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Exploring micro-practices during strategy development

Introduction

This paper explores video data of strategy workshops, based around tools such as SWOT analysis and scenario planning, to explore the micro-practices that can be observed within a strategy development exercise. The exercise formed a key component of a leadership development programme for senior managers in a major organisation in the UK transport sector. The study reveals how a strategy development exercise can be analysed as a number of 'micro-practices', labelled here as 'preparing and orientating', 'generating and working with content', and 'reflecting and validating'. Our findings are of significance for both academics and practitioners, as they have the potential to influence the future design of strategy tools, as well as their appropriate introduction in workshop settings, to support the varied micro-practices pursued by middle managers during strategy development.

Use of tools such as SWOT in strategy development

One of the most widely reported tools in use is SWOT analysis (Gunn and Williams 2007; Stenfors, Tanner et al. 2007). Barney (1995) defines SWOT as a simple framework that points to the importance of external and internal forces for the purpose of understanding the sources of competitive advantage. Over the years the SWOT tool has attracted much attention in the academic literature. Helms and Nixon (2010) classify papers into three categories:

- Cases describing an application of the SWOT tool, e.g. Vrontis and Vignali 2001; Ahmed, Zairi et al. 2006
- Papers focusing on the use of SWOT as a tool for strategic planning either used alone or in combination with other tools, e.g. with the analytic hierarchy process (Ho 2008); balanced scorecard (Ip and Koo 2004); Porter's Five Forces (Ruocco and Proctor 1994); and scenario planning (O'Brien, Meadows et al. 2007). Included in this category are surveys of tool use for strategy support, e.g. Gunn and Williams 2007
- Cases targeted for student analysis, e.g. Elrod 2008; Xie and Lin 2008.

The development of SWOT has been driven by its application and it has received little attention from a research-based or theoretical perspective (Chermack and Kasshanna 2007). Many accounts of the use of SWOT are largely descriptive and from single case studies (see for instance Dyson (2004); Sorensen, Vidal et al, (2004)). SWOT analysis has received much criticism in the literature, for example Hill and Westbrook (1997) found that "the terms used to describe factors were general and vague and that no analysis or verification of any point was undertaken" (p48). Other criticisms suggest that the procedural guidelines for using the tool consist largely of "...catchall questions devoid of explicit theoretical underpinnings" (Valentin 2001) and that confusions can arise for example in recognising new opportunities (Morris 2005). A decade after Hill & Westbrook's demand for a 'product recall', SWOT analysis is reported as being one of the most widely used strategy tools (Clark and Scott 1995; Stenfors, Tanner et al. 2007), and some authors continue to argue that the use of strategic tools like SWOT has a place in contemporary strategic management (Gunn and Williams 2007). Users of SWOT report that they prefer tools which are transparent and simple to use rather than tools based on sophisticated analysis (Stenfors, Tanner et al. 2007). Other research (Spee and Jarzabkowski 2009) suggests that the popularity of such tools can be explained by three features – flexibility and adaptability; easy to remember and use; and established legitimacy. This study provides an analysis of empirical data to gain a greater understanding of how tools such as SWOT are used in practice within a strategy workshop, for instance in support of micro-practices within group activity.

Research setting and analytical approach

Strategy workshops are a common practice in organisational life today (Hodgkinson, Whittington et al. 2006). Schwarz (2009) describes strategy workshops as providing a forum for strategic discourse facilitated through knowledge-sharing and/or promotion of strategic consensus. Many aspects of strategy workshops are discussed in the management literature. For instance, the use of a range of mapping techniques is illustrated (Bougon 1992; Eden and Ackermann 1998; Wallemacq and Jacques 2009), and questions around the facilitation of such workshops are demonstrated and debated (Stewart 2006; Salo, Brummer et al. 2009). Hodgkinson et al. (2006) conclude that strategy workshops are important vehicles for the emergence of strategy, but that surprisingly little is known about many aspects, such as the role played by analytical tools and techniques during strategy workshops. This study aims to address this gap in the literature, by analysing empirical data on tool use by middle managers to support micro-practices use during a strategy workshop.

Exploring micro-practices during strategy development

Our study explores the conversations that managers engage in during strategy workshops. We see that managers use language to develop their ideas about possible future strategies for the organisation, and to build arguments that they believe will persuade others. All of this is done collaboratively, while interacting with colleagues, and accepting or rejecting the verbal contributions that are made by others. Wallemacq and Jacques (2009) view language as “a kind of surrounding environment, a world in which we move rather than something a speaker creates on his or her own” (p 31). Robichaud et al (2004) suggest that the primary function of language is to ‘support collaborative activity, typically associated with some common field of practice’ (2004, p. 619). This draws upon Weick’s (1995) notion of retrospective sensemaking; in other words that “people can know what they are doing only after they have done it” (1995, p 24).

In this study, we draw upon the work of vom Lehn, who points out (2010, p.35) that audio-visual recordings afford the researcher ‘the opportunity to share, present and discuss the evidence which supports observations and analysis, a facility that is rare within the social sciences’. Strong interrelationships exist between action and context; conversation analysis has revealed the social and sequential organisation of talk (Garfinkel 1967; Heritage 1984; Sacks 1992). Vom Lehn (2010) argues that the situated character of practical action (such as talk, visual and bodily conduct) can be elaborated by audio-visual data which helps us to understand how participants produce and make sense of particular actions. However, Jones and LeBaron (2002) also note that there is “not widespread agreement about how holistic analyses should be conducted” (p. 500).

Following vom Lehn (2010), the authors began the process of data collection with a review, in which they examined the video data to assess the quality of the images and sound and to identify any issues that might be relevant to further data collection. A preliminary analysis was then undertaken of a selected number of fragments, which led the authors to begin to reflect upon particular actions and activities. Heath et al (2010) advocate a similar approach, where the principal data of a video-based study – the recordings - are reviewed a number of times. They suggest that there are likely to be at least three reviews of the data (Heath et al, 2010, p 62) – a preliminary review (including cataloguing the data corpus), a substantive review (e.g. to find further instances of potentially interesting events or fragments), and an analytic review (e.g. gathering, scrutinising and comparing key fragments of data). Our analysis therefore proceeded case by case, with the authors subjecting particular actions to a highly detailed scrutiny and to examine the immediate context and a particular interactional environment in which they arose.

Vom Lehn also notes that while in conversation analysis there is a long-standing convention for the transcription of talk, a similar convention is not available for the transcription of people’s visual and material conduct, such as handling an object (2010, p36/7). However, vom Lehn adopts the approach of transcribing, at least the onset and completion, of the visual and material features of the participants’ conduct with regard to the talk and/or silence or pauses (Goodwin 1981; Heath 1986). The authors also adopted the practice of separately transcribing the audio and visual recording, noting the activity undertaken by each participant. The audio and visual recordings were organised into five second time slices. An inductive approach to category generation and selection was adopted, through repeated scrutiny of the video data. The activity was coded in relation to each participant’s visual and bodily conduct, and it was differentiated between that which resulted in engagement with other participants and that which involved engagement with materials in use within the workshop. Engagement with other participants differentiated between looking at other participants (visual) and gesturing with the hands (bodily). Engagement with materials differentiated between looking at materials (visual), pointing towards materials, creating materials, working with materials and moving materials (all bodily conduct).

Observing micro-practices: a case study

The client organisation was a large company within the UK transport sector. The organisation was developing a strategic leadership development programme aimed at senior managers within the organisation. The client believed that a scenario-based strategy development exercise would be the most realistic way to develop the strategic thinking skills of its senior managers. The purpose of the exercise was to allow participants to practise developing strategies for their own organisation in response to alternative possible futures. The participants were provided with two scenario narratives, developed with senior executives, which set out possible future external environments for the UK transport sector. Participants were invited to use the scenarios to help them develop recommended strategic options for the organisation. To support such development, they were briefly introduced to the SWOT and TOWS frameworks (Wehrich 1993).

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The authors obtained video data of one of the exercises which took place over two days. Some short fragments of audio (transcribed) and description of video data have been chosen to illustrate how a particular group of five senior managers attempted to develop strategy. Audio transcript notations (based on Heath et al (2010)) are shown in Appendix 1.

Audio/video analysis of three micro practices

Fragment 1 shows the group discussing and clarifying the process steps that they are about to undertake. At the start of this fragment we see Brian finishing his explanation of the process that he suggests the group should follow. One of the group members asks a question of clarification, which he responds to. Throughout this fragment the group are seated around three small coffee tables, with three members sitting side by side and the other two members sitting opposite them.

Fragment 1

Time	Audio transcript	Brian	John	Terry	Victor	Steve
0,00	Brian: Then what you do is try to match those two together, so what is it about the opportunities and threats	Leaning forward in his chair; looking toward John and Victor; gesturing with his hands	Leaning forward in his chair, looking at Brian, left elbow resting on coffee table, resting his chin on his left hand	Sitting back in his chair, looking at Brian	Sitting back in his chair, looking at Brian, touching his right cheek with his right hand	Sitting back in his chair, looking at Brian
0,05	that relates to the strengths and weaknesses and by doing that you then start to understand	Leaning forward in his chair, looking around all group members as he speaks, gesturing with his hands.	As above	As above	As above	As above
0,10	what your strategy should be. Basically what are the strategic issues to be faced?	As above	As above	As above	As above	As above
0,15	Steve: Are you linking the strengths and weaknesses	Leaning forward in his chair, looking at Steve	Sitting forward in his chair, looking down at the table, left elbow resting on the table, resting his chin on his left hand	Sitting back in his chair, looking at Steve.	Sitting back in his chair, looking at Steve, touching his right cheek with his right hand	Sitting back in his chair, looking at Brian, gesturing with his right hand
0,20	with the opportunities and threats presented in the scenarios? Brian: Yeah, the ideal world scenarios is one where	As above	As above	As above	As above; also looks back at Brian when he speaks	As above; also stops gesturing and looks at Brian when he speaks
0,25	You've got these huge opportunities that absolutely	Leaning forward in his chair, looking at	As above	Sitting back in his chair,	Sitting back in his chair, looking at	Sitting back in his chair, looking at

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	directly meet with your internal strengths	Steve as he speaks, gesturing with his hands		looking at Brian.	Brian. Touching his right cheek with his right hand.	Brian.
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This fragment is illustrative of a number of occasions throughout the strategy workshop when the group pause to discuss and clarify the process steps that they are about to follow, using the SWOT as a tool. Whilst the audio transcript tracks the conversation between group members, the video transcript provides an account of what all the group members are doing (including the speaker). Here we see that all except one of the group members is following the conversation as it moves between members – we see their gaze shifting to the respective speaker. The video transcript also captures one group member who seems disengaged from the discussion (John), as the video captures him gazing at the coffee table throughout much of this fragment.

In Fragment 2 (available from the authors), the group are working with the content generated using the SWOT framework; they are using a system of voting to jointly select the strategies that they will consider including in their final presentation. The voting is undertaken using pens to record preferences for suggested strategic options; these options have been captured on post-it notes displayed on flipcharts on one of the walls of the room. This fragment shows us that video data is valuable in tracking a number of aspects of the group’s activities that would be difficult (or even impossible) with audio data alone. For instance, by describing the video data alongside the audio data, we can understand how each actor is engaging with the group activity (even when they are not speaking); how the actors are engaging with each other (e.g. looking at the speaker, or not); what use they are making of materials such as flip-charts and post-it notes (looking at them, reading them, writing on them, etc.); how each actor is using their body and movement, for instance by gesturing while speaking to emphasise a point, or moving closer to or further away from other actors and materials. It also suggests a possible lack of engagement in some instances, for instance we can analyse which actors have not spoken or moved during a particular fragment.

Fragment 3 (available from the authors) shows the group engaging in a micro-review of the materials they have created. Some of these previously developed materials have been displayed on wall flipcharts. Just before the start of this fragment, two members bring additional flipcharts of previously generated material and put them on the floor just in front of the wall flipcharts.

Summary

Taken together, the three fragments suggest that the participants engaged in a number of ‘micro-practices’ as they developed strategy during the workshop. The first micro-practice could be described as ‘preparing and orientating’; as we see in Fragment 1, the group found it necessary to spend time preparing by discussing and agreeing their process, and then orientating themselves in the rich array of data that has been provided. A second micro-practice could be summarised as ‘generating and working with content’; Fragment 2 illustrates a time period when the group were voting to reduce down a selection of ideas that had emerged from an earlier ‘brainstorming’ session. A third micro-practice, labelled here as ‘reflecting and validating’, is supported by the third fragment. In Fragment 3, we see evidence of a ‘micro’ level of review of the group’s ideas and how they relate to the process followed.

Discussion and conclusions

Rouleau and Seguin (1995) identify four types of strategy discourse, which they refer to as classical, contingency, socio-political and socio-cognitive. This study appears to reflect more than one of these forms. The conversation of the participants, as reproduced here, may seem to fit best with the ‘contingency’ form (“based on a representation of the environment as the determining factor”, Rouleau and Seguin, 1995, p 108) in that it draws heavily upon the SWOT framework which emphasises the external environment in which the organisation is operating (as well as some of its internal characteristics). However, the design of the study itself reflects an interest in the importance of groups and the importance of the individual; this speaks to both the socio-political form (“the organization is represented as the outcome of various centres of negotiated activities”, p 109) and the socio-cognitive form (“this form reflects the individual as the focal point of interest”, p 110) as identified by Rouleau and Seguin. In her 2005 paper, Rouleau argues that there are four micro-practices of strategic sense-making and sense-giving; when middle managers are in the role of interpreters and sellers of change, they engage in ‘translating the orientation’, ‘overcoding the strategy’, ‘disciplining the client’

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and 'justifying the change' (p 1413). However, in the study described here, middle managers are being asked to undertake a different role; as part of their personal development, they are being asked to design and plan strategic change, rather than interpret and sell ideas that have been developed by senior colleagues; so the micro-practices we observe are different from the ones proposed by Rouleau. Along similar lines to Rouleau (2005), Rouleau and Balogun (2011) describe middle managers as 'performing the conversation' and 'setting the scene' (p 953); however these activities are once more associated with making sense of and selling existing strategies, rather than validating those strategies and/or proposing new ones, as in the study described here. In this study we observed three micro-practices which were labelled 'preparing and orientating', 'generating and working with strategic content', and 'reflecting and validating', which appear to correspond with strategy development (rather than strategy selling) activities. Such micro-practices therefore highlight the variety of strategy work that middle managers engage in. They also illustrate that engagement with a tool is not only concerned with its use to generate content; SWOT, it appears can play a 'social' as well as an 'analytical' role. Tool use, particularly amongst non-facilitated groups, can entail episodes of clarification and negotiation about how the process of using the tool within the group setting, along with episodes of reflection upon and validation of content previously generated. This allows individuals to build relationships within the group, negotiate their positions, and so forth. Our contribution also extends to the use of video analysis in research to analyse strategy workshops; not all tool use or artefact use can be captured via methods such as conversation analysis (and this is most obvious for the data corresponding to periods of silent activity).

Use of video data, and limitations of the study

This study throws light on a number of methodological issues around the use of video data. We know that audio data allows us to analyse talk; but what if there is no talk taking place? To understand the activity taking place in the strategy workshop under investigation, it was essential to go beyond audio data, and to make sense of video data too. The video data enabled us to gain additional knowledge of how the group was working together (including their physical activity), particularly at times of silence. Video data helps us to track a number of aspects of group activity which would be difficult, or in some instances impossible, to analyse via audio data alone, such as the engagement of each actor with the activities underway; each actor's use of materials; each actor's use of body and movement in support of their speech acts (e.g. gesturing, or physically moving closer to or away from someone or something), and the interaction between the actors. However, capturing these insights in a robust fashion remains challenging, as for video analysis (unlike conversation analysis) no established notation exists for recording observations. In a study of this kind, the volume of data generated presents a challenge to the researchers. In this paper, we have presented short fragments taken from more than eight hours of video data. It is also worth noting that the use of static, unmanned cameras made it hard to ensure that all group work was captured on camera. Even though two cameras were used in an attempt to provide coverage of the whole working area, this still remained problematic on occasions during the entire duration of the workshop.

Summary

This study has documented and reflected upon the use of tools within a strategy workshop setting, and observed a group of middle managers engaging in a number of micro-practices. We have observed the use of SWOT, a popular strategy tool, in supporting these micro-practices. Future research should explore the extent to which these findings have wider applicability for varying groups of participants, and whether they can increase our understanding of the use of strategy tools other than SWOT. A better understanding of how tools are actually used in practice is important for both practitioners and academics, as it has the potential to influence the design of strategy tools as well as their appropriate introduction in workshop settings. Future research should also focus upon gaining a better understanding of the role played by middle managers in strategy development, and the range of micro-practices that they engage in.

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Appendix 1: Transcription Notations

SYMBOL	EXPLANATION	MEANING
(.)	Period in brackets	Micropause, less than 0.2 seconds
(0.7)	Number in brackets	Pause, measured in seconds
?	Question mark	Rising intonation
.	Period (or full-stop)	Fall in tone
,	Comma	Continuing intonation
!	Exclamation mark	Animated tone
-	Single dash	Used when an utterance is cut off
()	Single parentheses	Used when there is transcription doubt, i.e. the utterance is unclear
(())	Double parentheses	Used to enclose a description of something that is hard to transcribe, e.g. ((cough)) or ((nod))
=	Equals signs	Used when adjacent utterances are 'latched', i.e. there is no interval between them
<i>Italics</i>	Word in italics	Stressed word