who identified strong associations between Hoshin Kanri and BSC in their role as a strategy management framework.

Witcher and Chau (2007, p. 521) state:

Kaplan and Norton offer a strategic management system, but this stops short of a methodology for the implementation and management of strategic objectives into short-term priorities at a daily level. Instead, they suggest a corporate scorecard will provide a point of reference for other hierarchical levels to design their own scorecards.

Witcher and Chau (2007) highlight that Kaplan and Norton found inadequacies in their Balanced Scorecard and further developed the model with addition of their concept Strategy Maps. Strategy Maps help to identify cause-and-effect elements for the designated objectives and measures. The authors compliment Kaplan and Norton for apparently simplifying Hoshin Kanri into the formation of a Balanced Scorecard, which is an approach that appears to be straightforward and tempting for organizations to assume it can be applied with ease. The difficulty, according to Witcher and Chau
(2007), is that the BSC contains what has to be done but not how it can be achieved.

**Strategy Maps**

Kaplan and Norton (2004) suggest that their Strategy Maps approach addresses the interface between the value a particular strategy will create for shareholders, customers, and citizens, and the intangible assets of an organization. The authors state that due to the high value of intangible assets, organizational strategy, ‘...formulation and execution need to explicitly address the mobilization and alignment of intangible assets...’.

Kaplan and Norton (2004) note the valuable contribution of the BSC framework to describe and measure strategy success from an objectives and actions perspective. The Strategy Maps concept is proposed to identify how an organization creates value, and is based upon four economic perspectives, which were identified earlier in a review of Kaplan and Norton’s Balanced Scorecard.

Having built their Strategy Maps concept on the back of the BSC concept, Kaplan and Norton (2004, p10 -11) say the Strategy Maps concept is based on several principles, which are:

- Describing a strategy is to balance and articulate the short-term financial objective for cost reduction and productivity improvements with the long-term objective of profitable revenue growth

- Strategy requires a clear articulation of targeted customer segments and the value proposition required to please them
Value is created through internal business processes: operations, customer management, innovation, and regulatory and social. Balanced Scorecards describe the outcomes, that is, what the organization hopes to achieve.

Strategies should be balanced, incorporating at least one strategic theme from each of the four internal clusters: operations, customer management, innovation, and regulatory and social.

Although these principles provide a basis for how strategy could create value, they do not provide for more than a brief extension of the BSC, and in doing so, fail to address communication of strategy from the subjective organizational perspectives of culture, trust, politics and structure.

Kaplan and Norton (2004) show how the Balanced Scorecard Strategy Maps concept provides a framework to illuminate the importance of strategy to link intangible assets to value-creating processes. This view appears appropriate for strategy implementation, demonstrating how each perspective of the BSC translates into value for customers, shareholders, and citizens.

Strategy as defined by Kaplan and Norton (2004, p. 33) is, ‘Our Game Plan’.

Niven (2005) proposes that the Kaplan and Norton Strategy Maps could be utilized to communicate a strategy story: a means to create a compelling and dramatic story to present the content of strategy. Niven indicates that the strategy map could be presented in one of two ways:

- Death by PowerPoint – slide after slide with facts and figures
A compelling story about the strategic destination of financial success, the customer outcomes that will fuel that success, the key processes and the enabling infrastructure setting the foundation.

The second suggestion highlighted by Niven indicates that management and employees could be engaged into thinking about strategy if there was a connection between strategy and their view of social reality. This point accords with the researcher’s study as it provides a valuable contribution to the potential of a subjective approach to strategy.

Niven (2005, p. 85) note that Kaplan and Norton’s Strategy Maps and BSC, ‘provide a method to describe strategy through the objectives and action determined by the organization’. The objectives should link in a chain of cause-and-effect relationships from the performance drivers in the learning and growth perspective through to improved financial outcomes reflected in the financial perspective. The basic nature of a cause-and-effect chain is a modernist view of organization theory.
Appendix E – Interview Guide

RMIT Doctor of Business Administration

Student: Terence Miles
Student Number: 9916735K

Employee Information

Employee Name: 
Date of Interview: 
Time taken to conduct interview: 
Employee Approval Date: 

Academic Supervisor: Dr Paul Gibson
Industry Supervisor: <INSERT NAME>

Research Question

Is a large organization, e.g. AG Healthcare, capable of succeeding in communicating strategy to its employees?

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<td><strong>Informal Questions</strong></td>
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<tr>
<td>1. Are you aware of AG HealthCare Headquarters strategy, either global or local?</td>
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<td>2. How did you receive the strategy explanation?</td>
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<td>3. How was the strategy explained to you?</td>
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<td>4. Was the communication of strategy easy to comprehend / understand?</td>
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<td>5. Did the communication style enable the strategy to be understood at all levels?</td>
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<td>6. Do you perceive that you understand the intent of the strategy?</td>
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<td>7. What was your reaction to the strategy?</td>
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<td>8. Was the strategic timeline visible to you?</td>
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<td>Question</td>
<td>Answer</td>
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<td>9. Were you a time dependant factor for the strategy implementation?</td>
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<td>10. Was a strategy implementation plan / schedule made available?</td>
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<td>11. Was it possible to link strategy with implementation plan, business processes and organization management and functional structure?</td>
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<td>12. Was the strategy linked to subsequent strategies, e.g. product release, operations, organization performance?</td>
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<td>13. How did the implementation unfold and take effect?</td>
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<td>14. Do you consider your role as a stakeholder in the strategy?</td>
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<td>15. Do you consider your role having a direct impact on the strategy?</td>
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<td>16. Did you have a direct role in the implementation plan development?</td>
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<td>17. What is your interpretation of the strategy?</td>
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<td>Question</td>
<td>Answer</td>
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<td>18. Do you believe management and employees embrace the strategy or doing what is necessary to survive in time of change?</td>
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<td>19. Was the relationship between strategy and implementation explained?</td>
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<td>20. Did the explanation of strategy identify the impact of change on the different business groups and/or functions?</td>
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<td>21. How could the strategy communication process be improved?</td>
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<td>22. How effective do you believe the implementation was?</td>
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<td>23. What were the major strengths/weaknesses of strategy implementation?</td>
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<td>24. What could have been done differently?</td>
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<td>25. What could you have done differently?</td>
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<td>26. Do you consider the intent of strategy implementation simply change management?</td>
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<td>27. What is your interpretation of the word strategy?</td>
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<th>General comments re strategy, questionnaire or AG Healthcare</th>
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Appendix F – Interview Information Categories

Communication

- Strategy communication to include timeline of goals and achievements
- Strategy should be instantly recognizable and integrated with the business
- Key influences – informal to support formal communications
- Communications method = support (trust) – person-to-person contact
- Different communication methods were employed -- content v tool v media
- Communication content was not always explained and there was no direction for communicating to lower levels within AG Healthcare
- Content should be framed to gain the desired support
- A strategy communications pack to market the new strategy -- a consist messaging campaign
- Management want information to gain an improved understanding of the new strategy, to gain a improved understanding of the strategy
- AG Healthcare used multiple communication channels, all with the same message. However, managers received more specific details that were confusing regarding their implementation
- The communication of strategy indicated an implementation timeline without information on how the strategy was to be executed
A macro v micro approach may have assisted management and employees gain an understanding of how the new strategy would affect the business and themselves

The quantity and frequency of meetings were insufficient

The content of new strategy could have been communicated earlier, perhaps as a marketing activity, focused upon management and employees acting as internal customers of AG Healthcare

The communication of strategy lacked structure, which led to political environments and structural difficulties of power

There was little monitoring and reporting of the new strategy implementation, which led to a lack of reinforcement by AG Healthcare Oceania management, as they were not sure of the information that would be communicated next. They were concerned by the amount of surprise caused by release of new strategy communication

Emergent strategy created a difficult situation for the interviewees as there was no link between previously communications and the new communication content

Communication of strategy must address the needs and desires of social groupings and their members

**Culture**

AG Healthcare Headquarters new strategy should be linked to the business strategy at AG Healthcare Oceania, its objectives and market opportunities
Without knowledge of how new strategy will impact social groups and their members, people go into survival mode.

Communication of strategy should engage employees through motivational factors.

A bottom-up approach should be adopted with the benefit of a feedback mechanism for employees to resolve any misconceptions they may have.

The background to the formulation of new strategy should include the reasoning for the choices made at each hierarchical level and social group.

Communication of strategy should enable employee belief and trust, not only in the strategy content but in the management.

Strategy success should be linked to business performance.

Participation in strategy formulation and implementation should include management and employees.

Strategy success factors, for example motivators and business drivers should be linked to management and employees.

New strategy should explain a link between past and future business status.

The communication of strategy should include the reporting and monitoring of implementation success.
The relationship between AG Healthcare Headquarters and AG Healthcare Oceania should be clear in all communication, explaining the content of strategy at divisional, geographical, and business levels.

**Politics**

- Communication filtering at country level
- Tailoring of information at the country level
- New strategy puts additional workload on people who are normally busy, resulting in people lacking time to digest and participate in the new strategy implementation
- Confidence in AG Healthcare Headquarters would reduce the opportunity for politics at the AG Healthcare Oceania level.
- New strategy creates uncertainty when communication is ineffective, resulting in self-interest
- Communication content from AG Healthcare Headquarters must address the AG Healthcare Oceania localized strategy and business objectives, for without this implementation success will be limited
- The format of new strategy communication should be consistent and as emergent strategy arises, the format should be capable of communicating the original strategy, the emergent strategy and the link between the two
- New strategy success needs to be validated as it is the true success that management and employees build trust among one another and their chosen social groups
- Link business of ‘day to day’ products and services to strategy direction
- Assist management in resolving conflict between day-to-day activities with the new strategy formulation and implementation

- Communication of strategy should link strategy content/progress to business results (to absorb/understand)

- Clarity of the steps involved in the formulation of new strategy, by way of a strategy roadmap would provide opportunity for reducing the political manipulation of information

**Structure**

- Management and employees need to be aware of new skills requirements and be able to link these with the new strategy content. Employees should be involved with new strategy to develop an understanding of why the new skills are required

- Employees involved in formulation and implementation of new strategy, connect with its success

- Early communication of the impact that new strategy will bring to AG Healthcare’s matrix structure will ensure management and employees gain an understanding of the personal impact and have the chance of providing feedback to resolve any misunderstandings

- Large matrix structures present difficult systems for communicating and this should be taken into account when developing new strategy. The communication of strategy should be capable of reaching all management and employees. This should address the communication of strategy content versus the hierarchical positions of AG Healthcare’s organizational structure
The communication of strategy should engage management and employees in such a way to gain their confidence.

Management should reinforce the new strategy and be capable of repeating the objectives resulting from its formulation and implementation.

It should be clear to management and employees who in the AG Healthcare organization is accountable for communication of strategy, its formulation and implementation.

A timeline for the new strategy formulation and implementation should be available to management and employees, and update as emergent strategy develops.

New strategy success depends somewhat upon the degree of prior success and therefore communication of strategy should address AG Healthcare’s legacy of strategy success, explaining how this time it will be different.

The communication of strategy should include how business rules will change and how the result of such changes will be managed.

The communication of strategy should address the impact of strategy on management and employees, and their membership to social groups.

The communication of strategy should explain the role of AG Healthcare Headquarters management in the formulation and implementation of new strategy, as should the role of the AG Healthcare Oceania, management group.
The communication of strategy should explain what success looks like. What will the organization be after the implementation of new strategy?

**Trust**

- The communication of strategy should enable management and employees to gain a high level of understanding
- The communication of strategy should enable belief in the new strategy content and in its management
- The health and wealth of AG Healthcare should be explained to management and employees to establish some kind of organizational stability
- Management and employees will feel out of their depth if communication of strategy does not enable them to gain an understanding of the new strategy. This will result in management and employees going into survival mode
- AG Healthcare Headquarters should seek out its opinion leader(s) and make use of these people to stimulate the informal communication, resolving any misconceptions
- AG Healthcare Headquarters management should be available at given times to answer any questions regarding the new strategy
- Support starts when understanding is achieved – management and employees will support new strategy should they believe in its objectives and can see how the result of implementation will benefit
their position, in terms of personal/professional goals, and those of their membership to social groups

➤ Management and employees want to know why the new strategy is being formulated, how it will be implemented, when it will be implemented, and what the impact will be from such action. Without such information management and employees become frustrated and disconnected due to a lack of comprehension
Appendix G – Interview Data

No. 3

➢ Employees understand very little of strategy due to lack of communication, that is, no real awareness or understanding of impact on business

➢ Employees support strategy when a level of understanding has been achieved. Particularly around the organization objectives and personal impact

➢ The method of communication delivery is critical to engaging employees. Should the method not achieve this then support will be low

➢ There is a lack of integration of AG Healthcare Headquarters strategy with local business objectives / strategy. Top-down communication is not delivered in local terms

➢ Employees support for strategy could improve if they can relate a communication content to personal and professional goals

➢ Although awareness exists at the local management level, there lacks a local management team meeting for determining how to translate AG Healthcare Headquarters communication of strategy into local terms. Personalities defeat the structure and communication through structure/culture

➢ Communication via PowerPoint, e-mail and intranet does not achieve the personal contact required for adoption of new strategies
Communication lacked details and there was not sufficient time to gain an understanding, explore strategy or to ask questions. Do the skills required to achieve this exist at the local level?

Strategy communications needs to create a level of importance (crisis/imperative), explaining impact on business and/or individuals. Without this, it causes confusion and gaps in the information that leads to mistrust.

No engagement model was employed or protocol developed to deliver the message in an appropriate form for receipt as important – lack of group approach and feedback loops.

People who lack prior knowledge of strategic change process and business impact are exposed in world that does not have all the answers, leading to a stressful working environment.

Employees are not aware of their impact to the strategy timeline, for example, skills development.

Lack of buy-in at the local management level results in lack of action. Communication timeliness and content that creates opportunity for feedback would gain support for moving strategic implementation to the next level.

Strategic objectives are not linked to local structure, management or processes.

No visibility of emerging strategies, although evident after the fact. Lack of strategy linked to release of new products, partnering and acquisitions.
➢ Stakeholders at a management level believe they form part of strategy implementation but cannot communicate due to lack of communication content, thus support at lower levels cannot be gained.

➢ AG Healthcare Headquarters communication of strategy fails to link its content with AG Healthcare Oceania business goals and therefore the interviewees have disregard for AG Healthcare Headquarters’ new strategy.

➢ The management team should form an integral part of AG Healthcare Headquarters’ new strategy but as they feel disenfranchised, they sometimes hesitate in their communication among social group members.

➢ Overall employees understand the need for change and the move toward new technologies but lack the confidence in details in regard to their position and the position of their group (membership).

➢ Strategy communication delivered at a local level for all employees via PowerPoint stimulates local excitement and discussion. However implementation is rarely effected or becomes so localized that nothing changes.

➢ AG Healthcare Headquarters’ communication of strategy could address specific social group members.

➢ The monitoring of strategic implementation, communication of success and next steps would indicate a level of ownership and commitment to the strategy.
Belief at the management level assures a degree of success in strategic change management. However, strategic change that does not reflect the communication content and delivery of strategy to employees will fail.

Material demonstration and commitment to the strategy implementation by the deliverer of the message would improve support by employees. In addition a plan of communication to deliver success and progress would benefit ongoing support.

Management should be more proactive in delivering and capturing employee feedback and communicating at the local management level to address the concerns of employees. Additionally they should seek clarity and provide feedback to employees.

Strategy is a change management process.

Strategy means a vehicle used for the purpose of moving and organization along the road of vision and mission which when combined equals strategy.

A plan of communication to deliver success and progress would benefit ongoing support.

What’s in it for me? What are the benefits I will see if I support this new strategy?

‘A plan of communication to deliver success and progress would benefit ongoing support’
No. 6

- Frustration is caused by ongoing change in strategic direction. Top-down strategy not aligned with bottom-up implementation, lack of documented strategy, that is, lack of full strategy or connected strategy, leading to employees not having a clear understanding of strategy.

- The size of the organization may be an issue in terms of communication ability to reach all employees with messaging specific to the individual needs.

- A lack of engagement channels from a bottom-up approach, meaning there is no feedback loop for good ideas and no connection between the strategy and employees.

- The communication method has not ensured all details that employees seek are contained within the communication, thus support is variable, based on involvement of an individual in the strategy implementation. This is where most employees have gained an improved understanding and then passed this understanding to colleagues, positively and negatively.

- At times, the opportunity of becoming involved is not met with a clear statement of ownership/accountability as not all information is provided to enable this. For example, a lack of connection between opportunity and ownership.

- Quarterly meetings at the local management level are insufficient to communicate results, directions, and emergent strategies to the wider
employee groups. Informal meetings could be used to communicate results more frequently. For example, what are the positives experienced during implementation and scope for feedback?

➢ There is insufficient exposure on how strategic directives link to specific actions at the management level

➢ Early communication could promote early understanding if AG Healthcare Headquarters communication of strategy was developed in a format for communicating to all employees. For example, a marketing exercise to emphasize processes, benefits, people, reporting structures and need for inclusion of employees within the strategic implementation planning

➢ Difficulties in generating an understanding of strategy are caused by the disconnection between AG Healthcare Headquarters and AG Healthcare Oceania. For example, no time or process is given on the links between AG Healthcare Headquarters and AG Healthcare Oceania HQ and where this meets the customer in terms of revenue and organizational infrastructure and costs

➢ Communication content failed to address the link between strategy and customer interface, that is, strategy not linked to role of employees as customer advocates and ongoing AG Healthcare Headquarters and AG Healthcare Oceania

➢ There was no review that was visible to the local management team to identify required skill sets to implement the strategy or communicate the strategy
Local interpretation of the AG Healthcare Headquarters strategy did not align the Headquarter’s timeline with AG Healthcare Oceania business activities. AG Healthcare Headquarters new conflicted with AG Healthcare Oceania business goals.

There is no visibility of steps to get from point ‘a’ to point ‘b’, therefore impossible to link strategy with implementation plan.

The strategy implementation plan lacked detail of what specific targets had been set, employees had little belief in the strategy being achievable.

Generally, the communication did not enable people to understand the effect of implementing strategy. Employees generally had little understanding, perhaps due to a lack of appropriate skills or simply that there was not enough content in the communication to generate belief.

There was little relationship drawn between employees and strategy, hence a feeling of disconnection between the two.

The lack of a bottom-up view of the strategic impact on AG Healthcare Oceania lead to a poor communication of the impact of change. A bottom-up view would show the impact on AG Healthcare Oceania, various groups and departments and individuals in terms of financial and personal reward.

Communication could be improved by having an enhanced bottom-up approach. Employees should have a feedback mechanism to have their
input and more regular contact between local management and employees.

- Communication could have focused at the lower levels in the organization from a confidence/morale.

- Local management could have pushed harder to implement agreed objectives and to encourage employees to follow through. For example, employees give up too easily due to no accountability for results.

- Maintaining the organization in balance whilst implementing strategic change requires significant communication of different styles/media, but with consistent content.