

THE ROLE OF THE CEO IN THE STRATEGY PROCESS

Case study: a growing medium-sized recruitment company

Master's Thesis
in Management and Organisation

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2.7.2018
Turku

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1 INTRODUCTION

1.1 Background

Even though small and medium sized companies (SMEs) play an essential role in economy, the strategy research of SMEs has only received a fraction of the attention compared to large enterprises and therefore has lagged behind (Baporikar 2014; Karami 2007, 35). Especially, research which has focused on the different actors and their practices of strategy work in the SME context is very limited (Van Gils 2005). This research gap makes strategy research in the SME context valuable in the first place.

Researchers, such as Karami (2007, 35) claim that recent strategy studies have noticed that an ideal strategy for all companies in one context does not exist, and Vanttinen & Pyhältö (2009, 780) claim that this versatility extends to strategy processes and makes them unique every time. At the same time, the strategy research has steered more attention to micro-level practices of different actors, and some researchers claim that practical examination rather than practical theorizing can be more beneficial for the strategy research (Jarzabkowski & Wilson 2006, 349).

In the light of these considerations, it is interesting to study a certain strategy process in the SME context and to focus on the roles of the different actors in it through their practical involvement in the process. Spender (2001, 35) highlights that the links between theoretical research and organizational practices are essential part for the future of the strategy research. Therefore, a research focused on actors and their roles around a certain strategy process could bring recent theory closer to the real world. According to Whittington (2003), practically important questions in strategy research are: Where and how the formulation and organization of the strategy is actually realized and who is doing this work?

When thinking about possible answers to the previous questions, the role of a Chief Executive Officer (CEO) is especially interesting as a CEO of an organization is usually responsible for the strategy and its formulation, especially in the SME context (Van Gils 2005). However, strategy formulation is described to involve multiple practitioners (e.g. Sotarauta 1996, 190-192; Jarzabkowski 2005; Johnson et al. 2008). By the previous arguments, it should be useful to take into account all the actors while studying the role of a CEO in a strategy process. By examining the role of the CEO and its connections to other actors and their work during the strategy formulation, we could get a better understanding of the practical role of a CEO in a strategy process. This is the phenomenon that this thesis explores.

1.2 Purpose of the study

As the purpose behind this research was from the start to examine the role of the CEO in the strategy process, the main research question has been clear from the start. Other research questions were born along the study and for the final set of the research questions, the inspiration came from the research of O'Shannasy (2010): "Board and CEO practice in modern strategy-making: How is strategy developed, who is the boss and in what circumstances?"

My main research question is:

- What role does the CEO play in the strategy process of the case company?

The next ones are the supportive research questions, which helped to identify the role of the CEO by the description of the process, roles of the other actors and the interaction between them and the CEO:

- What has been the nature of the strategy process from the start to the formulated strategy?
- Who are the other actors working together with the CEO in the strategy process, and what roles do they play?

By finding answers to these research questions, this study could be beneficial for better understanding of the real-world strategy process in the SME context through practical insights of the roles of the actors. Therefore, my objective is also to produce new information for business management in practice, and to offer new ideas for the area of business administration concerning strategy process and the role of a CEO.

1.3 Research setting, methods & process

The researcher got a first-class opportunity and privilege to study the strategy process of the case company with a close-up view while working in the organization. Thus, it was possible to examine the process and practices of the actors and to find out who is doing what and why. This opportunity was born due to the change of the CEO, which started the whole strategy process. This setting together with the research gap in the SME strategy literature and researchers' growing interest to the organizational practices in strategy research created a brilliant starting point for this research.

This study was conducted in a growing middle-sized recruitment company. The case company operates in recruitment business in Finland. It was founded in the beginning of the millennium and started to grow considerably after 2012 (Case company's history). Average annual growth of the amount of the employees over the last three years has been over 30% (Kick-off event slides 2018). In January 2017, there were 31 employees in the organization and one year later, when the observation period ended, the number of employees was already more than 50 (Kick-off event slides 2018). For confidentiality related reasons, it is necessary to keep the case organization anonymous and therefore to keep further details out of the description of the organization.

The case study method, as well as, the methods to collect material for this study are qualified as a part of the qualitative research methods. Collection of the research material has been carried out by interviews, participatory observation and document analysis. These methods are described more precisely in chapter 4.

The main focus of this study is in the formulation process of the strategy of the case company, but it also takes into account different implementation related activities during the formulation process. The researcher wanted to describe the steps of the strategy process and the involvement of the different actors as closely as possible and in the end to compare the practice to the broad spectrum of the literature.

The subject of the research and the methods to be used were clarified in late April 2017. Since then the researcher began to collect material through participatory observations during the working hours. At the same time, the literature review began to form. In December 2017, nine interviews inside the organization were conducted, and at the same time, the research material was supplemented with different kinds of documents which helped to provide more transparency of the process. However, the tenth interview was conducted in February 2018 due to minor problems in the schedules of the researcher and the interviewee. In January 2018 the observation period ended as the strategy formulation was completed and the researcher focused to analyze the material and to finalize the report until the end of June 2018.

1.4 Structure of the study

This study consists of six main chapters. The purpose of the first chapter is to guide the reader to the subject, determine the purpose and objectives of the research, and shortly represent the methods, schedule & limitations of the research.

The second and third chapters are reserved for the literature review. The second chapter deals generally, but briefly, with the diversity of the concept of strategy, as well as, the different strategy schools of thought. The third chapter deals with management of the strategy process and starts with the concept of strategic management and continues to

examine different perspectives and theories about the strategy process and its management. Furthermore, the third chapter discusses the literature of strategy work and different actors involved in it. Lastly, the chapter ends with a brief review of the literature about previous studies in the SME context.

The fourth chapter examines the material used in the study and the selected analytical methods before moving to the actual empirical part of the study. The empirical part of the study in chapter five starts with the description of the case organization, followed by the description of the steps of the strategy process and simultaneous implementation-related events. Next, the main content of the strategy is presented without a closer look to the details. This is followed by a closer look to the findings about participation and roles of the other actors, excluding the CEO. Finally, the last part of chapter four focuses on the findings about the CEO's participation in the process.

The last and sixth chapter concludes the study by linking the practical findings to the theory of the literature review and summarizes the research. References are found at the end of the study, followed by additional appendices, which contain structure of the interviews with the example questions, and a brief description of the field diary.

2 STRATEGY LITERATURE

2.1 Broadness of the strategy concept

The strategy concept has its roots in Ancient Greece. It has been prominent in writings throughout the history in military and political context. One of the first known links to the business context was made by Sokrates as he compared the work of a general and a businessman by acknowledging that both have same duties to plan the use of resources to meet objective (Bracker 1980).

The adoption of strategic thinking to the business life started already in the business management courses of Harvard Business School in the 1920's (Hambrick & Chen, 2008). After the World War II, the business environment changed from relatively stable to more rapidly changing and competitive, which increased the need of a concept of strategy for business (Bracker 1980). The amount of academic writings about strategy in business context started to grow during the 1960's and strategy started to form its own field of business science or business management science in the 1970's as a Business Policy research. In 1979 the field was renamed "strategic management" (Hambrick & Chen, 2008). Today, strategy has become institutional part of business management theory and practice (Grandy & Mills 2004).

The amount of strategy literature has been growing over the years, which have led to the birth of numerous different definitions for strategy. For example, Bracker (1980) made a list of 17 authors and their definitions for strategy in his article. All of these researchers have their own, partially overlapping, definitions for strategy. Later on, the amount of definitions has grown by other researchers (e.g. Cummings 1993; Mintzberg 1987a; Näsi & Aunola 2002; Johnson et al. 2008). The field of study has also received criticism, as some researchers claim it to be extremely fragmented and to lack consistency and coherency (Elfring & Volberda 2001, 1).

Because of the width of the field, it has been considered necessary in this study to review and describe the fundamentals of the strategy literature. Also, for the purpose of this study, it is important to introduce the following basic themes of strategy in the research, so one can understand the phenomenon of strategy, and to link this research paper's empirical findings with different theories.

2.1.1 *Definition of strategy*

In Ancient Greece, *strategos* meant the skill of warfare (Cummings 1993). More precisely, the meaning of the verb was: “plan the destruction of one’s enemies through effective use of resources (Bracker 1890). One of the first definitions for strategy in the business management literature was created by Alfred Chandler (1962, 13), who described strategy as the “*determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals*”.

Henry Mintzberg (1987a) states that strategy cannot be defined by only one phrase and it includes different dimensions all of which are in contact with each other (the so-called five Ps model):

1. *Plan*, i.e. a deliberately drafted plan that sets guidelines for action
2. *Pattern*, i.e. coherence or continuity of the methods of work generated over time
3. *Position*, i.e. position in relation to other actors in the environment
4. *Perspective*, i.e. organization's way of doing things
5. *Ploy*, i.e. a plot designed to be wiser than a competitor

With Plan and Pattern, Mintzberg (1987a) also brought a difference between a planned and realized strategy to the strategy study. Johnson et al. (2008, 3) takes stakeholders into consideration in their definition. They squeeze up the definition of strategy to: “*a direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.*” Finnish researchers Näsi & Aunola (2002, 15) define strategy simply as a plot for organizational activities, and a common thread for forthcoming events.

It is possible to go on with this never-ending list, however it is not necessary for the purpose of this research. From these few definitions one can understand the broadness of the concept of strategy. There might be as many different definitions for a strategy as there are companies or organizations, which claim to have a strategy. As Sotarauta (1996, 213) states, there is no reason to limit the strategy to a single, precisely defined definition, because it depends on the context in each organization and in each situation. He continues by claiming that strategic thinking seeks to find out the nature of each situation and period, and the best approach and content of a strategy for each organization (Sotarauta 1996, 213). Still, to keep it simple, in this study the strategy refers to the *Plan* used by Henry Mintzberg (1987a). Thus, in this study, strategy means a long-term plan drawn up

by management to achieve a state of vision and it is made deliberately to ensure the organization's success and to provide guidelines for action to the members of the organization (Mintzberg 1987a).

2.1.2 Content of a strategy

Strategy's content is usually the output of a strategy process – a particular strategy that an organization uses. Thus, it is the strategy itself with its specific components (De Wit & Meyer 2010, 234). The components of a strategy can be divided between different organizational levels, for example De Wit & Meyer (2010, 234) present the levels as: functional level, business level, corporate level and network level. Johnson et al. (2008, 7) reminds that in very simple organizations these levels can be nearly identical or disappear.

Andrews (1996, 47) claims that organization's strategy is a decision-making model, which includes purposes and goals, as well as, politics and plans to achieve its goals. A strategy also measures in which business areas company is operating, what is organization's economical and human nature, as well as, what is the added value to stakeholders (Andrews 1996, 47). Johnson et al. (2008, 9) represent their vocabulary of strategy which refers to the terms which one can usually find from a strategy. These include mission, vision, goal, objective, strategic capability (resources, activities and processes), strategies (long-term direction), business model, control (action steps, and evaluation of the strategy). They note that not all of these are included in every strategy book or strategies of organizations, but they give a general guideline of terms often used (Johnson et al. 2008, 9).

Thompson et al. (2016, 4) claim that strategy should aim to sustainable competitive advantage in the chosen market scope. To reach that advantage, a strategy should include right choices in, how to attract and please customers, how to compete against rivals, how to position the company in the marketplace, how to respond to changing economic and market condition, how to manage each functional piece of the business, and how to achieve company's performance targets (Thompson et al. 2016, 3-4). This aspect to strategy, where it aims for sustainable competitive advantage, is quite similar to the famous perspective of Porter (1985, 11), where he claims that there are only two types of competitive advantage for a firm to pursue: low cost or differentiation. To pursue these competitive advantages, Porter (1980, 34) claims firms can choose one of the three generic strategies or combine them with each other. These generic strategies are: overall cost leadership, differentiation, and focus. These strategies are based on very simple guidelines. For example, to remove all the costs to a minimum, to find new open opportunities in the markets by differentiation in products and services, or to focus on one product or

service with minimum costs or with highly differentiated end usage options and additional features (Porter 1980, 35).

Also, Mintzberg (2003a, 116) presents five groupings for generic strategies: locating the core business, distinguishing the core business, and elaborating the core business. Inside of these groupings Mintzberg (2003a, 116-127) claims to have numerous different generic strategies, which depend on the context, which is going to be examined next as an important aspect to strategy.

2.1.3 Context of a strategy

Context is the third perspective, which is important to understand by this brief overview to strategy. As we have now gone through the definition as a meaning for strategy, and content as things strategy can include, we are reviewing the context as a place, situation or a type of organizations where strategy can take place as an important factor.

Mintzberg et al. (2003) have recognized and underlined the importance of context in strategy research. They state that context is a certain type of situation where different types of strategies, structures, as well as, processes can be found (Mintzberg et al. 2003, 312). Their book represents five different contexts for strategy, and it portrays how strategy can vary in different situations (contexts). Contexts presented in the book of Mintzberg et al. (2003, 313) are:

1. Start-up context – one person, usually the owner, takes responsibility of strategy usually in a very dynamic environment
2. Mature context – large companies operating in stable environment with formal structures and rather analytical strategies
3. Expert context – companies which rely on expert knowledge operating in stable environment
4. Innovation context – companies which rely on expert knowledge operating in dynamic environment
5. Multi-industry context – companies operating in multiple industries including international companies in their own context.

Mintzberg et al. (2003, 312) state that different contexts create their own frames for company's strategy, as well as, for strategic management and strategy processes, which are characterized more in-depth later on in this literature review. For example, in the book *Strategy Safari*, Mintzberg et al. (1998, 302) gives an example of entrepreneurial startup organization which depends on leader's visionary strategies with very simple structures. Over time, this organization ages, its industry matures, and visionary strategies have to

give way to more formalized structure and planning processes. There's no need to dig deeper to these different contexts in this study. The aim of this brief presentation was only to emphasize the importance of the context for a strategy. Later on, the context of a small and medium sized growth company is reviewed more closely.

2.2 Strategic thinking in the light of the different strategy schools

The evolution of strategy research has produced diversity of perspectives, or schools of thought, which are in some ways competitive and at the same time supplementary to each other. These schools of thought are range of thoughts of a group of researchers. The choice of a school of thought as a perspective to strategy have a great influence on the definition and meaning of strategy itself and also to the different strategic management techniques (Elfring & Volberda 2001, 1.).

The different schools of thought are reviewed briefly in this part of the study, so we can later on connect and compare empirical findings with the theory. By this comparison we may find out if the case company's strategy or CEO's strategic measures, are based on some theoretical features and moreover if he, for example, leads the case company's strategy towards thoughts of some specific school or some mixed ensemble of these.

2.2.1 Traditional strategy schools

This chapter is based on literature of Mintzberg et al. (1998) who have gathered ideas from different researchers and compiled them to nine different traditional strategy schools quite clearly and therefore made it easy to use their work in this kind of brief overview.

As a first strategy school they mention *design school*, which was born in the middle of 1960's. The central idea of the design school is to find compatibility with organization's own abilities (strengths & weaknesses) and prevalent operating environment (threats & opportunities). By this way, organization can choose the right ways to operate in a particular environment (Mintzberg & Lampel 1999). By this perspective, the board of directors, the chairman of the board and the chief executive are responsible of a strategy, which is a result of their thought work (Elfring & Volberda 2001, 4). The famous SWOT-analysis is born from the thoughts of the design school (Elfring & Volberda 2001, 3).

Second school of thought is *planning school*, which is based on the ideas of the aforementioned. Although, it has more systematic approach to strategy whereby explicit plan is developed, formalized and implemented (Elfring & Volberda 2001, 4) and the process is supported by tools such as budgets, programs, objectives and operating plans (Mintzberg & Lampell 1999). This perspective takes into account the staff, more precisely

a specialized strategic planning department, in the planning instead of senior managers (Mintzberg & Lampell 1999; Mintzberg et al. 1998, 47).

Later on, in the 1980's, Porter made *positioning school* famous on the basis of the groundwork by Hatten and Schendel (Mintzberg & Lampel 1999). This school also accepted most of the ideas from the two previous ones but increased the attention in the content of the strategy (Mintzberg et al. 1998, 82). Positioning school has focus on finding an optimal position inside the industry, which then enables company to reach permanent competitive advantage with generic strategies, which were represented earlier in the chapter 2.1.2. The concepts of value chains and competitive forces as decision supporting tools were created inside this doctrine of positioning by Porter (Mintzberg & Lampel 1999).

Table 1 The Prescriptive schools of thought presented by Elfring & Volberda (2001, 7)

Dimensions	Design	Planning	Positioning
Key Authors	Andrews, 1965	Ansoff, 1965	Porter, 1980
Base discipline	None	Systems theory, cybernetics	Economics
Vocabulary	SWOT model, fit	Formalizing, programming, budgeting	Analysing, generic strategy
Central actor	President/director	Planners	Analysis
Environment	Opportunities and threats	Stable and controlled	Analysable in economic variables
Strategy	Explicit perspective	Explicit plan	Explicit generic positions

All these three previous schools are described as *prescriptive schools* (Mintzberg & Lampel 1999). This means that by the thoughts of these schools, companies are operating in fairly stable environments. The greatest challenge for a strategy, according to these schools, is to respond to environment or adjust the organization to it. The backbone of a strategy in these prescriptive schools is a combination of analytical top-down planning and rationality, as well as, separated implementation of the strategy (Elfring & Volberda 2001, 4.). Other six remaining traditional strategy schools are classified together as *descriptive schools* (Mintzberg & Lampel 1999).

Table 2 The Descriptive schools of thought presented by Elfring & Volberda (2001, 7)

Dimensions	Entrepreneurial	Cognitive	Learning	Political	Cultural	Environmental
Key Authors	Schumpeter, 1934	Simon, 1976	Lindblom, 1959; Quinn, 1980	Allison, 1971; Perrow, 1970	Normann, 1977	Hannan and Freeman, 1977
Base discipline	None	Psychology	Psychology	Political science	Anthropology	Biology
Vocabulary	Vision, leadership, innovation	Bounded rationality, map, mental model reframe	Incremental, 'emerging'	Power, coalition dominant	Ideology, values	Reaction, selection, retention
Central actor	Leader	Brain	Everybody who learns	Everybody with power	Collectivity	Stakeholders
Environment	Manoeuverable	Overwhelming for cognition	Demanding	Intractable, malleable	Incidental	Dominant, deterministic
Strategy	Implicit perspective	Mental perspective	Implicit patterns	Positions, plays	Collective perspective	Specific position

Descriptive schools are focused on describing the strategy and its formation in an organization on the basis of empirical research (Elfring & Volberda 2001, 4). These schools share the idea of more or less unpredictable future conditions and they don't only rely on planning in advance. In addition, these schools focus on survival of organization and strategies as outcomes are emergent, whereas prescriptive schools seek improved functioning and greater performance from the very beginning of a strategy work (Mintzberg et al. 1998; Mintzberg & Lampel 1999; Elfring & Volberda 2001, 4-8.).

The first one of the descriptive traditional strategy schools is *entrepreneurial school*. This school of thought is based on entrepreneurial mindset of the owner of the business. It shares the autonomous status of the top leader with prescriptive schools but differs from them because of not relying on strict rational planning based on the environment but to instincts of the owner (Mintzberg & Lampel 1999; Elfring & Volberda 2001, 5.) By this perspective the strategy takes its form by creative leader and his or hers vision of the future and the environmental changes (Elfring & Volberda 2001, 5). This vision and therefore the strategy can also change over time and is more flexible than the ideas of a strategy by the prescriptive schools (Mintzberg et al. 1998, 125).

Second one of the descriptive strategy schools is *cognitive school*, which took influence from the research of psychology. This school of thought focuses also on individuals on its analysis and takes into account the limited rationality of individuals (Elfring & Volberda 2001, 5.). The cognitive school sees strategy as a mental and creative process where it is essential to understand the ideas of the people involved in the strategy, as thoughts and interpretations ultimately lead to the implementation of the strategy (Mintzberg et al. 1998, 150-151).

Third descriptive school is *learning school*, which is pretty close to the previous one with its roots in psychology and ideas of limited rationality (Elfring & Volberda 2001, 5). This school of thought claims that strategy takes forms by the learning and growing process of people inside the organization. Within this process people can collectively make new choices based on previous outcomes and mold the strategy when needed (Mintzberg

et al. 1998, 184.). Learning school does not separate formulation and implementation as different processes and its idea is that strategists are found throughout the organization. (Mintzberg & Lampel 1999). (Elfring & Volberda 2001, 5).

Fourth and fairly different descriptive strategy school is *power school*, where strategy is based on negotiation powers. This school of thought, born in 1970's focuses on differences in negotiation forces within organization itself and its network (Elfring & Volberda 2001, 6). It is very political school of thought where all the actors on micro and macro level have multiple interests for which they try to negotiate with the amount of power they have (Mintzberg & Lampel 1999).

Fifth one of the descriptive schools is *cultural school*, created in the 1970's. Its idea is that strategy is formed by collective social interaction inside an organization (Mintzberg & Lampel 1999.). The idea behind this school of thought is that common culture is the most important thing for the formulation and implementation of a strategy, as a strategy will succeed if it is deeply rooted in the organization's culture and common values (Elfring & Volberda 2001, 6.). It became popular in strategy literature after Japanese management style, based on strong common culture, was realized very effective in 1980's (Mintzberg & Lampel 1999).

Last one of these descriptive schools is *environmental school* which has its roots in biology, as it leans in natural variation, selection, and survival. Strategies are only positions in the market by this school of thought (Elfring & Volberda 2001, 6.). This school of thought strongly takes into consideration demands of particular environment created by, for example, institutional pressures, which then define frames for organizations actions (Mintzberg & Lampel 1999). These demands limit the room available for management to formulate strategy to a minimum. If the favorable conditions in the environment change, organization might be as good as dead by this exceedingly deterministic view to strategy (Elfring & Volberda 2001, 6.).

2.2.2 Modern strategy schools combining different traditional thoughts

As a combination of traditional strategy schools, Mintzberg et al. (1998, 301) represent *configuration school*. By this combination, Mintzberg et al. (1998, 303) offer the possibility to integrate the ideas of the traditional schools across borders in dynamic evolving situations over time, as was the case of the maturing startup organization in the example in chapter 2.1.3. Organizations are most of the time in a particular form of structure in a particular type of context, therefore actors in organizations engage in particular behavior that rises a particular set of strategies. Then occasionally this stable structure is interrupted, and organizations transform to another configuration, and therefore: "*The process of strategy making can be one of conceptual designing or formal planning, systematic*

analysing or leadership visioning, cooperative learning or competitive politicking, focusing on individual cognition, collective socialization, or simple response to the forces of the environment, but each must be found at its own time and in its own context." (Mintzberg et al. (1998, 306.) So, in other words, Mintzberg et al. (1998, 306) claim that every school of thought themselves represent particular configuration and every resulting strategy can take a form of plan, pattern, position, perspective or ploy in their own time and situation (Mintzberg et al. (1998, 306.).

Elfring & Volberda (2001, 15-22) represent also two other emerging strategy schools, which are combinations of the traditional schools. During the 1980s, increasing international competition and blurring of the boundaries between industries and organizations increased companies' need for flexibility and new innovations. This made companies to decrease their need for scale and control which was holding them down because of high bureaucracy (Elfring & Volberda 2001, 18.). The strategic response to the arising development of globalizing business environment was concentration to core competences and outsourcing different parts of production process to partner companies. This phenomenon created another strategy school named *Boundary school*, which focuses on different kind of relation management born by the shift from make it yourself to buy and co-operate choices. By this school of thought, strategy is concerning issues, such as: where to draw the boundary and how to manage the fuzzy dividing line between the company and its environment (Elfring & Volberda 2001, 18-19).

Third combination of traditional schools is *Dynamic capability school*, which is based on collective learning process and unique capabilities which are hard to imitate (Elfring & Volberda 2001, 20). When markets are hard to predict, the company's resources and capabilities are at better starting point for strategy than traditional market orientation. This school has a view that strategic thinking should be based on the inner resources of organization. The strategic thinking by this school is turned to inside out- perspective from traditional way of focusing only to the environment and markets, as for example Porter did (Elfring & Volberda 2004, 20-21.). Mintzberg (2001, 42) though has criticized these last two of the modern schools for only being tailpieces of *environmental school*, *design school*, and *learning school* which were represented above as traditional strategy schools.

Despite yet the enormous amount of strategy literature produced during the latter half of the 20th century, the field of research has still continued to develop (Spender 2001, 26-28). According to Spender (2001, 33), the most important factors for enabling new findings in the field of strategy research are the release from chains of economical rationality and abandoning of thinking organizations as trouble-free objects of analyze. Spender (2001, 35) also states that strategy theory has evolved to the next step by arising conversation about tacit knowledge, organization-specific resources, learning by practice and creative destruction. By this new step, it is possible to adapt a knowledge-based understanding of organizations (Spender 2001, 35). He continues to emphasize how the links

between theoretical research and organizational practices are in essential part for development of this knowledge-based paradigm and future of the strategy research.

3 MANAGEMENT OF THE STRATEGY PROCESS

In this chapter, we discuss strategic management, strategy process, strategist and strategy work through previous research. In addition, these concepts are to be understood when the context is small and medium-sized growth company. In the end of the chapter, the aim is to narrow the focus to strategy work in small and medium-sized growth companies.

3.1 Strategic management

How does the strategic management link to the overall leadership and management? When compared to “normal” operational management, strategic management differs in three ways according to Määttä and Ojala (2000, 43). Firstly, strategies always involve major uncertainties arising from the futuristic nature of strategic decisions. Secondly, strategy always requires a thinking of a whole organization that challenges people in different departments and units to mutual communication and to look at their own activities from a broader perspective. Thirdly, strategic decisions often mean a change to the current situation. Consequently, the challenge in strategic management is often the management of change (Määttä and Ojala 2000, 43.).

Näsi & Aunola (2002, 16) have a definition for strategic management in which the strategic management refers to a processual model of planning, organizing, informing, motivating, and supervising the strategy process and corporate entity. Their key idea of strategic management is to manage the business entity as best as possible (Näsi & Aunola 2002, 16).

Jonhson et al. (2008, 12) claims that strategic management has three main elements: understanding the strategic position of an organization, making strategic choices for the future and managing strategy in action. These three aspects of strategic management they see as mutually interactive and non-linear parts of the strategy process (Johnson et al. 2008, 12.). Grant (2016, 4-7) claims that successful strategy requires success in four parts of strategic management: creating of simple and compatible long-term future goals, deep understanding of competition environment, exact evaluation of resources, and effective implementation. Ahola (2003, 5) gives his definition for strategic management by stating that strategic management is managerial work where the top management creates and maintains strategies and its content for later implementation, which is also a part of strategy process. According to Ahola (2003, 5), strategy process can be seen as a practical part of strategic management. He therefore claims that strategic management is an umbrella term for strategy and strategy process.

Strategic management can be considered as a management of future of some organizational entity. This requires management of change and uncertainty, as well as, broader

perspective to sum up all the activities of the whole organization. The underlying theory of strategy process and different perspectives to its nature will be further explored next.

3.2 Strategy process & management of the process

The concept of strategy process traditionally refers to the organization moves from the present state to the desired state in the future. It consists of a series of reflections, conclusions, choices and measures that help the organization to achieve the goals specified in the vision (Lindroos & Lohivesi 2004, 28.). Thus, the strategy process describes how the strategy will be drawn up and how the required changes will be made. The strategy process is basically a path of creating a set of tools that will help to develop and align the organization's operations (Juuti 2007, 151-152.).

Chakravarthy & Doz (1992) note that the research subfield of strategy process is focused on how effective strategies are created within the organization and then validated, as well as, implemented efficiently. Strategy process is about becoming something else by bringing change but also about being something, because, even maintaining a steady state requires a process (Chakravarthy & Doz 1992, 187). Strategy process can be defined as a collective category of measures by an organization and its individuals for their strategy's formulation, maintenance, implementation and evaluation (Van de Ven 1992, 170). This definition best describes the meaning for a strategy process in this research. Strategy process can be also divided simplistically to: formulation and implementation, as is the idea by the prescriptive traditional schools of thoughts represented in the chapter 2.2.1. In the empirical part of this study, the focus will be mostly in the formulation part of the strategy process. However, this literature review doesn't exclusively focus on the formulation of a strategy, but also takes the implementation into account. This wider perspective is used because the descriptive and modern strategy schools, represented in chapters 2.2.1 and 2.2.2, as well as, the theories in the following sub-chapters, don't see these two (implementation and formulation) as a clearly separate phases in a strategy process.

Vänttinen & Pyhältö (2009, 780) state that strategy processes are always under the influence of behavioral, cultural and contextual matters and therefore unique every time. During the strategy process, actors react to external change factors, create new ideas, learn, negotiate, plan and orientate to the future (Virtanen 2005, 106). Usually strategy process is described in a linear model so that it begins from the analysis of internal situation, external environment and previous strategy. It continues with measuring of the new strategy and business goals to the implementation and evaluation of the new strategy. However, strategy process does not necessarily progress linearly from one step to another, but it can be vividly changing and nonlinear process (Hämäläinen & Maula 2004, 24.).

The brief definition of the concept of strategy process below presented us how the strategy process is about becoming something else or being something. This is a process which is usually divided into formulation and implementation of a certain plan, a strategy. In the following sub-chapters, features of interesting theories related to strategy process are represented. The theories are chosen by their suitability to the modern dynamic environment and the context of the middle-sized growth company.

3.2.1 *Strategic learning and knowledge management*

Strategic learning and knowledge management has very much similar features to the *learning school* represented in the chapter 2.2.1 and also with *Dynamic capability school* by Elfring & Volberda represented in chapter 2.2.2 as a modern combination of the traditional strategy schools. It is a perspective to the strategy process represented by Regnér (2001), who has been studying strategy process by combining complexity of context and rationality of the process. By combining research of learning and knowledge management to the previous, Regnér (2001, 54) has been able to find differences between organizations' learning ability and ways of learning.

Regnér's (2001, 45-47) level of complexity in a strategy process is generated by the interaction between organization's resources and market powers in the environment. This level of complexity defines the amount of rationality in certain strategy process. If the level of complexity is low, which means that markets are stable, and the organization have the necessary resources, strategy process can be very much rational, including traditional strategic decision making based on strategic planning. If the level of complexity is higher, which occurs when markets are unstable, and the organization have limited resources to meet the needs of the markets, strategy process has to be less rational and more adaptable. If there prevails total chaos in the markets and organization have very scarce resources, strategy process needs to be selective. Lower the level of complexity is, more likely traditional planning and implementation are enough for a strategy process. If the environment is getting more complex, there is a growing need for a strategic learning for adaptation in the process until the chaos where learning and also strategy lose its advantages (Regnér 2001, 45-47.).

Different strategic learning mechanisms by Regnér (2001, 48) take place when organization's resources meet the needs of the markets in some extent and knowledge is intensifying with knowledge capital. More complex the situation is, more knowledge management is required from leaders to actively create and enrich different ways to intensify the knowledge. Simplistically this can mean organizing of procedures and effective sharing of information inside the organization (Regnér 2001, 48-50.). In other words, for managerial work in strategy process, Regnér (2001, 53) highlights the importance of improving

the organization's abilities to assimilate and integrate knowledge through different forms of strategic informing and experiments. Also, Sirén & Kohtamäki (2016) claim that strategic learning, which includes intra-organizational processes to ensure the creation, distribution, interpretation, and implementation of strategic knowledge, is important for adaptation of a new strategy. Strategic knowledge can be enhanced by collecting and sharing of strategic information. This information has to be processed by collective actions that affect a strategy and performance. Finally, the knowledge can be implemented by using the processed information to effective execution within an organization and its activities (Sirén & Kohtamäki 2016). In both studies, by Regnér (2001) and Sirén & Kohtamäki (2016) strategic learning can and should be combined with more traditional way of strategic planning depending on the context. Sirén & Kohtamäki (2016) found this combination especially effective for small and medium-sized firms.

3.2.2 *Logical incrementalism*

Logical incrementalism has intuitive, fragmented and evolutionary perspective of small steps to strategy process (Quinn & Voyer 2003, 183-182). Logical incrementalism sees future as a continuum of changes created by huge unknown impacting forces, and therefore impossible to forecast or predict by probabilities. This is why strategies should not come into existence based on a one-time decision but rather, exist through making open ended decisions that are evaluated periodically. These decisions are not made randomly but logically, so that real strategy evolves as a product of internal decisions and external events (Quinn & Voyer 2003, 183-188).

Quinn (1978) claims that executives role in strategy process is to know what these small steps are in each "subsystem" of organization by developing or maintaining a consistent pattern of decisions taken place in each subsystem. This is possible by being in relation with different subsets of people and by tapping the minds and psychic drives of them. In practice this means asking of broad questions to stimulate minds and creativity of people. Executive also has to avoid making undue rigidities by keeping all decisions vague in the early stages of strategy process. By pushing the commitment as long as possible, uncertainty will be reduced and the latest knowledge to support decisions will be used. This mode of action is conscious, intentional, active and good management, and not just surviving from day to day (Quinn 1978).

Same kind of approach has to be taken when deciding goals and policies for organization. Executive has to keep these also initially broad to arouse interest for proposals from below, though at the same time, he or she has to give a sense of guidance to the proposers

by setting indeterminate direction for organization. This way executive can get many alternative proposals which to choose the relevant ones to promote with political exposure and irrelevant ones to kill by less exposure (Quinn 1978).

As Quinn (1978) claims the future is impossible to predict, he still encourages executives to forecast forces, which will likely affect organization's affairs and how these might impact. This way organization is able to gather strong enough resource base in selected areas to survive despite unwanted events (Quinn 1978). Organization has to consciously consider taking steps to segments of market, technology and products which they think they can dominate with limited resources, or just for placing "side bets" to decrease the risk of failure if a catastrophic event takes place and everything has been invested to only one segment. This kind of actions also increase the organization's flexibility for future options. Logical incrementalism as a strategy process can finally be so continuous that its beginning and end are impossible to distinguish (Quinn 1978).

Logical incrementalism has been criticized by Johnson (1988), who claims that conscious strategic changes can't necessarily keep up the pace of changes in business environment, which can lead to strategic deviation when strategy and business environment are diverging from each other due to both changes. This unwanted phenomenon is called strategic drift by Johnson (1988).

3.2.3 *Crafting strategy*

Mintzberg (1987b) uses potter's clay work as a metaphor for strategy process. The metaphor is about potter's mind and hands which constantly work in tandem and slowly work together in a smooth learning process. In this metaphor, the leader is a potter who sits between organization's expertise and market possibilities. The leader uses the expertise of the organization as a clay and shapes it to meet the needs and changes in the markets, which he can notice by his expertise and analysis. This way effective management requires understanding and synthesis of past, present and future, which is in the core of crafting strategy (Mintzberg 1987b).

Mintzberg (1987b) highlights the importance of proactive behavior and free will as balancers for pure control in an evolving situations. In evolving situations, separating strategy process too strictly to formulation and implementation, can produce unrealized strategies. Leaders have to allow their strategies to develop gradually by actions and experiences in organization, because even the best strategists can't always think through everything in advance. Successful strategy process requires therefore walking on the line in the middle of deliberation and control, as leaders have to allow individuals to learn and make sense to strategy by shaping it by their own actions (Mintzberg 1987b).

Another metaphor of Mintzberg's (1987b), is about strategies as weeds in a garden. Wherever people are in touch with the situation, there grows strategies in the continuum of learning. These weeds, however need resources to support their growth, so someday they become collective and proliferate to guide the behavior of the whole organization. (Mintzberg 1987b.) Also, with this metaphor, Mintzberg (1987b) highlights the importance of certain amount of control in the other end. After all, it is hard to imagine any garden without a gardener to bloom beautifully.

A successful strategy process is deliberately emergent. For this statement Mintzberg (1987b) uses example of *umbrella strategy*, where management sets out broad guidelines and leaves the specifics to be shaped by other experts in the organization, as could be the case when a leader chooses to produce only high-margin products at the cutting edge of technology and allows others to choose what these products are (Mintzberg 1987b). Behavior similar to these examples, Mintzberg (1987b) claims to be prevalent in businesses that require great expertise and creativity.

3.2.4 *Strategy-as-practice & activity-based view*

Spender (2004, 35) noted that practice has become one of the most important factors in the future of the strategy research, and also one of the latest trends in the strategy research and management sciences. This trend has consolidated its position in the field of research in the beginning of the 21th century, and it's called *Strategy-as-practice*. It focuses on research of activities in strategy work and sees practice as a synonym to philosophy and sociology – a natural social phenomenon (Stenfors 2007, 10-12.). Strategy-as-practice approach has focus on micro-level practitioners, who are the implementers of activities (praxis), while traditional strategy research focuses mostly on macro-level of organizations and their environments (Johnson et al, 2003).

Strategy-as-practice is suggesting to direct focus more on the actual everyday work of strategists and strategizing (Jarzabkowski 2004). Strategy-as-practice perspective studies strategy process and especially the formulation of a strategy as a part of social interaction and different everyday activities (Jarzabkowski 2004). It is very different from traditional view, where strategy is formulated and implemented as a certain project separated from other activities. Strategy-as-practice perspective arises from the interaction of people, and the research can focus on any of them – board, top managers, middle managers, employees, consultants, accountants, investors, consumers (Jarzabkowski 2005, 178). All the actors can't be called formally as "strategists", but their actions and interactions contribute and mold the strategy (Mantere 2005).

Jarzabkowski (2005, 10) notes that strategy-as-practice itself is still very theoretical agenda, and that's why, in her book, she builds on early empirical developments to the

field by an activity-based view. The activity-based view shapes practice into a flow of activity (Johnson et al. 2003). Moreover, Jarzabkowski (2005, 21) claims that “Strategy is situated activity”. By situated she refers to the nature of all activity; how it both shapes and is shaped by the society within which it takes place. As situated activity is always under construction, strategy is always in a continuous state. This continuous construction of situated activity or strategy is divided between multiple participants and therefore it poses challenges for those “managing” strategy (Jarzabkowski 2005, 21.).

Jarzabkowski (2005, 29) names top managers as agents who can also be called as strategists who have choices and are able to effect in action towards those choices. They are actors who have foresight and act to drive, drag and coax the organization towards different future (Jarzabkowski 2005, 29-30). Therefore, for managers, strategy work is utilizing, adapting and manipulating those resources that are available to engage in shaping the activity in organization which creates strategy over time (Jarzabkowski 2005, 33-34.). How they do this is by building collective support with projected futures, shaping goals, and visions of the company (Jarzabkowski 2005, 32.).

Egels-Zandén & Rosén (2015) made recently a practical case study about strategy-as-practice and sustainable strategy formulation in Swedish industrial company. They found four different kinds of activities which were essential for strategy process.

The first category from their findings is *visionary activities* which reside at the top management of the organization, as for example envisioning of new ways of doing business at the start of the strategy formation process. In the case study, visionary activities were mainly brainstorming and “out of the box” thinking in strategy workshops. The second category of activities is *prescribed activities*, which intentions are to implement the strategy. These activities are initiated downwards from the top management to lower level managers. Typical prescribed activities in the case study were developing plans, communicating the strategy and “signaling”. The last one means sense-making process for creating understanding and showing of the importance and necessity of the new strategy. This can mean for example establishing of product lines for new products as “a management push or technology push” (Egels-Zandén & Rosén 2015.).

The last two types of activities found in the case study of Egels-Zandén & Rosén (2015) are both initiated without the influence of top management. *Autonomous activities* are neither informed in strategy intention nor intended to have strategy-related outcomes. These reside at the bottom of the organization as for example in the product development departments. These autonomous activities can be for example product performance testing or simulation exercises and can contribute to emergent strategies, by establishing new ways of doing things for later wide adaptation. The last activity type is *evaluative activities*. These activities both happen by intentions and create new intentions in a cause-and-effect relationship. The middle managers are in crucial part of this reciprocal interaction and therefore initiators of evaluative activities. With evaluative activities they provide

integrating mechanisms by connecting the visionary and prescribed activities from the top with the autonomous activities from the bottom of the organization. This way, the evaluative activities are central to enable the convergence of intended and emergent strategies. Practically, evaluative activities are for example redefining of every day work to be suitable for strategy intentions and raising of new ideas or findings coming from every day work to reformulate strategy. The upward reporting can stem from customer feedback for example (Egels-Zandén & Rosén 2015.).

In the light of their findings, Egels-Zandén & Rosén (2015) recommend top managers to approach strategy formulation iteratively. Approach should be opposite to the traditional top down implementation. Rather the formulation should include reshaping and (re)combining of intended strategies, deliberate strategies and emergent strategies. To provide capabilities for evaluative activities, possibilities to interact through hierarchical levels must be actively created to narrow any existing gaps between strategy intentions and actual implementation. Lastly, clear formulation needs to be developed in a process where practitioners are able to make sense of the new strategy. Rather than straightly develop strategy and implementation plans at the start, managers should involve the whole organization in the process (Egels-Zandén & Rosén 2015.).

3.2.5 Implementation & evaluation of a strategy

Even though the empirical part of this study will mostly focus on the formulation of the strategy in the case company, it is meaningful to familiarize with the implementation and evaluation as crucial parts of the strategy process to understand the whole field of the literature. Concept of the implementation is linked to Mintzberg's (1987a) idea about strategy where it can be seen as a plan, which is first formulated and then implemented. As became apparent by the review of different strategy process theories, this dichotomy of formulation and implementation is not used anymore in every theory, as strategy can be formulated and implemented simultaneously. That is also one reason to get familiar with the implementation as it could take place in the case company simultaneously with the formulation. It is also meaningful to keep the study easy to understand by this separation.

The field of the theory of the implementation is fairly fragmented. Noble (1999) claims that literature of the implementation lacks a general framework on which to build new information. According to Noble (1999) the reason for this might be the wide perspectives to implementation among the literature. Noble (1999) gathers together different descriptions of implementation and defines it as a communicating, interpreting, adopting of the strategic plans and putting it into effect.

When observing the implementation from the perspectives of the different approaches to strategy represented in chapter 2.2, it is inevitable to notice differences in the ways of the implementation. Traditional prescriptive schools see strategy as a tightly controlled process of formulation and hierarchical top-down implementation (Mintzberg 1990a). Descriptive and modern schools in turn see strategy more as continuous and adaptable process where strategy is being created, molded and implemented simultaneously according to the situation (Mintzberg 1990a). This approach to the implementation has similarities with the thoughts of the logical incrementalism, crafting strategy and strategic learning represented above. Finally, the strategy-as-practice perspective doesn't make difference between strategy and its implementation but sums up strategy as product of activity and social interaction (Jarzabkowski, 2004).

From the managerial perspective, Bourgeois & Brodwin (1984) represent five different approaches to the implementation. The first one is *Commander Model*, where implementation is seen strongly centrally operated action, where explicit aims are to be achieved by the allocation of resources by the CEO. In this model, the activities are based on pre-made analyzes. The second approach, called the *Change Model*, highlights, for example, the organizational structures, compensation systems and control mechanisms used in the strategy implementation. Third approach, *Collaborative Model*, focuses on group decision making on the company's upper stairs and incorporates the top management to create an implementation plan to ensure commitment. The fourth approach is *Cultural Model*, which strives to implement a strategy throughout a corporate culture. In this model the lower levels of the company also contribute to the creation of a strategic direction and are pursued to understand and cherish certain values that guide their behavior. The fifth and the last model is *Crescive Model*, which approaches the implementation of the strategy through corporate managers: how business leaders and managers can be encouraged to develop, manage, and implement good strategies themselves. This way top management works more as a setter of the agenda, an evaluator and a final decision maker (Bourgeois & Brodwin 1984.).

Together with the managerial work, Clark (2000) claims that most important inputs to successful strategy process and implementation are economical investments and organization's involvement. In their book, Hämäläinen & Maula (2004, 25) also highlight the importance of the whole staff's activity for the successful implementation. Also, Alexander (1991), Beer & Eisentat (2000) and Noble (1999) note how staff have to know and understand the content of the strategy and engage in the implementation of it. In addition, Clark (2000) states that the strategy process requires active participation and commitment from the entire staff to create high level consensus and commitment to a common future.

Implementation includes always manageable and unmanageable risks which, in the worst-case scenario, jeopardize the successfulness of the whole project (e.g. Kaplan & Norton 2001). Possible jeopardizers of the strategy implementation can be for example

“*The silent killers of strategy implementation and learning*” represented by Beer & Eisenstat (2002) in their article:

1. Top-down, or laissez-fair management
2. Unclear strategy and contradictory priorities
3. Ineffective top management
4. Weak vertical communication
5. Weak communication over functions and cross-borders
6. Thoroughly inadequate skills in management and development

Ikävalko & Aaltonen (2001, 14-15) point out that the biggest problems for implementation are caused by infeasible strategy, weak leadership roles, lack of communication, lack of commitment in strategy, unconsciousness of strategy or misunderstandings and lagging timetables.

Strategy process should also always include its evaluation in both formulation and implementation (Analoui & Karami 2003, 225). Management’s strategic observation and evaluation should focus in both, but especially in implementation stage where managers have to be aware about strategy’s realization in everyday work (Analoui & Karami 2003, 225). The strategy's evaluation aims at seeing behind the company's short-term goals and obvious facts so it’s possible to evaluate the fundamentals and trends that govern success in the chosen aspirations (Rumelt 1996, 55). Rumelt (1996, 56) claims that strategy’s evaluation should answer to three questions: whether the company's goals are right, whether the key policies and plans are appropriate, and whether or not the results so far have been strengthening the assumptions about on which the strategy was built.

3.3 Strategy work & actors in the process

3.3.1 Different actors as strategists

When focus is on individual actors, one important agent in the strategy process is the strategist. A strategist is an umbrella term for individuals or groups of individuals who have a crucial role in a strategy process, such as the CEO, the chairman of the board, owner of the business or top managerial elite. (Ericson et al. 2001, 58.) The strategist is related to the tasks such as formulation of strategies, tackling of strategic issues or problems, and making of strategic decisions (Ericson et al. 2001, 58). The role of a strategist can be diverse and vary in different contexts (Mintzberg 1990b). Ericson et al. (2001, 65-

66) have found five themes related to the complex role of a strategist in a strategy process, which they represent in their theory review about a strategist:

- 1) Limitations in the freedom of action of a strategist are diverse and can be created by for example bureaucracy in a large organization or, in the other end, by simplicity of a small organization. These set different requirements to the role of a strategist.
- 2) Usually strategist is the top manager of an organization regardless of the title.
- 3) The role of a strategist is symbolic and inspirational. He/she is the administrator of enthusiasm. In recent literature strategist is seen as motivator or energizer
- 4) Thinking and a vision of a strategist is usually stable over longer periods of time. Making a big change in a company often requires replacement of strategist.
- 5) Within certain frames and limitations, a strategist is or at least aims to be rational and logical.

Again, with this theoretical concept, it is necessary to highlight the interaction of the content of a strategy, strategy process, and context. Due to this interaction, the strategist can have passive role by strong structures or active and inspirational role in more flexible environment. The strategist can also be a group of important managers and stakeholders which create strategies by networking and politicking. The strategist can even be something else than people. It can be a strong force such as collective values or culture which guides strategy formation (Ericson et al. 2001 66-67.).

Analoui & Karami (2003, 11-12) argue that the role of a strategist can be appointed for example to the whole executive team or board of directors. This is where the literature argues for and against whether the board of directors should set a strategy for an organization or whether that should be included to the role of the professional managers (O'Shannassy, 2010). McNulty and Pettigrew (1999, 48) have identified the involvement of Chairman of the Board (COB) to strategy work as a maker of strategic decisions, a shaper of strategic decisions and content of a strategy. However, O'Shannassy (2010) claims in his findings that in a modern & contemporary strategy, the board of directors must only take ownership of the strategy and ensure the delivery and performance of strategy by management. When management proposes a strategy, the board as a whole or individual members can also have a role for questioning, criticizing and refining it. However, in practice the role of the board is limited, and the delivery of the strategy comes from the CEO. If the board isn't pleased with the strategy put forward by management, the board have to change the management (O'Shannassy 2010.). In the same research O'Shannassy (2010) found evidence that, the modern role of the board includes engagement and discussion about the strategic direction of the organization with the top management and the CEO. The board is not only active in terms of its traditional governance

activities but in ongoing strategy work as well (O'Shannassy 2010). This also means that all directors should be able to work collectively as a team and think strategically over their own field of expertise. If some of the board members have specialist knowledge in some particular industry or area they should share this experience and knowledge in strategic conversations. In this same research, it was also stated, that the COB should be acting as a mentor and confidant for the CEO and that the COB also facilitates and guarantees the best possible performance of the board and individual directors in their roles (O'Shannassy 2010.). The board is to monitor top management so that they don't fall into opportunism and self-interested behavior but perform for the interests of shareholders as first priority (O'Shannassy 2010). Ultimately the choices inside an organization will define the division of labor in strategy process between CEO and the board (O'Shannassy 2010).

In 1989, Robert W. Lear (former CEO of F. & M. Schaefer and Executive-in-Residence of Columbia Business School) wrote in his article about his colleagues' research, which included interviews of 870 CEOs and their predictions about the most valuable skills of 21st century CEO's. CEOs of that time predicted, that in the year 2000, CEOs must, first of all, be able to formulate strategy, and secondly, to have personal abilities, which are the most vital in this position of the CEO, to conveyance a strong sense of vision. Lear (1989) himself highlighted the importance, for the CEO as a strategist, to be able to constantly develop his or hers strategic base for continuous planning, to set out realistic schedules and involve board members to appraise performance against those schedules.

Much have changed since those days, but Michael Porter (2005) brought the same matter up later on, as he stated in his article: "Great strategies are causes, and the chief executive has to lead the cause and be the chief strategist". Porter (2005) also states that the most important skill in the role of the CEO, is to be able to make choices and define trade-offs. Finally, he also grants that the CEO doesn't have to invent the strategy himself but can use the knowledge of organization by pushing down the agenda and getting people involved in the process (Porter 2005).

In the traditional scenario of a strategy process, the CEO would be passing instructions and action plans down to managers below for implementation. However, in modern role of strategy-making, in 21st century, the CEO moderates as head designer of the strategy process which is customized to the strategy context (O'Shannassy 2010.). O'Shannassy (2010) confirmed in his research, that the modern role of the CEO is diverse, by the input of surfacing key parameters on "who-what-how" dimensions with other managers, as well as by maintaining top-down and bottom-up information flow and strategic conversations. By getting other managers involved in the strategy process, a CEO can enhance the overall commitment inside organization to the future strategic direction (O'Shannassy 2010). Other important tools for better commitment are staff training, encouraging to communication and creating the supporting culture for staff involvement in strategy. (Bonn &

Christodoulou, 1996). There has also been research about the benefits of a CEO's proactive and cultivating interaction with the board, which seems to increase organization's strategic performance (Westphal 1999). Kiel and Nicholson (2003, 130) also state that because a CEO should act as a key organizational link in the strategy process, he/she should also freely and eagerly discuss strategy issues with both: other management and the board.

Johnson et al. (2008, 558) point out how strategy is usually emergent and therefore involve actors all over the organization. Also, Sotarauta (1996, 190-192) points out, that it is known that the strategic planning is much more effective when various parts of the company are involved in. However, middle management and lower levels of an organization haven't got much role in the strategic planning in the literature, but only in implementation (Johnson et al. 2008, 563). Johnson et al. (2008, 563) claim that, involving middle management also to the planning and formulation of a strategy, can benefit in better decisions by up-to-date experience and realities of the organization and markets. Other benefits by middle management's involvement in formulation are improvement in implementation due to better interpretation of strategic intentions into action, stronger personal commitment to strategic goals and effective communication of strategy by middle management (Johnson et al. 2008 563). Also, Sotarauta (1996, 190-192) claims that when there are representatives from different parts of the organization in the strategy work, it is more likely that everyone will agree on the decisions. As a result, decisions will be better implemented. (Sotarauta 1996, 190-192). Other way around, if the planning group is far away from the everyday affairs of an organization, it becomes difficult for the plans to have influence in operations (Simon 1993, 139).

3.3.2 *Strategy work*

Strategy work is the main duty of a strategist (Stenfors 2007, 3). Strategy work can be described to include every activity related to strategic management of a strategy process. Strategy work can contain administrative arrangements and decision-making processes that are in a relationship with organizations strategic position. (Chakravarthy & Doz 1992, 5.) When thinking of the strategy work as a management of a strategy process, it can be divided to four basic parts: strategic analysis, formulation and selection of a strategy, implementation of a strategy, and monitoring of a strategy (Ahola 2003, 54). The problem here is that the content of the strategy work doesn't give much information about the practical nature and activities of the strategy work.

Johnson et al. (2008, 569) have a chapter in their book about strategizing which is about strategy related activities in an organization. It includes execution of strategic analysis, such as SWOT-analysis, noticing of strategic issues, strategic decision making and

informing of the strategy (Johnson et al. 2008, 569-575). When working with strategic analysis, most of the time of the strategist should be used to design the analysis for the right purpose and with good quality (Johnson et al. 2008, 570). When noticing strategic issues, these should be communicated effectively through formal and informal channels through the management (Johnson et al. 2008, 571). Effective strategic decision making in turn demands thinking of alternative decisions for the basis of the discussion and creating as much consensus as possible to support the final decision. However, in some point, the decisions must be made even without prevailing consensus. (Johnson et al. 2008, 573.) Strategic communication is the second step after decisions are made. The strategy should be communicated clearly without unnecessary details or complex language. Also, the way of communicating matters, as face-to-face in different kind of events for example is important to create commitment and interaction. In the other hand, mass media, as emails, ensure the delivery of the message equally to everyone (Johnson et al. 2008, 575.).

Johnson et al. (2008, 576) also represent different methodologies which are used by strategists. These are strategy workshops, strategy projects, hypothesis testing, business cases and strategic plans (Johnson et al. 2008, 576-583.). Workshops are usually used for formulating and reconsidering strategy as well as to communicate strategic decisions to a larger audience. Workshops usually require pre-work from the participants in the form of collecting data, thinking of key issues and analyzes as well as creating presentations of these (Johnson et al. 2008, 576.). Strategy projects involve teams of people, for example, to explore problems and opportunities in the markets during the strategy development or to implement elements of a formulated strategy in form of restructuring of an organization (Johnson et al. 2008, 578-579.). Hypothesis testing is adapted from the procedures of science. It is about finding right practical priorities by testing a proposition about how things are. For example, a project team could test hypothesis of “being large scale in a particular industry is essential to profitability”. By gathering data from the industry and correlating this data with the organizations profitability, the team could ultimately find solutions about what organization should do to be profitable in the industry (Johnson et al. 2008, 579-281.). Business cases and strategic plans are the output or end goal of these earlier methodologies and strategizing. Business case can be for example investment in new equipment around particular proposal which have emerged from the strategy work. Strategic plan is a more comprehensive overall view of the organization’s direction over particular period of time (Johnson et al. 2008, 581.). It reminds the definition of a strategy itself in this study as a long-term plan drawn up by management (Mintzberg 1987a). Johnson et al. (2008, 569) also note that, as there are no general rules of necessary participants in strategy work, managers have to think about what parts of organization or individuals they need to involve in it.

Before moving to the methodology and empirical part of this study, it is important to narrow our theoretical scope towards small and medium sized growth companies as a context for the strategy work of different actors.

3.4 Strategy work in the SMEs

3.4.1 The definition for a small and medium sized growth company

For this study, the definition for SME is given by the European Commission (EU recommendation 2003/361), which states that small and medium-sized enterprises (SMEs) are enterprises which employ more than 10 but fewer than 250 persons, and which have an annual turnover between 2 and 50 million euros. Second contextual factor to consider in this study, is growth. According to Brush and Vanderwerf (1992), there are at least 30 different types of meters and measures to define the growth of companies. For this study, the growth of the number of employees was chosen as a criteria for a growth company. According to the definition of the OECD and the EU, a growth company is a company with a starting employment of at least 10 people and for the next three years the average annual growth of employment exceeds 20 percent (Työ- ja elinkeinoministeriö.).

3.4.2 Strategic management, strategy work and strategists in the SMEs

According to Karami (2007, 35), the strategy research in the SME context has lagged behind the mainstream strategic management literature. Most of the studies have focused on normative perspectives to strategy and thus located in the rational-planning school of thought. Due to variations in culture, experiences, learning, personalities and goals of the actors involved in the strategy process, recent studies suggest that an optimal strategy for all organizations in a given context doesn't exist (Karami 2007, 35.). Despite the previous argument, it is possible to find some useful practices and recommendations from the literature for the strategy work and strategic management to the companies in the SME context.

SMEs have challenges in finding competitive advantages because of their smaller economies of scale and scarcer resources compared to large organizations. These weaknesses SMEs can tackle by greater flexibility, faster adaptation and response to the changes (Aragón-Sánchez & Sánchez-Marin 2005.). Adaptive companies, which can operate with temporary solutions depending on the situations, can be called *adhocracy* (Miller 1990; Mintzberg 1992, 254-256). Wiklund (1998, 59) represents adhocracy as one of

typical types of strategic and organizational structure for small growth companies which have less than 50 employees. Adhocracy is organizational concept, structure, or strategic choice, and can be defined as an adaptable and informal form of organization which lacks stiff structure (Miller 1990). Adhocracy operates in an opposite fashion to a bureaucracy (Mintzberg 1992, 255.). Adhocracy kind of organizations are flexible, and their strategies are sensitive to react in competitors, customers, and market opportunities. Innovations are usually in a strategic key role for this kind of organizations (Mintzberg 1992, 255.). Miller (1990) also represents *Simple type*, which is a concept for small and young companies with one entrepreneurial manager and small amount of staff. This kind of organizations and their typical decision-making style is based on free form (Mintzberg 1992, 157-158). Simple firms are usually risk takers and their competitive advantage is based on flexible services. Simple firms have features such as small size, flat hierarchy, non-existing bureaucracy with most employees reporting straight to the CEO who got the entrepreneurial authority (Miller 1990.).

Both of these organizational types represented earlier, and themes within them, as flexible attitude towards customer service, interest in new opportunities and innovations, as well as risk taking, are typical to strategies of succeeding small companies (Wiklund 1998, 60). Wiklund has continued his research and claims that this kind of entrepreneurial perspective to strategy is important also when studying SMEs (Wiklund & Shepherd 2003). Together with Shepherd, Wiklund found out that entrepreneurial orientation is helpful for SMEs as it enhances the positive relationship of knowledge-based resources and firm's performance (Wiklund & Shepherd 2003). Entrepreneurial orientation means experimental attitude towards new opportunities, technologies and markets with capability to undertake risks (Lumpkin & Dess 1996). Knowledge based resources refer to the intellectual resources inside an organization (Wiklund & Shepherd 2003). Wiklund & Shepherd (2003) claim that managers with a style of decision making which utilizes knowledge-based resources in the seeking of new opportunities, technologies and markets is essential for SME strategy. They conclude in their findings, that for SMEs' performance, the knowledge inside an organization is useless without proper use of it by management (Wiklund & Shepherd 2003). Also, in the research conducted within Spanish SMEs, Aragón-Sánchez & Sánchez-Marin (2005) found out that SMEs which take advantage of their internal resources and capabilities in searching of new market opportunities and product development are the ones which succeed in long term. Aragón-Sánchez & Sánchez-Marin (2005) highlight in their study, that SMEs which succeed in long term have similarities in strategic and management behavior with large companies. They conclude their findings by stating that lack of professional strategic formulation and implementation in SMEs can be lethal for the adaptation to the environment. Lack of professionalized view to the strategy formulation in SMEs could consequently lead to worst financial and economic results compared to larger firms. (Aragón-Sánchez & Sánchez-

Marin 2005.) Also, Karami (2007, 32) claims that success of many SMEs has been attributed to the performance in strategic planning. However, some researchers claim that formal strategic management procedures aren't profitable in the SMEs. The reasons for this previous argument are claimed to be insufficient managerial and financial resources, lack of knowledge and turbulent business environment which changes so fast that the value for planning is jeopardized (Karami 2007, 20.).

Baporikar (2014, 25) have found out that because most SMEs lack hierarchy, are flatter by their structures and have flexible work environment, there prevails strong personal relationships between employees and top management. Nearness between top management and employees enable easier influence on staff by top management (Baporikar 2014, 25.). Because of these traits, strategic management processes in SMEs are usually more informal, unstructured, irregular and incomprehensive (Baporikar 2014, 31-32). Baporikar (2014, 25) also found out that SMEs usually don't use such strategic management methods as larger enterprises. Fundamental methods like a SWOT analysis are absent in the majority of organizations (Baporikar 2014, 25). By these findings from the literature, we can conclude that formal strategic planning could be beneficial for SMEs, if enough managerial resources are available and management can make use of organization's knowledge resources.

Research which has focused on the different actors and their practices of strategy work in the SME context is very limited (Van Gils 2005). The research of Van Gils (2005), which focused on Dutch SMEs, shows how usually CEO is the main decision-maker and formulator of the company's strategy in SMEs. However, Van Gils (2005) also notes that CEOs of SMEs benefit from giving significant importance to the top team management's influence. Van Gil (2005) claims that board members in SMEs have expertise that can compensate managerial deficiencies of CEO and top management, and that board's role is to monitor and also to provide additional advice to the CEO. Also, Huse (2007, 110) states that in SMEs the board members are usually pool of helpers who play roles as providing sounding board, a shoulder to cry on, or a source of advice in decision-making. Utilization of the top-management team and board members in strategy work could be beneficial for SMEs because of their additional strategic knowledge and networking advantages (Van Gils, 2005). The paper concludes that SMEs should acknowledge the advantages created by strategic knowledge and networking which top-management team and board members can deliver (Van Gils, 2005).

If we consider employees' role in the strategy work of SMEs, personally managed, authoritarian and very small SMEs usually don't give much value for employees to express their preferences in decision making (Chak 1998, 160). Therefore, Chak (1998, 160) claims that in such companies, culture doesn't influence much on strategies, but in larger SMEs, which are managed by non-owner, strategic decisions need the blessing of the

employees when cultural influence increases (Chak 1998, 160). Chak (1998, 160) concludes that there shouldn't be hard rules for the cultural implications and employees' role in strategy for SMEs as it always depends on the accepted practices in particular organization.

4 METHODOLOGY

In this chapter, I present the methodology of my research. I will give more details about the implementation of my research, the research methods I used, and the choices that led to these. I will also give a closer look to the analysis of the research material and finally address the credibility, challenges and limitations of the study.

4.1 Qualitative research methods

Qualitative research methods can be described as an umbrella term for large variety of different methods and research practices with qualitative features (Tuomi & Sarajärvi 2009, 9). Qualitative research has long traditions in many sciences (e.g. sociology, pedagogy and nursing science). It has been said that good qualitative research requires as much work as good quantitative research - if not more (Metsämuuronen 2003). On the other hand, according to Metsämuuronen (2003), qualitative research can be done with less quality if the means of managing errors are ignored. Qualitative research, unlike quantitative research, utilizes non-purely numerical and statistical methods. It is based on the existential-phenomenological-hermeneutical philosophy of science and relies heavily on the researcher's own intuition, interpretation, reasoning, and the combination and classification criteria (Metsämuuronen 2003, 161-167.) According to Denzin and Lincoln (1994: 3), it is difficult to fully define qualitative research because it does not have its own theory or paradigm, nor does it have entirely its own methods. Their own definition for qualitative research is a place and a situation-based activity that makes the perceptible world visible by locating the researcher into the subject he interprets. Through the interpretation and methods, a researcher uses, he/she then opens up various representations such as notes, interviews, discussions, photographs and recordings from that world. At this level, the researcher approaches the underlying phenomenon in its natural context, trying to understand it or interpret the meanings that the subject offers to the researcher at any given time (Denzin & Lincoln 2005: 3). In general, qualitative methods are typical choices for studying human thinking and action in its cultural and social context.

Qualitative methods have gained important position, especially within the research of business management and administration. Usually, in a research of phenomenon related to management, organizations or markets, are qualitative approaches required instead of traditional quantitative and statistical methods, because of their aim to understand human behavior and social processes (Koskinen, Alasuutari & Peltonen 2005). In this research, one of my objectives is to produce new information for business management in practice, and so on to offer new ideas for the area of business administration concerning strategy process together with the role of a CEO especially, and therefore qualitative methods

allow me to create a picture of the studied phenomenon through the study of social processes and human behavior.

In the light of the previous features of the qualitative research methods and the object of my study, it is obvious that my research is linked, by both the methods and research material, to qualitative research tradition. In this methodology part, it is not necessary to look through all of the qualitative research methods, but to electively choose those parts for presentation which are used in this research. The study is executed with the case study approach. Collection of the research material has been carried out by interviews, participatory observation and document analysis, which all have recently been included under another umbrella term of *ethnographic methods* (Kawulich 2005).

The goal for the following parts of this chapter is to briefly enlighten the reasons for choosing qualitative methods, and to explain method of analysis and its fit for this particular study, as well as to notice any challenges and restrictions of the study as a whole. In this part, it is also important to notice that this study is not an ordered assignment from the case organization, but independent study during which the researcher has got the privilege to individually gather material among his daily work, and so on for example to make all the decisions, as the selection of the research methods himself.

4.2 Case study approach as a research practice

Case study is a detailed description about the studied phenomenon in a given organizational context. It is used to clarify or sort out something which is not already entirely clear or requires additional information. It aims to increase understanding about the case and about the circumstances in which the case was investigated (Laine, Bamberg & Jokinen 2007, 9–10). In this research, the case study context is the case company and its strategy process, which was represented in the chapter 1.3.

Case study approach is particularly effective if there is a goal to obtain deep appreciation about an issue, event or phenomenon of interest, in its natural practical context (Crowe et al. 2011). In a case study research, the case can be any restricted system, phenomenon, process or target. It can be an organization or part of it, as well as a project or part of it. Researcher himself defines the case, and its definition can take place before or after the gathering of research material (Erikson & Koistinen 2005, 6).

Yin (2003, 13) highlights the importance of the part of inquiring of empirical data when researching phenomenon in its real-life context as a case study. This is especially important, when the phenomenon's restriction from its context isn't possible, as is the case in this study about strategy process, as we have already noticed by the literature review. Yin (2003) also considers case study as a flexible research mode because it does

not require explicit control or manipulation of variables. The empirical case study is particularly useful when the researcher has little or no chance to control the research situation and the phenomenon under study is currently being studied in its own real-life context. As a research strategy, case study approach provides versatile, comprehensive and valid information about individuals, groups, organizations, and social and political phenomena (Yin 2003, 1; 1983: 23).

In this study, the case is the formulation part of the strategy process inside one particular organization, which makes this case study, by its nature of one case and the definition of Erikson & Koistinen (2005, 15), an intensive case study. In an intensive case study, the aim is to dictate, interpret and understand a unique, and precisely because of this, also theoretically interesting case. The purpose is not so much to make generalizations, but to find out exactly how this unique and special case works. Consequently, the case itself, its internal world (actors' own points of view) and the logic of this world are the main interests in the research (Erikson & Koistinen 2005, 15).

This particular case study, can be also described as an illustrative case study, because of its goals to describe the observed or innovative practices of everyday work life of the organization and its members (Ryan et al. 1992, 114). Illustrative case study research usually describes something which have already been achieved or realized as a good practice in work life, and it can be useful by the information it offers about the nature and form of the researched practices (Erikson & Koistinen 2005, 11).

This case study approach was chosen to this research because it makes possible to observe the strategy process inside the organization, as well as the roles and interaction of different organizational members who take part to the process. It is often said that, even if the cases are not generalizable, they can be found to have interesting, common, and individualizing features.

Many researchers, including Stake (1994, 238), emphasize that more important than generalization is the understanding of the case. Simons (1996) describes a unique, but beneficial nature of a case study as follows: "*A student while studying to paint a tree by using the style of Cezanne, discusses the purpose and meaning of this technique with other painters. At the same time, he does not only learn about the painting or the tree in question, but he will probably evaluate other paintings and other trees by other impressionists more impressively*". Also, according to Leino (2007, 214), the generalization of the research results does not need to be completely abandoned in the case of a single case as "a more functional analysis of the situation is more than a single case: it is an overall view that raises issues of general interest and new perspectives" This is also one of the objectives for this study.

4.3 Collection of the research material

In this chapter, the different data collection methods and materials used in the study are presented. This procedure of multiple methods and sources for material is called the triangulation and it aims to achieve a more comprehensive and richer picture of the subject being studied than would be achieved by using only one source of material or method (Eskola & Suoranta 1998, 69). A case study as a research method often includes multiple data collection methods and materials. From the point of view of the case study, triangulation is justified to deepen the empirical and conceptual understanding of the case (Laine et al. 2007, 9-24). Therefore, the use of different data collection methods and materials in parallel is also justified in this study.

4.3.1 *Participatory observations*

Participatory observation refers to the method of gathering data in which the researcher participates in the community's activities (Eskola and Suoranta 1998, 99). Participatory observation aims at gathering material through direct participation in situations where the researcher's influence as an outsider has been attempted to minimize (Grönfors 2011, 52).

During this research, participatory observation was used for data collection as the researcher himself worked as an employee in the case organization during the strategy process. The researcher has written observations in the field diary during the period from 25th of April 2017 to 10th of January 2018. The scope of the field diary is 10 pages and contains 35 annotations. Observations has been done alongside daily work. The field diary notes contain observations that the researcher has done during the observation period in the case organization. These notes are made from different events inside organization, such as workshops, trainings and meetings which the researcher has seen connected to the strategy during his or her employment relationship. Additionally, the field diary contains copies of e-mails, other sent messages and calendar invitations related to the strategy and events described above. The field diary contains information about the organization which cannot be presented publicly because the case company doesn't want to lose its competitive advantage by revealing the details of its activities. The field diary is held by the researcher.

The researcher was able to see how the strategy process progressed and how the various actors took the process forward. It has been possible for the researcher to look at the case from inside, and not rely solely on documented material and interviews. The researcher also participated as a part of the staff in the design and planning of the strategy during his observation period.

When using participating observation as a method of gathering data, the question often arises from the researcher's own role in the work. Subjectivity is a natural part of participatory observation. Observation is always based on the researcher's experiences, the things that his attention has drawn to. The observer always selectively observes, and a number of things are always excluded from the observations. The researcher also interprets situations based on his own experiences and, on the other hand, his/her expectations may influence the observation (Eskola & Suoranta 1998, 103). In this study, subjectivity has not been attempted to erase, but rather to use it for good. Through its position, the researcher has been able to observe things that could not be perceived by an external scientist. Of course, the subjectivity constraints mentioned should also be taken into account: in this study, the researcher's personal view of the topic being studied is present and might have influenced the image that this research report seeks to establish from the studied case.

4.3.2 *Other documents*

Other documents used in this study are organization's internal material which has been used and emerged during the strategy process, such as minutes and slides from different meetings and both new and old strategies of the case company. This material is not publicly available but is intended for internal use of the organization. These documents are collected by the researcher for the research purposes and are in the possession of the researcher.

Table 3 Other documents

Name of the document	Date
Case company's history	7.10.2014
Case company's previous strategy	7.12.2015
Kick-off event slides 2017	5.1.2017
Minutes of the board's summer meeting 2017	7.7.2017
Strategy process steps and timetable by the CEO	7.7.2017
Minutes of the board's meeting December 2017	8.12.2017
Case company's new strategy	10.1.2018
Kick-off event slides 2018	10.1.2018

With the documentary material, found in table above, it has been possible to improve the reliability of the data and research by increasing the perspectives from which the case is being examined and by bringing information from a longer period of time during which

the strategy process has been ongoing. As a challenge and weakness for the documentary material, can be noted it's incompleteness. It has not been possible for the researcher to collect completely watertight documentary material with his scarce resources. The choice of the material has also been influenced by the researcher's own understanding of the relevance of the documents. For internal documents, it is also good to consider their subjectivity: the strategy process has been documented from the perspective of the case organization and its compatibility with reality cannot be certain.

4.3.3 Interviews

According to Hirsjärvi & Hurme (2011, 42), the aim for the interviews is to collect information in interactive situation. Interviews can be used for finding new information about unknown or to deepen understanding about already familiar phenomena. With interviews, there is also a possibility to get information about motives behind action (Hirsjärvi & Hurme 2011, 34-35).

Although interviewing is one of the most popular ways of collecting material, it also involves disadvantages. As a major disadvantage for interviewing can be considered it's large consume of time in arrangements, executions, as well as in transcriptions and analysing of the material. Interviews are also seen to contain many potential sources of error, for example, the interviewee may give more socially desirable answers than truth. Also, in the analysis phase mistakes, especially for an inexperienced researcher, may occur because fully prepared "models" for analysis are not available (Hirsjärvi & Hurme 2011, 35). In interviews, there is always the possibility for the interviewer to influence the interviewee. According to Zikmund et al (2010), the interviewer's age, appearance, gender, voice weight and formulation of questions may influence the answers provided. It is also clear that, even if anonymity is called upon by the interviewee, absolute confidence can never be achieved in a personal meeting and this may also have an impact on the answers given. In addition, according to Puusa (2011), people tend to give socially accepted answers when discussing some of the topics. I tried to increase the credibility of my research by trying to get the most honest answers from the interviewees. This was at least encouraged by reminding interviewees about the confidentiality, both in advance and in the beginning of the interview. I also promised to use similar titles for the top management team members and employees in my research, so that their identities would not be revealed. I also presented the questions as minimal as possible. According to my subjective opinion, the interviewees answered the questions honestly. This was reflected in, for example, consistency, detail and concrete practical examples.

In this study, the aim of the interviews was to understand the nature and the structure of the strategy formulation process, and also, to find information about interaction between different actors in the strategy process and their practical activities and roles in the process. The research material was gathered by semi-structured theme interviews during the late part of the observation period. Interviewees were members from the different levels of the organization involved in the strategy process. The interviews were most important research practice to gather experience-based information about the formulation of the strategy. The themes of the interview questions were based on the observations of the progress of the strategy formulation process in the organization, and the literature review of the study. The themes and examples of the interview questions can be found in the end of the research report (Appendix no.1).

Ten (10) interviews, conducted in the case organization, are represented in the table below. Interviewees were the CEO, the Chairman Of The Board, one other Member Of The Board, all four Top Management Team Members, and three randomly chosen Employees.

Table 4 Overview of the interviewees

The interviewee	Duration of the interview	Date
The Chief Executive	1h 32min	8.11.2017
The Chairman Of The Board	41min	14.11.2017
The Member Of The Board	22min	16.2.2017
The Top Management Team Member 1	44min	20.11.2017
The Top Management Team Member 2	50min	21.11.2017
The Top Management Team Member 3	39min	27.11.2017
The Top Management Team Member 4	42min	29.11.2017
The Employee 1	35min	29.11.2017
The Employee 2	33min	29.11.2017
The Employee 3	29min	30.11.2017

These participants of the organization were chosen to be interviewed so that every level of the organization was heard. All of the interviews, except one, were conducted in a meeting room of the case company's office in privacy. The interview of the board member was conducted via telephone due to strict timetables. The duration of the interviews ranged from 22 minutes to one and a half hour. The interview of the CEO was the longest and most thorough one, because it included much details about the strategy and complete walkthrough of the process steps. The interviews were recorded with the approval of the interviewees.

4.4 Analysis of the material

This research and its material has been approached through abductive reasoning. According to Grönfors (2011, 17-18), abductive reasoning is a kind of intermediate of inductive and deductive reasoning. In abductive reasoning, the researcher will be led to a discovery by a guiding idea that can concentrate the findings on issues that are believed to produce new insights about the studied phenomenon. The guiding idea can be produced from anything. It can be intuitive idea or hypothesis which gives references and guide the research process.

According to Grönfors (2011), in abductive reasoning, the guiding idea can be rejected and changed at any stage. Abduction enables the consideration of unusual and surprising aspects and using of multiple hypotheses simultaneously (Grönfors 2011, 20). In this research, the guiding idea behind abductive reasoning has been that there is a strategy process going on in the organization in which the CEO has a major role. Another guiding idea from the start has been that there must be other roles acting in the process and that they are somehow connected to the role of the CEO. Together these ideas have guided the research to find and describe all the roles and their interaction in the process by focusing on the CEO as a major player.

The material collected in this study was collected by the researcher while working in the organization and simultaneously producing his own picture about the strategy process by participatory observation. The researcher's findings in the organization have influenced in the study design and, hence, to the collection and analysis of the data. The study design has been taken shape as the research process has progressed and new findings have shaped the framework from the original. For example, the final research questions were formed at the same time with the analysis of the material, when the material was structured to themes.

As an analytical method, this study uses a content analysis. Due to the nature, diversity and abundance of the material, the content analysis was selected because, according to Tuomi & Sarajärvi (2009, 103), it is a method which can be used to analyze documents systematically and as objectively as possible. The purpose of the content analysis is to create a verbal and clear description of the phenomenon being investigated and to organize the material in a tight and clear form, but nevertheless, so that the essential information is not getting lost while compressed (Tuomi & Sarajärvi 2009, 108). This objective is suitable with the aim of this research, which aims to create an image of this particular strategy process and the role of the CEO in it. As a challenge for the content analysis can be seen a kind of "incompleteness". It can help to get the material organized efficiently and meaningfully, but the same efficiency does not always lead all the way to the conclusions (Tuomi & Sarajärvi 2009, 103).

Content analysis is divided into material-based, theory-based, and theory-driven content analysis by whether the analysis is based on more material or theory (Tuomi & Sarajärvi 2009, 108-118). The method of the analysis used in this study can be seen to be ranked in the aforementioned division under the theory-driven content analysis. It can be seen to be positioned between the material-based and theory-based content analysis. The analysis is executed on a material basis and the material is organized on the terms of its content. However, material is not intended to develop any new concepts, but the concepts and categories used are theory-based.

As already mentioned, the material in this study is structured by themes. The analysis started by organizing the transcribed interviews and other material into these themes. The themes in the table below differ from the interview themes and were formed on the basis of the research questions of the study.

Table 5 The Themes to which the transcribed interviews were organized

The nature of the strategy & the process	The Process Steps	The Other Actors	The CEO
How did the interviewees define the strategy in the case company?	How did the process start?	How have the board & the COB participated in the process?	How has the CEO participated in the process?
What is the context for to the strategy & process?	What different steps there have been in the process?	How has the top management team participated in the process?	How did the other actors see the role of the CEO in the process?
How did the interviewees feel the process has gone this far?	What will happen after the formulation?	How has the staff participated in the process?	How has the CEO taken part in the decision making?

First theme is about the nature of the strategy & the process which includes interviewees' views to the company's strategy and its purpose. The same theme includes contextual factors which have affected to the strategy & the process as well as interviewees opinions of the strategy process. The second theme includes simply the steps of the process and future plans. Third theme is about the other actors and their participation excluding the CEO and the last one is focused on the CEO's role in the process.

By analyzing the observation material, the documentary material and the themed interview material, the researcher was able to create a picture of the strategy in the case company, how the strategy process proceeded, what were the different actors around it, and how these actors have interacted with the CEO. In the context of this study, a comprehensive overview cannot be made about strategy process and all the interaction around it, but by these themes, the intention is to describe at least a limited proportion of what has happened in the case organization.

4.5 Credibility

As all methods, also qualitative research methods and practices create challenges to the researcher. One of these is, according to Eskola & Suoranta (1998, 209), the credibility of the research. The credibility of the research is estimated through traditional concepts of validity and reliability. According to Saaranen-Kauppinen & Puusniekka (2006), evaluation of the validity of the study focuses on the depth of the research, the results obtained and whether the researcher's conclusions are correct. Nowadays, validity is not merely linked to the amount of how much the research results responds to the reality, but also to evaluating the whole research and research process. Reliability means how systematically and error-free the research is done (Hyvärinen & Löyttyniemi 2005, 195).

According to Grönfors (2011, 106), the validity of qualitative research is based on a detailed description of the research process: the research report aims to report all that is supposed to facilitate the independent evaluation of the research. In this study, the aim is to describe the material, its collection and analysis as clearly and consistently as possible so that a reader is able to get the most comprehensive picture of the case being investigated. The theoretical part of the study aims to describe concepts related to the subject of the research and the information already available to them. Validity has also been attempted to be improved by the so-called face validation by allowing interviewed individuals to comment on the empirical part of the research before returning the research report (Tuomi & Sarajärvi 2009, 142).

Reliability is sought in this study by material triangulation. The material has been collected using different methods and using different sources. In the analytical part, the collected material has been attempted to be exploited equally and so that the material complements each other. The use of the different sources and methods has been attempted to improve the reliability of the data and the findings made therefrom, since the information from several sources increases confidence that the findings has been described and interpreted correctly (Laine et al. 2007, 23-24).

When reading a scientific discussion of a qualitative research, the impact of the subjectivity of the researcher is also often raised. According to Eskola and Suoranta (1998, 210), the open subjectivity of the researcher is the starting point for qualitative research: the research is always looking like its researcher. This part of the research has been discussed in the context of participatory observation, in which the researcher's subjectivity is particularly important.

In addition to the validity, reliability and subjectivity of the study, the tools and methods related to the collection and analysis of the data are always in a particular role of creating different challenges to the research. All methods and practices always include challenges and disadvantages, though they are, on the contrary, designed to produce as

reliable information as possible. It is therefore important to consider and justify the methods chosen for the research. These challenges have been sidelined already in the presentation of selected methods and will not be discussed further.

5 FINDINGS

5.1 The case organization

As was described in the chapter 1.3, the case company operates in the recruitment business in Finland. Because it is necessary to keep the case organization anonymous, this report can't reveal all the details about the case company. However, this chapter provides a picture of the case company by the views of the organization's members.

In the case organization, there prevails low hierarchy and opportunities to impact regardless of the position of the employee. The values of the organization have always cherished high wellbeing and participation of the employees. It might be that this is linked to the recruitment industry and company's important ethical mission to help people in their careers. Organization's size also supports low hierarchy, as all the personnel work in the common workspaces and interact everyday regardless to the position (The field diary).

It's not only the strategy process but all the activity. Since we have such a low hierarchy, you can suggest new ways of doing things or ask help from anyone. So we employees have kind of continuous opportunity to influence. (The Employee 2)

It may come with a bit of a bend, but on average, there are a lot of people in the HR industry who are close to human beings and have some eagerness to help other people and participate in doing together for better being. It may be more visible than in some engineering industry, so that we cannot completely forget people and just do things. I do not really know how it is actually shown but a certain kind of humanity and people above functions is definitely a clear feature. Additionally to this, our core activities involves interaction between humankind, meeting of people and creating opportunities for people. (The CEO)

In every business, culture has an impact to how and what organization does. We have a really strong culture based on trust, which affects and lot. It affects to our business and even more importantly to the involvement of the staff and that everyone feels ownership of the things we do. (The CEO)

In our case, the ideological side is pretty much involved in the existence of the company and its goals. In some other firm, a strategy can aim to make

the most money, but for us it isn't so straightforward. This ideological side sets challenges to the management by its soft and fuzzy features. (The Member of the Board)

By the fast growth and earlier success of the company, the management and employees have a strong trust and confidence to their ability to succeed and grow also in the future. This can be seen as a courage to set high targets and to try new things without hesitation.

The growth company's perspective brings us thinking that it is easier to look to the future. Even if we are going very fast, there is a confidence that things will be going well also in the future. It reduces a certain kind of fear of making strategic choices and trying new directions as it looks like it has always been going well so why not in the future. So it brings this certain psychological relief and courage. (The CEO)

The thing is that we have tough goals. You might think that these are impossible, but it has been the same if we take a look back to the past year. Now we see that we can even reach the goals for this year, which looked impossible two months ago. Sometimes I think our goals are too high, but goddamn, it looks like we are breaking the records all the time and it creates a belief that this group is able to do pretty much. (The Employee 2)

The company's size, growth and business environment has also been affecting to the strategy process. The Chairman of the board (COB) has seen how the company changed from small firm to medium sized, and how this change has affected to the strategy work. He also thinks that the dynamic environment and growth creates more need for cooperation between the board and the top management.

I've seen a big change since I came here when the strategy was made by the board, which is probably natural in a small company without lot of staff and high turnover of employees. Now the responsibility of the strategy is departing from the board. But if you think about how much the board and I have been discussing with the CEO, it is certainly still much more compared to some listed company. (The COB)

It is not only due to the size of the company, but also because of the company's situation. If you compare us to a company without the same growth and changes in its business, like a cash cow-type organization in a stable environment, then there's no such a need to spend time among the strategy

process and CEO doesn't have to ask board's opinions so much. Once we are a growing company in a pressurized and highly competitive environment, there are more issues on the gray area and the top management has to ask for board's views and opinions. (The COB)

The COB noted that a part of the case organization's way of doing things is to be able to react fast. This can be seen as a contextual factor which have probably affected to the strategy process. As one of the top management team members also noted, the dynamic business environment affects to the strategic decision making in a way that most of the doors have been left open and strict decisions to do something have been scarce during the strategy formulation.

It is about our approach that we are not stiff as cement but pretty dynamic. If we face a problem or opportunity then we react. (The COB)

Naturally, it is linked to the business we are in but we have made fairly few strict decisions in the strategy to do something, and quite a lot of decisions which keep all the doors open so we are able to decide over the years whether something is done or not. (The Top management team member 1)

5.2 The strategy process

5.2.1 Steps of the formulation

The first factor that affected to the start of the strategy process, was the change of the CEO in the case company. Because there were no urgent reasons for big changes in the operations of the case company, the board decided to look for a new CEO which would fit the old strategy. However, already during the recruitment, the COB and the new CEO decided to look through the old strategy, if the new CEO would be selected. When the new CEO got the job, they found it important to possibly renew the strategy to be more suitable for the new CEO.

I would say that the strategy process was not relevant to recruiting, perhaps the more influential was the thing that we wanted a CEO who was a fit to our current strategy at the time. And if you think about it now, there

are a couple of key points that have changed in the strategy but, in the big picture, the main features have remained the same. (The COB)

The first things started when I applied to the recruiting of the new CEO and we discussed together with the chairman of the board about the strategy and what is happening in the next few years and so on. He sent me the current strategy and I looked it through and together we decided that when I would start, of course, we would check it properly and get it "up to date" if necessary. (The CEO)

The new CEO started in the June 2016 and it was clear that the work with the strategy would start sooner or later. In the beginning of the 2017, it was decided that there would be a new strategy before the end of the 2017. In the 2017 Kick-off event on 10.1.2017, the staff was informed, that this year the company will go through a strategy formulation to renew their strategy (Kick-off slides 2017).

I started as a CEO in July 2016, and it was decided that at some point we will start reforming the strategy in the end of 2016. It was not until the beginning of 2017 that we started talking about it again. (The CEO)

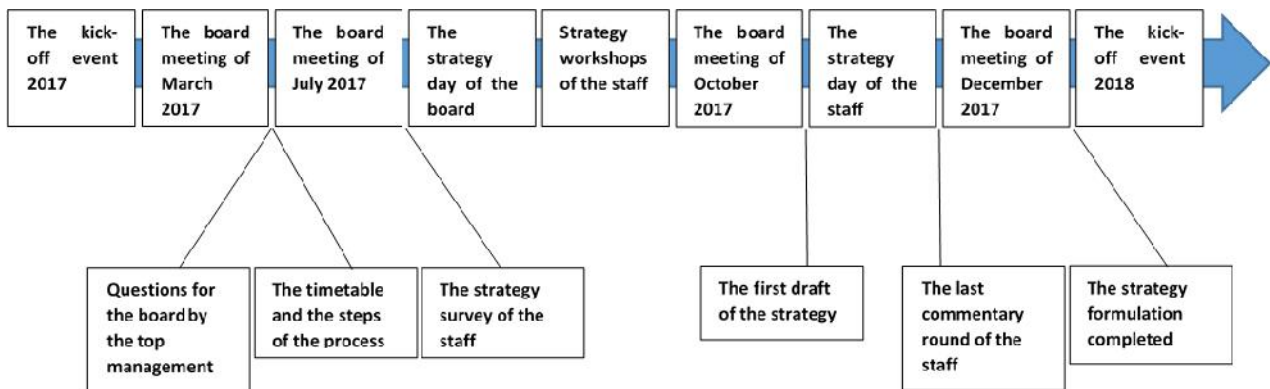


Figure 1 Steps of the strategy process

The actual strategy process took its first steps in the board meeting of March 2017, where the board, the CEO and the top management members decided to start the strategy process. They decided that the CEO will bring proposition of the process steps to the board's summer meeting. It was also decided that the top management team would think about questions to which they wanted to find answers before the beginning of the strategy process.

In the board meeting of March, we decided that we would send questions to the board with the top management team, and then to the board's summer meeting, I brought the questions and gave the timetable and description of the process to the board. (The CEO)

In the board's summer meeting on 7th of the July 2017, the proposition of the steps was approved by the board and the meeting had a discourse on the basis of the questions of the top management team (Minutes of the board's summer meeting 2017). The next step was to create survey for the whole staff of the company, so that everyone could express their thoughts and support the strategy formation. The top management team was also assigned to prepare different kind of material for the upcoming strategy day of the board.

We started to create the content of the strategy by asking questions from the staff with the strategy survey about everything possible. These questions were asked before the board's strategy day and were used there as a part of the pre-materials. In addition, it was decided that we (the CEO and the top management team) would produce material for the board's strategy day and we assigned tasks within the management team. (The CEO)

The next step was the most thorough strategy meeting of the board and the top management team; the strategy day of the board which took place on 2.9.2017 (Strategy process steps and timetable by the CEO). The board, The CEO and the top management team discussed the prepared materials and the answers of the survey. By these discussions, they got ideas, plans and raw content to the strategy.

The biggest work around the strategy was the strategy day of the board. We had one Saturday of 6 hours together with the top management and the board where we pushed the strategy forward. Before that day, the board had asked the management to prepare some content, and the management and staff did the work in advance, from which we got the background material for discussion. From there, in a surprisingly good consensus, we found the key things we wanted to build on with the strategy. (The COB)

After the strategy day of the board, the whole staff of the company was again involved in form of three strategy workshops which took place in September. Every employee got to decide one of the workshops in which to participate. The results from the survey and strategy day of the board were represented by the CEO and discussed together with the staff (The field diary).

As we moved on from the Strategy Day of the Board, we arranged three strategy workshops for the staff. In the workshops, we discussed about the results we got from the survey and strategy day of the board and whether there were any disagreements and whether the staff still wants to challenge the board with anything. It was such a place where the staff had the opportunity to comment on whether this is the direction to go. (The CEO)

The next meeting of the board was on 16.10.2017 (Strategy process steps and timetable), during which the CEO represented the first draft of the strategy to the board.

To the latest board meeting of October, I took the first draft of the strategy... (The CEO)

After this meeting, there were still some practical questions which were discussed again with the staff on 11.11.2017 in the strategy day of the staff. This time, the CEO arranged the strategy day for the whole staff, where he represented the first draft of the strategy to the staff and they got to work with different kind of tasks (The field diary).

Next Thursday, when the whole staff is here (on the strategy day of the staff) I will show everyone how it looks now and where we are going. There are still certain questions to deal with. It's more about concrete action now as we have the direction that we want to pursue, but now we are going to think about how we will practically get there. It's about all the steps to achieve our goals. (The CEO)

Before the board's final meeting of the year, the CEO sent the completed strategy to the whole staff on 4.12.2017, and asked if anyone had any fixes or disagreements which could still be taken to the consideration (The field diary). In the board's final meeting of the year, the strategy got its approval and was represented to the staff in the Kick-off event of 2018 (Kick-off event slides 2018; The field diary). When asked about the steps after the formulation and the permanency of the new strategy, there weren't yet any strict plans for implementation or decisions when the strategy is checked or updated again.

In December, it will be officially approved and then we have to start thinking, if not earlier, about what is the schedule and how to implement the strategy concretely...

...At the staff's kick-off event in January, we will wonder what needs to be done during the first half and during the second half, so that it (the content of the strategy) will occur in practice...

...We have to admit that we really don't know what's coming up, for example, after three years. It's hard to say how we will succeed or how the world is changing around us. This strategy is the present best guess about what we are chasing during the next three or five years, and we have to be able react if the world changes. (The CEO)

One can say that the case company have been avoiding the pitfalls for strategy implementation and learning by Beer & Eisenstat (2002), which are such as top-down, or laissez-fair management, contradictory priorities, weak vertical communication and weak communication over functions and cross-borders, to enable success in the forthcoming implementation. All the interviewees claimed to understand the new strategy and its goals. They also felt that they have been informed about the process well and have been able, or at least could have been if wanted, to contribute to the strategy and decision making during the process. This sounds promising for the future implementation, if we take a look to the chapter 3.2.5 about the implementation & evaluation of the strategy, which raised factors that enable successful implementation. These were such as organization's involvement, staff's activity and active participation, as well as commitment and understanding of the content of the strategy by the entire staff (Clark 2000; Hämäläinen & Maula 2004, 25; Noble 1999).

At least, how we went through the whole staff's strategy day, the content was pretty easy to understand and put into practice of how these things will be seen in our operations. I did not feel that there was anything beyond understanding afterwards. (The Employee 1)

In my opinion, everyone has been able to give their influence to the strategy quite well. I have a feeling that many of us have been influencing or at least have had the opportunity to do so, including myself. (The Top Management Team Member 4)

The content of the strategy was discussed together with the whole staff thoroughly during the workshops and the strategy day, and we really talked through what our goals actually require and how it can be seen in our operations. It is more effective than hitting a list of five bullet points in front of the employees and telling them that these are our priority areas

for the future. At least for me, the understanding comes through concrete actions when I have to think through what we are and where we want to be and how it is possible to get there. It certainly has helped. (The Employee 3)

The interviewees, who had something to say about what could have been done better during the process, had couple of points. One member of the management team mentioned that there's never too much sharing of information about how the certain strategic decisions or proposals have been made. Another top management team member pointed out the long duration of the process as a minor detail. As there have been long intervals between the different events of the process, some ideas and silent knowledge might have disappeared. One employee would have liked to see the progress of the process more transparently in real time, and also would have wanted more information about the preparation and thinking behind certain decisions.

The one thing you can never do too much, is to communicate various process steps and routes to some decisions for those who have not been involved in the preparation. Often the one who is responsible for the decisions or proposals has been doing the thought work for months or years. So, if we want to get benefits from events like the strategy day, all the participators have to be informed about the route to the decisions. I would give at least a good grade for how the CEO has done this so far, but it could be doubled and it's still not too much. (The Top Management Team Member 1)

Maybe this has been a pretty long process. Somehow, it could have been easier to keep in mind if it was pulled through faster. There have been couple of months between the process steps, so I always have to refresh my memory about where we are and what happened last time. In a stricter cycle, this could have been easier, even though, I don't know if it was possible to engage so many people in it then. (The Top Management Team Member 2)

It would have been easier to figure out what is going on if the progress of the process was somehow displayed to everyone in real time. During the strategy day of the staff, it was also pointed out by someone how the decision making could have been even more transparent. Like, to what the decisions and future scenarios of the company are based on. Whether it is a

guess, whose guess, etc. This could have been even more concrete, documented, and constantly communicated. (The Employee 1)

5.2.2 Implementation during the formulation

From the previous description of the strategy process steps, one can get the image of prescriptive strategy formulation which is linearly followed by implementation. To get a comprehensive image of the strategy process in the case company, it is important to point out some things that have happened in the organization during the formulation of the new strategy.

From the beginning of the observation period in April 2017, more than 20 different workshops, trainings, and after work meetings, which are in connection to the new strategy, took part in the organization (The field diary). More precisely, these activities have links to the strategic goals in the development of the know-how of the employees and growing future business areas (The field diary; Case company's new strategy). These activities have varied from studying and training to brain storming and creating of new ideas and practices. Almost half of these activities have been voluntary. The ideas and topics for these activities were gathered during the everyday work inside the organization. Organization's inner know-how and expertise have also been used for the execution and creation of the content of these sessions (The field diary).

One significant change in the organization got started in May 2017 by an end result of a case competition. This case competition involved the whole organization excluding the board. The personnel was divided into five teams with a task to create new ideas and to develop practices around an important future area of business. The result was a development team which started to further develop the ideas born from the case competition. In October, the development team started to meet regularly couple of times in a month, and by the end of the year, it was clear that there is going to be a new structure in the organization. The work of the development team led to a formation of new team in January 2018, which will expertise and take over the work inside one area of the business, which have previously divided equally inside the organization (The field diary). This area of business is also mentioned as an important segment for development in the new strategy (Case company's new strategy).

5.3 Strategy in the case company

Since the exact content of the strategy of the case company is only public to members of the organization, this study can't reveal it precisely. To get a better understanding of the nature of the strategy, this chapter is mostly based again on the views of the organization's members about the strategy.

The new strategy of the case company includes company's current state, the foundational idea for its existence and action, the mission, the vision, values, the expected changes in the operating environment, different strategic decisions which will give direction for the future action, long term goals and determiners of the success. Totally the power point file contains 17 slides (Case company's new strategy). If compared to the previous one, the shape and the content of the new strategy follows pretty much it and can be described as a kind of updated version (Case company's previous strategy; Case company's new strategy). The change of the CEO triggered a need to get the strategy up to date, and the only major decision which differed from the old one, concerning the future of the company, was directly caused by the loss of the personal background and knowledge of the previous CEO.

This issue x was there (in the previous strategy) because the previous CEO had a certain background and suitable knowledge needed for it, which we don't have anymore...

...So this was the old strategy from the past, and in fact, the new one is going to go be much alike. So basically, with the same frames, but of course updated by the content...

...Basically we started out of scratch, and only after we had certain strategic choices already made I dug up the old one and I wondered what else to think about and what to supplement. That's how it started from scratch, but this (old one) has been used as an aid. (The CEO)

When asked from the different members of the organization, about what is strategy in the case company, their answers had very similar features with the very first definitions for a strategy in the literature with long-term goals, objectives and courses of action, (Chandler 1962, 13). Worthy to mention was, how similar thoughts the actors from the different levels of the organization had about the strategy. Mostly the same features repeated in the answers from every organizational level. As a repeating features in every interview, can be noted guidelines for action and long-term goals.

I think it's about long-term goals and guidance. If you think about it, doing your job circles around the operational everyday challenges and then the strategy will focus more on potential scenarios where we want to be in the future within some time horizon. (Top Management Team Member 2)

It is the basis for our actions and guidelines. The strategy shows our goals and what we want to go for in the big picture in the future. (The Employee 1)

They did not mention much about decisions of positioning inside the markets, or how to compete against rivals, which were claimed to be usual content in strategies by Thompson et al. (2016, 3-4), but highlighted the planning of the organization's own future functions, the goals and the ways of developing the organization and its business.

It is much about where the firm is going to be in the end of the year, in three years, in five years from now. Strategy is a kind of action plan for the future. (The Employee 2)

So the strategy reflects in a kind of prioritizing of the activities and what services will be provided and in which direction these will be developed together with our own skills. (The Employee 3)

Another feature, which came up, was the last part of the definition for a strategy by Chandler 1962, 13); allocation of resources. Especially the upper levels of the organization saw it important for the strategy to define choices between what to do and what not to do in the future.

Strategy is the big picture where you want to go and the road to go there. So it is the goal where the company wants to be in the future and what are the key steps there. In the strategy, it is important to choose where it is to be invested, but also where is it not to be invested. (The COB)

The CEO of the case company highlighted the importance of the simplicity in the content of the strategy. He finds it really important that everyone has the possibility to understand the strategy, and that way to be able to collaborate in the process. This might explain in part the traditional and simple features of the case company's strategy. By the literature review it is noticeable, how the new perspectives to strategy are more complicated and traditional perspectives are mostly simple by formulation of plans and implementation to the action. Moreover, when asked about the overall goals for the strategy,

the COB pointed out how important it is that the goals are defined understandably and clearly, so that strategy and organization's successfulness can be evaluated. These attempts or perspectives contribute to avoid at least one more of the top silent killer of a strategy and learning by Beer & Eisenstat (2002): unclear strategy.

Simplicity and "easy-to-understand" are essential in it. In our strategy it has been like that, but if you look at some examples about what kind of strategies are made in other companies, those cannot be shown to anybody, because nobody will understand anything. It must be so simple that our whole organization understands it. (The CEO)

The most important thing is that it should be clearly defined. Is it a vision or an image for the future or whatever, it should be clearly defined so that we can set targets, create steps to get there and monitor our performance. (The COB)

The definition for strategy, which was accepted to the study from Mintzberg (1987a), claims that strategy is a long-term plan drawn up by management to achieve a state of vision and it is made deliberately to ensure the organization's success and to provide guidelines for the action to the members of the organization. This can be fairly accepted in this case context with one modification. As we already noticed, can be said that the whole organization has been drawing these long-term plans, not only the management. We also saw how the formulation of the strategy have been walking hand in hand with many of the current activities of the company. There have been a lot of focus and training already during the strategy process towards the areas which are emphasized in the new strategy. In the next chapter we will take a deeper look into the roles of the board and the COB, the top management team, and the staff, and we will see how these different actors have been involved in the strategy process before examining the role of the CEO.

5.4 Representing the actors working with the CEO in the process

As can be noticed in the process steps of the earlier part, every actor in the organization took, or at least had the possibility to take part to the strategy process. In this part of the study, the different levels of the organization are shortly represented as entities acting during the different steps of the process. As the role of the CEO will be analyzed in the last part of the case study chapter, this part will only include overview of the participation of every other actor. Later on, the interaction of these actors with the CEO, who has been the main facilitator of the process, is going to be looked through more closely.

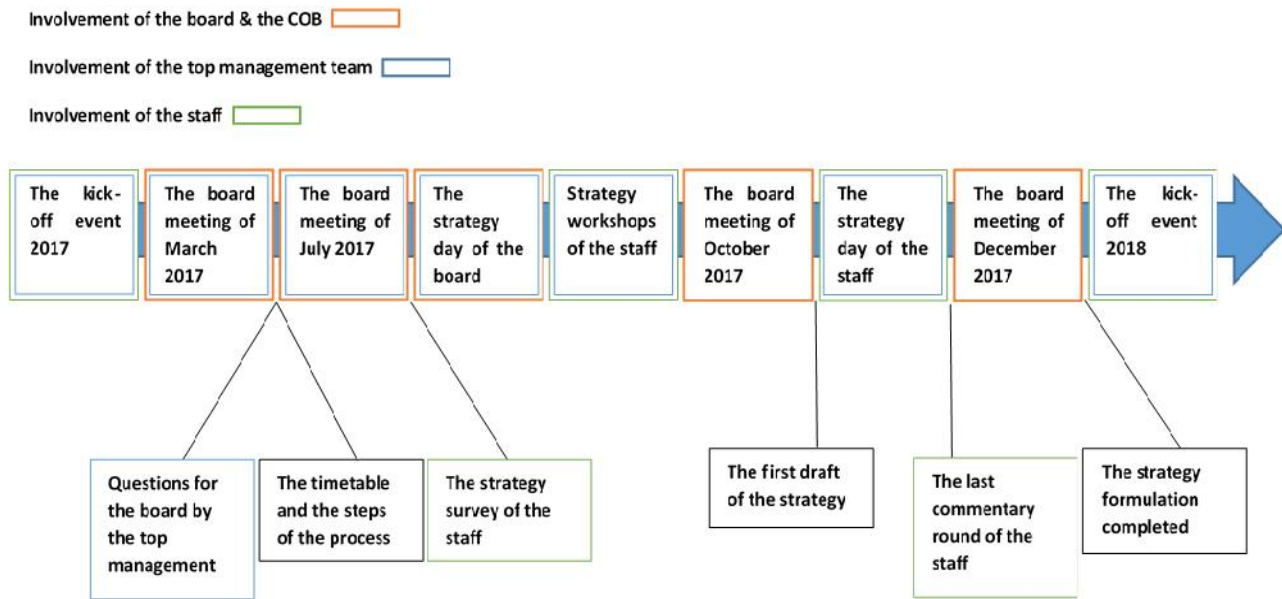


Figure 2 Steps of the process with the involvement of the actors excluding the CEO

The upper figure shows in which steps the board & the COB, the top management team and staff took part in the process. Participation of the CEO is excluded from the figure, as he/she took part in every step of the process.

5.4.1 *The role of the board & the COB*

Starting from the top of the organization, the company's board and the COB are the ones to be represented as the first entity. The board is responsible to the company's owners regarding the overall success of the company, and due to that, it carries responsibility in the success of the strategic choices as well. As was mentioned in the contextual factors, the board and especially the COB has contributed in the formulation of the strategy in the case company. Their first influence on the strategy process, even though indirect, was the selection of the new CEO. After hiring the new CEO, the main kick start to the strategy process also came from the board, especially from the COB. The board and the COB were in proactive and initiative role to start the process.

How did it get started here, was that the board kicked it off, which means that the board was the first to send the signal. The strategy was somehow outdated or required upgrading or a new direction, etc. The board had to kick it off. (The COB)

From the board, especially from the COB there was a signal, with which I totally agreed, that since the CEO must be fully committed to the strategy, it is now a natural place to update the strategy. (The CEO)

Before the process started, the board left the responsibility for the CEO to design and carry on the process. The board only wanted to be involved in the process and decision making somehow and gave their acceptance and support to the CEO. Therefore, in the early stage, the board kept their possibility for guidance and authority and didn't step aside from the whole project. On this part, the board and the COB were in a supervisory and determining role.

At the beginning, it was agreed to go under the leadership of the CEO. In addition, the board hoped that they would also be involved somehow and we decided that at least the strategy day of the board would be included in the process. The rest was up to me. (The CEO)

The division of the labor was quite clear and this (strategy formulation) has been already done in the same way before. In that sense, it is already established way to act and, as in all the things, the employees do the work and the board gives guidelines. It's kind of a natural division of labor which didn't really require much conversation. (The Member of the Board)

When the process started, the board collectively requested the top management team to ask questions about hot topics which the management wanted to find answers for in the strategy formulation. The idea behind the questions was also that the board could express their stand to topics they already had clear statements and to see what topics needed more conversation and research to support the decision making. This way the board guided the strategy process and helped the top management to focus their effort on questions which needed more work.

The idea for the questions came from the board as it was discussed that the strategy process is about to start. The board asked the top management team to think about questions for which the top management wanted to find answers from the board at this point to get us all on the same page. These were discussed with the board and we got the idea of what things are essential to the strategy process, what this strategy process is about and what we have to discuss at least a lot more. (The CEO)

After the board had discussed through the questions of the management team in the board's summer meeting, the board asked top management team to prepare materials for the topics of the strategy day of the board (Minutes of the board's summer meeting 2017). The COB helped the CEO to think about what kind of pre-material was needed. During this part, the COB took a role of a supportive companion with more experience. Generally, the COB has been participating in the process individually more than the rest of the board outside of the meeting rooms. The COB has been acting as a mentor and a guide by changing thoughts and answering to any questions of the CEO.

We checked the schedule I made to the strategy day of the board together with the COB like "yeah this looks good, that looks good" and we were also considering together what kind of pre-material was needed for finding answers to the questions and topics of the strategy day. (The CEO)

I have tried to be a kind of a resonance that helps to promote his/hers (CEO's) thinking and work, to bring the board's intentions between meetings and give guidance based on them. I would say that I've been more like a squash field's wall to where the CEO has been hitting the ball and watching where it bounces, than ordering or instructing him/her to do this or do that. (The COB)

Regarding the cooperation between the CEO and him/herself, the COB pointed out that the CEO had been in the organization only less than one year when the process started, which created greater need for communication between them.

The CEO did not have yet any experience of the company's strategy process, so the process have certainly involved more checking of the policies and practices. Also we had to take care that the communication was working and that we were on the same page all the time. It wasn't a bad thing, but the CEO had perhaps more questions because he did not know so much yet about the procedures. If we did this again in the next year, then it would certainly go by a lighter discussion. (The COB)

The COB has also used his/hers authority to support the needs of the CEO. For example, before the strategy day of the board, he/she highlighted the importance of individual preparations to the participants and emphasized the CEO's role as a leader.

When I sent the pre-materials to the other participants (before the Strategy Day of the Board), the COB emphasized it by sending an email straight

after to everyone "Good and important things, expecting all the board members to go through the material before Saturday", so the COB gave it some extra value through his own authority. (The CEO)

...The COB said in the beginning of the meeting: this is a show of the CEO (during the strategy day of the board)... (The CEO)

Again, during the strategy day of the board, the COB used his authority to move on in the agenda if was needed. Rest of the board acted collectively. Members did not have different roles compared to each other, but they all went through the same prepared materials and worked as a collective to discuss the presentations of the top management team members. The board members gave their views and discussed every part of the agenda until there was a clear majority behind opinions. Not any strict decisions were made, but rather the board discussed to find their collective opinion for the frames of the strategy's content.

It went so that we were discussing, discussing, discussing until we started to see what is the majority's view. Sometimes the COB used his own authority in a way. If the debate persisted for a long time by one individual, the COB decided that the thing is clear now, we have to move forward. (The CEO)

Of course, special expertise has been utilized in the meetings. Some people are able to give more input to other things because people have different skills and knowledge but inside the board it hasn't been like "you are responsible for this and you for that". The board is responsible for the strategy as a whole. Everyone has gone through all the materials or at least had access to all the materials, but I wouldn't be surprised, if some put more thoughts in certain things because of their interest and know-how. However, the board has been working collectively. (The COB)

Later on, the role of the board has been similar. During their meeting on October, the board got to see the first draft of the strategy. In this part the board again supported the management with pointing out things which were clear, and which still needed more work to do.

To the latest board meeting of October, I took the first draft of the strategy and the board commented on what things are clear, what needed to be further processed and what should be added to it. (The CEO)

At the last meeting of the year at December, the board accepted the last version of the strategy (Minutes of the board meeting December 2017). In the end, the board gave their acceptance for the decision that the formulation of the strategy is now complete. The board started the process and also ended the formulation by accepting the new strategy. They did not take part to the design of the process but gave their expertise for the content creation and decision making. The COB acted as a mentor to the CEO and used his authority to get the process ahead. The board also collectively guided the top management team to focus on certain issues and took part to the formulation by using their expertise and knowledge in the meetings, especially during the strategy day of the board. If we think about the implementation of the strategy, the board hasn't taken part in the activities of developing the staff or business ideas for example. Though, there may have been conversations between the board members and the top management team for example which have been related to the implementation but have been outside of the reach of this study.

In principle, the strategy has taken its form by the top management team and the CEO. The board does not grasp the details but gives bigger guidelines. (The Member of the Board)

5.4.2 The role of the top management team

The top management team has been in a comprehensive role from the very beginning of the strategy process. Members of the top management team have been participating as a group and individuals, they have worked together with the board and the COB, and also participated as a part of the staff at the other end of the organization.

Well, with the CEO and the chairman of the board we have had conversations on a regular basis also before the process. And now during the actual process, there have been one-to-one discussions, board meetings, and I have also participated in the sessions for the whole staff. And of course, with the management team, for the last six months in every two or four weeks, we have been dealing with the strategy each time it comes to the surface. (The Top Management Team Member 1)

As was noticed earlier, as a first step of the process, the management team was involved to work with the questions for the board. The management team collectively thought about topics they wanted to get answers for and created a list of questions for the basis of the discussion and formulation of the strategy with the board. In the beginning of

the process, the role of the top management team was to bring up conversation and to give the board an idea about things they wanted to find answers for in the process.

In practice, the top management team listed a big pile of questions. These were about broad issues, as for example: what do you think about internationalization? (The CEO)

The individual work of the top management team members has required specific knowledge about their own fields of business. For the next step, they made research and analysis about the current state and future views of their business units for the strategy day of the board. As an individual task, one of the top management team members created and sent the survey to the staff (The field diary). They also supported each other by giving feedback on each other's presentations before the strategy day of the board.

For the strategy day of the board, I prepared materials of my own, and before the event we went through the presentations together with the top management team and gave feedback to each other. (The Top Management Team Member 3)

I have been mostly giving my substance knowledge about our business. I've been with the company for over 5 years, so I have lot of knowledge about recruitment business, business growth and development. Bringing this in a form of a presentation to the strategy day of the board was the biggest single effort. (The Top Management Team Member 2)

At the strategy day of the board, every member of the top management team presented the current state and their views regarding their business units and discussed these with the board. They also took part to the discussion about elements of the company's mission and vision, future of the markets and overall strategic decisions.

I do not remember the exact order, but first we went through the presentations of the business units, what is going on in each and how the situation affects to the strategic goals. Then guidelines for the future and what we got from the staff survey. These were all discussed together with the board members. (The Top Management Team Member 2)

After the strategy day of the board, the top management team members took part to the workshops of the staff. They however gave room for the staff to participate and had supportive roles as taking notes of the conversation.

In the workshops, I myself have been more in a role of a listener and took lot of notes. (The Top Management Team Member 2)

Before the strategy day of the whole staff, the top management team helped the CEO to prepare the agenda of the day. They were again participating as a part of the staff during the day (The field diary) and helped the CEO to create the final draft of the strategy afterwards.

Before the strategy day of the staff, the top management team commented on this version of the strategy and they also heard what the board thought about it. So, I have been asking for advice from the management regarding the things I have planned for the strategy day of the staff, like whether there is something else they think should be included and whether other questions are still open. Also, when the strategy day of the staff is over, we will get results from it and the draft of the strategy progresses towards complete, and again we will prepare it together with the top management team. We have to agree on what we are showing to the board as a final version. (The CEO)

Between all the steps of the strategy process, the top management team have also shared their knowledge with the CEO and COB in so called informal conversations related to the strategy work. This has been continuous consultancy throughout the whole process.

I have been responding to a lot of questions from the CEO during the process. These have been about the past and how the growth has reflected to the organization for example. That has been a part of my role definitely. (The Top Management Team Member 2)

One-to-one discussions with the CEO and COB have been pretty casual in nature. That part has been very lightly structured or even non-structured. There haven't been so-called "topics" or anything arranged. Actually, the bigger the party has been, the more it have been coordinated, structured and prepared. (The Top Management Team Member 1)

If the informal conversations and meetings are compared to the official meetings during the strategy process, most of the top management team members estimated that they have been spending at least the same amount of time in informal activities. Large amount

of their everyday work and conversations inside the top management team are somehow linked to the strategic issues, so the line between the strategy work and other work is blurry.

If all the smaller meetings are included in official ones, and then the various workshops and other things that have been held with the board, the management and the CEO... it is still very hard to tell, because the informal side is something that is impossible to distinguish from my routine workload. I would say that it has been 50-50 with formal and informal. (The Top Management Team Member 1)

Much communication has been going on in slack (the message application) in a written form. Even if there isn't any meeting about the subject, there may be a lot of communication about the materials for example... like "hey can you give me some comments on these". (The Top Management Team Member 2)

To sum it up, the role of the top management team has been collaborative in the strategy formulation towards the both ends of the organization. They have been sharing their substance knowledge with the board and the CEO, supporting each other with their presentations, participating in the gathering of the ideas from the staff and they also answered to the same survey as did the rest of the staff. Most strategy work by them have been individual as the preparations of the materials, but they have also had numerous top management team meetings where they have worked as a whole.

In particular, in my opinion, especially in the leadership of the operations, the CEO has been listening to me and other top management a lot and our thoughts are certainly a big part of the strategy as well. (The Top Management Team Member 4)

I have been working most of the time probably with the management team and the CEO, whenever the strategy has been in our internal meetings, but also with the staff during the strategy day and the workshops. During these latter ones, I have been in a role of a listener by giving room for the staff and writing a lot of notes. And then with the board, we had the entire strategy day. Hence, I have been basically working with all the stakeholders in some way. (The Top Management Team Member 2)

In the activities related to the implementation, the top management team have been collecting ideas from the staff for the topics of the sessions and collaborating with the staff by sharing their expertise in the different sessions. One of the top management team members was in the charge of the development team which focused on ideas to develop one area of business and two others took part in the structuring of the new team which will take over the work around this segment (The field diary).

5.4.3 *The role of the staff*

The staff has been in a creative role in the strategy process. They have had much responsibility to think through company's current activities, company's situation on the markets and what as well as how they think they should do their work in the future. The staff has not only been involved during the steps of the process, but their views about the future of the company have been taken into account already as a part of their recruitment and in the discussions about the future staffing.

In a sense, the strategy was already a part of the first conversations with the CEO when I started in the company. Back then, we already talked about these issues and my views of the future of the company. Especially now, when I got the team lead role, I've got to take part to the discussions regarding skills we will need and how the strategic priorities should be reflected in the recruitment of new staff. (The Employee 1)

The first step in the strategy process for the staff was during the early stage, when the staff gave raw ideas and views in a form of a survey to the management and board. They gave their views to support a SWOT-analysis of the company's situation and future. Answering to the survey was possible online for two weeks and it was anonymous (The field diary).

The staff was asked about everything possible from where we are now to where we are good, where are the worst, where are the biggest opportunities and where the biggest threats. Those were basically the SWOT-analysis questions and additionally something about what inspires or attracts them, what is it in our company you definitely want to keep and what to change. (The CEO)

With the survey answers, the staff had a big impact to the strategy formulation as they gave topics for the board and top management team to discuss further. They shared information and their knowledge from the grass-roots of the business and helped the management and the board to understand their views regarding the company and its future.

The answers gave us a good idea about what people are thinking and what we are actually doing here. The survey answers really had a great importance and created actually the structure or basis to our strategy work in general. The issues raised from the staff's strategy survey were discussed with the board as a part of the content of the strategy day. (The CEO)

Next time the staff was involved was after the strategy day of the board. The staff gathered together in a form of three strategy workshops. These workshops included a power point show which was looked through step by step. First part was a collection of the survey answers. The staff discussed if everything necessary was included and gave comments if something important was missing and why something should be included. Second part included conversations and brainstorming about the company's mission and vision. The staff again gave ideas and justified their arguments. Finally, the content and key points of the strategy day of the board and the board's additions to the SWOT-analysis were checked through. The staff asked questions, represented their opinions and challenged some of the board's views (The field diary). In this point, the staff was in a role to shape the direction where the strategy process was going.

Yeah, I took part to one of the workshop. I guess the idea was to publicize the answers of the survey and to discuss them together. Perhaps, if there were significantly different views and opinions, we would have had the opportunity to discuss them thoroughly. (The Employee 2)

As a one of the last parts of the strategy formulation, the whole staff gathered together in a form of the strategy day of the staff. In this event the staff got to see the first draft of the strategy.

There are at least two bigger entities for which the staff is going to be divided into different groups and they will think about the content of the strategy and its meaning to us in practice. In addition, the staff can still take a stand on what it looks like, if something is missing and so that everyone will stay in touch where we are going. (The CEO)

The first part of the strategy day's agenda, was that the staff gave their opinions and asked questions about the content of the new strategy. The second part focused on the vision and long-range goals of the company. The staff gave comments about the realism of the vision and goals and their thoughts about the requirements of achieving these in practice. In the third part, the staff was divided into groups to think about the expected changes in the operating environment, how these will affect to the company and how the company can conform proactively to these changes which were listed in the strategy. Fourth part was a continuum of the group work, but this time, the groups thought about practices and needs created by the different strategic decisions and directions for the future action. In the last part of the strategy day, the staff members wrote down individual versions of the company's mission statement and sent these to the CEO (The field diary).

In these sessions we have had, the staff have been straight in a way they have challenged and disagreed some views. That has been important in a way it has made me also think more critically about these things and decisions as people open their mouth and give critic. (The CEO)

Totally, the staff had three significant parts in the strategy formulation: answering to the staff's strategy survey, participating in the strategy workshops and in the strategy day of the staff. In all these tasks, the staff acted as a pool of ideas and developed further the views of the board, the CEO and the top management team. They have also given their strategic views outside the formulation process, as one of the employees told about the strategic discussions taken part already during his/hers recruitment and later discussions around the future needs of new recruitments.

The staff naturally took part in the different sessions related to the implementation of the strategy. In these sessions, they shared their knowledge to train and educate each other as well as to develop new practices which are important for the future development of the company. Four staff members were also taking part in the development team which focused on developing the certain segment of the business (The field diary).

5.5 The CEO as a bandmaster of the process

The CEO of the company has taken the lead of the strategy formulation from the very beginning of the process and affected to it even before, as the change of CEO triggered the whole process. The new CEO realized how the differences between his/hers background and knowledge compared to the previous CEO created a need for the strategy to be updated by some part. Since then the new CEO of the case company has been leading the strategy process and participated in every step of the formulation process.

The CEO has clearly taken the lead from the start of the process. (The Top Management Team Member 4)

Already during my recruitment, some of the previous strategic choices were discussed, and one of them seemed to me as a true hazard with intuition. It was there (in the previous strategy) because the former CEO had a certain background and knowledge suitable for it...

... Together with the COB we decided that when I would start, of course, we needed to check it properly and get it "up to date" if necessary. (The CEO)

It was the CEO who informed the staff that the company will go through a strategy process (Kick-off slides 2017). After the board meeting of March 2017, which started the process, The CEO took the responsibility of the design and leading of the process and collaborated together with the top management team to create the questions for the board in the beginning of the process.

The CEO has clearly guided this strategy round, which has been difference to the previous one, when the COB was more involved in such work. (Top Management Team Member 1)

I made the timetable and designed the steps of the process. Everything was agreed to go by the lead of the CEO...

... We discussed with the top management team to create the questions and we gathered together ten questions for the board. (The CEO).

For the summer meeting of the board and the strategy day of the board as well as for the other meetings related to the strategy, the CEO has made the program, led the preparation of the pre-materials and discussion in the meetings. He/she has been taking care that everyone else are prepared, know the agenda and the purpose of the meetings.

In the board meetings, the CEO has been like a facilitator of the discussions related to the strategy. He has been involved in every board meeting concerning the strategy. (The Member of the board)

It (the strategy day of the board) was prepared by me. We only decided with the board that we are going to have this strategy day and I made the program and all the pre-materials with the management team. (The CEO)

The CEO summed up the views from the staff's survey answers and made a slideshow of these to the strategy day of the board. (The Top Management Team Member 3)

During the strategy day of the board, The CEO acted as a chairman. He sent everyone the pre-material and the program beforehand and led the meeting through the agenda. He acted as a chairman and made sure that the conversation went ahead, and all the topics were discussed thoroughly.

Well, then, before we had the strategy day of the board, I sent the day's agenda and prepared materials in advance. For example, the compilation of the answers from the staff's strategy survey, a market and a competitor analysis and an analysis of the possible directions for strategic expansions and calculations from different markets to the participants. The whole day and discussion were built around these. (The CEO)

In practice, I chaired the conversation, made the rules of play, shared turns, set pauses and asked questions and so on. I prefaced all the topics and asked questions and tried to keep the conversation on track so that the objectives were fulfilled and we were able to stay on schedule. (The CEO)

The CEO also gave his/hers own opinions during the strategy day of the board, but moreover he/she listened to the others and concluded their views as a majority opinions and made sure that everyone stood behind his/hers conclusions before jumping forward in the agenda. This has been his/hers style through all the meetings.

I tried to pull things together and act diplomatically. I also gave my own opinions, but at the same time, I always tried to make sure that I interpreted the meeting correctly, like: "okay I interpret this is the opinion now and that most of us stand behind this and now we can move on to the next topic". So, I was probably like a technical chairman which took care that the program went on smoothly and all the topics were discussed through. It has been like that all the time... (The CEO)

Inside the top management team, the CEO has been organizing all the work and tasks. The board hasn't been taking part to the management of the process. This seems to be a natural line over which the board doesn't intervene.

The work of the top management team has not been discussed in the board meetings and generally the board doesn't take stand to how the CEO leads or distributes work within the organization. That's how a healthy board and top management team should also work if you ask me. (The Member of the Board)

There have been very clear preparations in the process, both in the subject area and as a whole and the CEO has prepared a lot by himself and shared tasks within the management team. For all of these, we in the top management team, have gotten assignments in advance from the CEO. (The Top Management Team Member 4)

The staff's involvement was an idea of the CEO. By the survey, the strategy workshops and the strategy day of the staff, he/she wanted to gather information and use the knowledge of the staff in the process as well as to improve staff's commitment to the strategy and the organization.

It (staff's involvement) came to the process by the CEO who brought it proactively to the board and to me at the meetings and in our one to one discussions. So in that way it has been quite clear to me, that the staff is strongly involved, and I believe the board has mostly known it too. (The COB)

That (staff's involvement) started as my idea, but I believe that everyone else supports the idea. It's for the staff to see where they are going and, as we have smart people here who does this job every day, if they are stopped to think about certain issues once in a while, we can get lot of good answers out of them. So purely for gathering information and adding everyone's own understanding was one reason. The second reason was that when the staff is involved in the strategy process and people give their opinions, they are more committed to the firm. (The CEO)

With the staff, The CEO has been acting similarly as with the board. He/she sent the summaries of the views from the strategy day of the board as pre-materials for the staff

before the workshops. He/she also sent the invitations to everyone together with the topics which were going to be discussed. (The field diary.)

During the workshops the CEO was leading the discussion with a power point presentation and shared turns for everyone to speak. He/she showed the summary of the views from the staff's strategy survey as well as the results from the strategy day of the board with bullet points and opened them up. After every section he/she asked questions such as: does this look good? Should we add something? Is there something we should reconsider? Some ideas and questions, he/she promised to take back to the board for consideration in their next meeting (The field diary).

In the different workshops, he/she (The CEO) has been the one leading the conversation. (The Employee 2)

The CEO has been the person who has taken things forward and with whom we have discussed and who has gathered the conversation together. That has been the thing from the Kick-off event of January 2017. And when there was this strategy survey, he/she reminded us to answer to it and when we went through the answers in the workshops, he/she was there to lead the debate and take it forward. (The Employee 3)

During the strategy day of the staff the CEO led the conversation again as he/she did in the workshops. In this event, there were additional group tasks organized by the CEO. He/she gave tasks for the staff, gave time limits for each task, and reminded everyone about the course of the time. After the strategy day of the staff, the CEO discussed and finalized the strategy with the top management team and sent the final version of the strategy to the staff, so that everyone had the final opportunity for comments before representing it to the board in their final meeting of the 2017 (The field diary).

When we will begin to think that the strategy is ready, then there has to be the whole management behind it before it goes to the board. At the same time, the staff will still have a possibility for opinions through an electric commentary round. (The CEO)

As was noted earlier, the CEO hasn't been a pure decision maker in the process, but the decisions have been made together by the whole organization. When asked about decision making during the process, every interviewee pointed out that there has been good consensus among the views through discussion with the board, the top management team and the staff.

Well, decisions have been made quite consensually. I guess it is even hard to tell when some decision has come to an end, because it has been made

in a mutual understanding and consensus without any disagreements. If you'd really try to scan through the process you couldn't say when some choice was made. (The Member of the Board)

Those (the decisions) have been made in many stages through the involvement of many people, as for example, by the thoughts and criticisms and contributions of the entire staff. But how these have become proposals and then decisions, I would say by the lead of the top management team including the CEO. (The Top Management Team Member 1)

The CEO hasn't been making decisions himself, but he/she has been gathering together knowledge, information and different views by enabling discussion around different topics. These discussions and views have eventually transformed into strategic lines and decisions by his summaries. This way the CEO have indirectly affected to the decisions and gave his own influence on them.

I have tried to get the strategy from side to side between the staff and the board so that both can process each other's ideas further. Of course, I have always summarized the views from both sides and had my own influence that way. (The CEO)

Coordination and facilitation has been his/hers greatest influence in my opinion, and I also mean in decision making. The CEO has got very debating approach to this, and not like a... I wouldn't describe that he/she has ever got the last word, but rather a strong believe that the others may even have a better input for practical decisions and what is reasonable and possible and likely and so on. (The Top Management Team Member 1)

Through the formulation to the implementation of the new strategy, the CEO has been and will be the one responsible of the results. He/she has been the leader of the process who has gathered the whole organization around the strategy work and ultimately it is his responsibility to get the organization through the plan to its long-term goals. As was mentioned earlier, the CEO hasn't had an autonomous role in the decision making but has been creating conditions and possibilities for all the organizational actors to share their knowledge and participate in the decision making.

Well, his/hers role has been maybe the overall controller of the whole thing in some way. The CEO is like a project leader. He/she makes things happen, has a vision of what's going on, gives tasks to others, has the responsibility of the process and schedule and makes sure the calendar invitations are sent on time and materials are prepared. In practice, he/she leads the project and the thought work through his/hers own actions. He/she has been the conductor and certainly will be. It is ultimately his responsibility that we get the strategy updated and approved by the board and owners, as he/she is responsible of bringing it to the end. (The Top Management Team Member 2)

It seems that the CEO will continue to cherish this style of involving other actors into the process also in the implementation of the strategy by creating short term goals and steps together with the other actors.

One of the most important tasks for me is to get the strategy implemented, so we will start to think about what it's going be in practice. Obviously, it is clear that the making of short term goals and steps together with a creation of a structure which enables reaching the goals is going to be thought through. (The CEO)

In summary, the CEO has been leading the strategy process through the design and execution, as he/she has planned and chaired all the steps and strategy related meetings. The CEO has been involving the whole organization strongly to the process and organized all the work and tasks between different actors. He/she has been also informing the organization about the process and its progress. The CEO hasn't had an autonomous role in the decision making but has been creating conditions and possibilities for all the organizational actors to participate in the decision making. He/she has been gathering together knowledge, information and different views and ultimately shaped these to collective decisions in the form of the strategy.

If we take a look to the implementation processes during the formulation, the CEO hasn't been involved in the trainings of the staff but took part to the case competition which started the development team and led to the formation of new team in January 2018 (The field diary). The material of this research doesn't reach the decision making related to the formation of the new team, but we can assume that the CEO has been involved in it.

In the next and final chapter, these findings about the strategy process and participation of different actors in it will be examined together with the theory of this research. Con-

clusions will finally answer to the main as well as primary research questions and discourse the value of this research, limitations in the findings, and future research propositions.

6 CONCLUSIONS

This chapter will answer to the research questions by comparing the findings to the literature. The first sub chapter will discuss about the nature of the strategy process in the light of the different perspectives of the strategy schools and theories about strategy process. In the second sub chapter, the roles of the other actors are compared to the literature and the last sub chapter is focused on the role of the CEO.

6.1 Versatile nature of the strategy process

The first supportive research question was: what has been the nature of the strategy process from the start to the formulated strategy? With the first look it can be said that, the strategy process of the case company has proceeded through the formulation stage in a quite traditional way. Hämmäläinen & Maula (2004, 24) claim that the usual linear strategy process begins from the analysis of internal situation, external environment and previous strategy and continues with measuring of the new strategy and business goals to the implementation and evaluation of the new strategy. Compared to this definition, the process in the case company has been indeed linear this far as every stage has been taking the strategy forward and closer to the final version and implementation.

If compared to the first traditional strategy schools, the usage of the analyzes in this strategy process, such as SWOT, is a feature similar to the thoughts of the prescriptive *design school* which has made SWOT-analysis famous as a part of the strategy formulation (Elfring & Volberda 2001, 3). Another prescriptive school of thought, *planning school*, is also represented in this process. The strongest feature from planning school is the systematic approach to the strategy formulation outside daily activities whereby explicit plan is developed, formalized and implemented (Elfring & Volberda 2001, 4).

Couple of features however makes this strategy process differ from the prescriptive perspectives. First one is the amount of the involvement of the whole staff in the formulation. It certainly can be said that the strategy formulation hasn't been only on the table of the CEO, the top management or the board but has been a collective, mental and creative process where the views of the whole organization have been molding the strategy and decisions. This feature is familiar especially from the ideas of *cognitive and learning schools* of thought. These two perspectives see the strategy creation exactly through collective, mental and creative process and as an end product of social cognitive and learning processes occurring throughout the organization (Mintzberg et al. 1998, 150-151; 184.). And as there have been workshops and strategy day's involving the staff to create ideas and content to the strategy, these features have been present.

Second distinctive feature to the prescriptive schools of thought is the fact that there have been many activities to implement the strategy already during the formulation process, as trainings and development of particular operations linked to the strategic goals. This feature is also similar to the perspectives of the *learning and cognitive schools*, as well as, other descriptive schools of thought, as they don't necessarily separate formulation and implementation as different parts of the process (Mintzberg & Lampel 1999). As the strategy in the case company has been formed in a collective social interaction, it is also important to point out that this is how strategy is formed by the thoughts of the *cultural school* by Mintzberg & Lampel (1999). The common culture, which cherishes trust and confidence, as well as, low hierarchy and equal opportunities to impact, shows up strongly in how everyone has been taking part in the case company's strategy process.

It can be said that the strategy process of the case company has combined ideas and features from the *design, planning, cognitive, learning and cultural schools* of thought from the traditional schools. The views from the perspectives such as *positioning school, entrepreneurial school, environmental school and power school*, have not been as much present, as competitive and environmental pressures, as well as, political powers have not played a major role in the process. From the perspectives of Mintzberg, the configuration school, with the ability to combine different traditional perspectives, has therefore a close match to this particular strategy process. However, the configuration school is based on an idea where each schools' thoughts must be found at its own time and in its own context. This means that thoughts of only one school can be present as the time and the context stays the same (Mintzberg et al. 1998, 306). This isn't consistent with the findings of this study whereas features from the five different school of thought were found in the same time and context.

Another combination by Elfring & Volberda is the *dynamic capability school* which has the view that strategic thinking should be based on the inner resources of organization. (Elfring & Volberda 2001, 20-21). In this particular strategy process, most of the time, the focus has been in creating content to the strategy by the usage of the inner resources and knowledge of the organization. Therefore, the thoughts of the dynamic capability school have been present.

Table 6 The Features from the strategy schools in the process

School of thought	Present features
Design school	Use of the SWOT analysis
Planning school	Formal planning of the process
Cognitive school	Collective mental process
Learning school	Collective learning process
Cultural school	Collective cultural process
Configuration school	Combination of the traditional schools above
Dynamic capability school	Use of the inner knowledge resources

After the combinations of the different traditional strategy schools, the literature review continued to the strategic management and different perspectives to strategy process. The first perspective to strategy process, *strategic learning and knowledge management* by Regnér (2001, 45-47) was about the use of the inner knowledge resources in the strategy process. These resources were claimed to be useful in a strategy process executed in a complex environment.

Strategic learning requires intra-organizational processes to ensure the creation, distribution, interpretation, and implementation of the strategic knowledge (Sirén & Koh-tamäki 2016.) In this particular strategy process, all the steps of the process, as well as, the flow of the information between the steps can be described as intra-organizational processes which have created, distributed, interpreted and implemented strategic knowledge between and among different actors. For example, in turns, some content of the strategy has been created by the board and distributed to the staff, interpreted and further developed by the staff and again distributed back to the board multiple times until the strategy was formulated.

Second perspective to strategy process and management of the process, *Logical incrementalism*, has an evolutionary perspective of small steps to strategy process (Quinn & Voyer 2003, 183-182). It can be seen in this particular process mainly in the decision-making style which have left some doors open for the future, as one of the organization's ways of doing things is to stay flexible and react fast. Logical incrementalism is present also in the case company's way of not planning the implementation as a part of the strategy process much ahead.

Perhaps the third perspective to strategy process, *Crafting strategy*, from the chapter 3.2.3, has been one of the mostly featured perspective in the case company's strategy process. It highlights the importance of proactive behavior and freedom for action in the strategy process, as individuals need to learn and make sense of the strategy by shaping of it with their own actions (Mintzberg 1987b). As the whole organization has been involved in the formulation process in turns, the members from different levels of the or-

ganization have been also implementing the strategy in the training sessions and development projects, and the organizational culture has always cherished proactive behavior, the features from the *crafting strategy* have been in the limelight in the case process.

The last perspective to the strategy process and management of the process, *Strategy-as-practice* is partly out of the reach of this research, as the focus in the empirical part of this study hasn't been completely on the everyday work and activities of the organizational members. Especially, because this strategy process has been mostly quite traditional in a way how the strategy has been formulated as a certain project separated from other activities, which is at issue with the idea of the strategy-as-practice perspective (Jarzabkowski 2004). However, there have been different activities in the case company during the strategy process, which resemblance to the theory of the strategy-as-practice. For example, the implementation related tasks have occurred in the interaction of people on micro-level. This interaction has allowed the distribution of the knowledge in training sessions and workshops which aimed to the development of the know-how and business. By their actions and interactions, which have contributed and molded the strategy, the micro-level actioners have been doing the strategy in practice. This has been, as Jarzabkowski (2005, 21) calls it, "strategy as situated activity", because it both shapes and is shaped by the organization within which it takes place. For example, the staff in the training session shapes the organization as their know-how to act in different kind of situations develops. At the same time, obviously, the organization and the members of it are the ones shaping the activity, organization and themselves.

Table 7 The Features from the perspectives to the strategy process & management

Perspective	Present features
Strategic learning & knowledge management	Distribution, interpretation, and implementation of the strategic knowledge
Logical incrementalism	Evolutionary process
Crafting strategy	Proactive behavior & freedom for action
Strategy-as-practice	Interaction of the people on micro-level

Finally, by this part of the conclusions, we can answer to the first primary research question: the nature of the strategy process from the start to the end of the formulation has been collective and has included links to many theories and perspectives of the strategy literature at the same time. The process has been formally designed and planned, has produced mainly open-ended decisions which support flexibility and most of all, has been strongly influenced by the collective culture and the use of knowledge-based resources of the organization. Compared to the Baporikar's (2014, 31-32) statement where strategic management processes in SMEs are usually more informal, unstructured, irregular and incomprehensive than in larger companies, the case process can be interpreted to correspond the description. However, the process has certainly been more formal, structured,

regular and comprehensive than in a *simple type* company, which was a definition for entrepreneurial small companies with no hierarchy and structures at all (Miller 1990). Therefore, the case organization, by the features of its strategy process, possibly have more similarities with *Adhocracy* organization in flexibility, sensitivity and courage to change the ways of doing things as well with other opposite features to bureaucracy.

In conclusion, can be said that it isn't possible to find one perspective or definition from the literature which fits the case company's strategy and strategy process, and this is what makes the nature of the strategy process versatile. This research revealed a certain combination of the different features from different researchers and schools of thoughts which took place in the real-world strategy process. Multiple links of the findings and different perspectives of the strategy literature in this study present the complex practical nature of the strategy and strategy process in the SME context.

6.2 Modern role of the board & multiple strategists

The second supportive research question was: who are the other actors working together with the CEO in the strategy process, and what roles do they play? In this chapter, the purpose is to answer to this question by linking the practical findings from the participation of the different actors to the theory about strategy work and different actors in it presented earlier in this study. Other actors in this process were the board & the COB, top management team and rest of the staff. As the previous chapter showed, these actors have given their knowledge and views to support the strategic decision making and also learned the strategy through their own activities which have shaped the strategy.

If compared to the content of the chapter 1.3.1 about different actors as a strategist, the board and the COB participated mostly in a modern and contemporary role. This modern role, described by O'Shannasy (2010) included especially engagement to the actual strategy work and discussion of the strategic direction with the top management and the CEO. All the board members in the case organization engaged in the strategy work and discussion in the strategy day of the board as well as during the other board meetings. Secondly, as in a modern role of a board & COB presented by O'Shannasy (2010) the case organization's board shared their individual specialist knowledge and worked collectively as a team over their own fields of expertise. Furthermore, the findings match to the theoretical best practices for a COB, as the COB in this case acted as a mentor and confidant for the CEO and guided the other top management team members. Only feature from the modern role of a board & COB by O'Shannasy (2010) which was apparent in the case findings was the monitoring of top management so that they don't fall into opportunism and self-interested behavior but perform for the interests of shareholders as first priority. Perhaps this feature was apparent due to the strong trust and proximity of the actors in the process.

However, it must be granted how the board & the COB had significant role in the kick start of the process, gave their acceptance to the design of the process steps, were aware of how the strategy was shaped at different stages, and accepted the formulated strategy in the end. From all this can be concluded that the board & the COB had the process also under their control all the time.

The theory related to the SME context also emphasized the importance of the same features in a strategy work by a board & COB. In the SME context, additional advices and sharing of expertise can be crucial to compensate possible managerial deficiencies of a CEO and top management (Van Gil 2005). This feature came up in the findings and it was a reason for closer co-operation, as the COB noted how his/hers additional involvement was needed because the CEO was so new in the role and the company. Also, Huse (2007) claimed that in SMEs, board members are usually a pool of helpers who provide sounding board, shoulder to cry on and a source of advice. In the case company, this softer role was mostly carried by the COB outside the meeting rooms and the rest of the board focused to the formal side of the strategy work during the meetings.

The role of the top management team was somehow similar to the role of the board & the COB in a way they provided their individual knowledge to the process. Their effort was important especially in providing knowledge from the operational side of the business and company functions. As the top management team in the case organization is strongly involved in the operations in their day-to-day work, they acted in a role which Johnson et al. (2008, 563) brought up as a role where middle management can usually bring added value to the strategy process. Johnson et al. (2008, 563) noted how middle management can improve decision making by providing up-to-date experience and realities of the organization and markets. These tasks were certainly carried out in this case by the top management team and their work during and before the strategy day of the board for example. Johnson et al. (2008, 563) also pointed out how middle management usually have a role in the implementation, and in this case, the top management team was also strongly involved in the implementation procedures. The way the top management is involved in the daily operations of the case company is perhaps more common in the SME context, as usually SMEs lack hierarchy and are flatter by their structures (Baporikar 2014, 25). Perhaps that's why the role of the top management team in this case included responsibilities better suited for middle management in the book of Johnson et al. (2008) which concentrated to the larger company context.

When shifting downwards in the hierarchy, Clark (1998, 160) pointed out how staff's role grows important in strategic decisions of SMEs which are not managed personally by authoritarian owner but resemble larger company with professional hired management. Clark (1998, 160) describes the role of a staff more important along to the growing influence of a culture, which in this case has already been noticed to be significant. In this case study, the staff was an important sounding board and a pool of ideas and views for

the management and the CEO in a way the current literature has not yet taken low levels of an organization into account. The staff's effort in providing their views for the SWOT-analysis from the grass roots of the business and their participation in thinking about practical ways to achieve strategic goals and to tackle changes in the business environment, are important findings in this study by showing how the knowledge-based resources from the lower levels of an organization can be used in a strategy work.

Finally, by this part of the conclusions, one can interpret that all these previous actors in this strategy process have been acting in a role of a strategist. If compared to the definition of Ericson et al. (2001, 68) about a strategist which is working with tasks, such as formulation of strategies, tackling of strategic issues or problems, and making of strategic decisions, the collective work of all the actors fits the description. Ericson et al. (2001, 67) also noted that a strategist can even be a prevailing culture which guides strategy formation. Since the culture in the case organization strongly builds on trust and opportunities to influence and has clearly affected to the nature of the process, can be claimed that the culture in the case company has been a strategist which has guided, or at least affected strongly to the strategy process in this case. However, by designing and leading the organization through the steps in this strategy process, the CEO have been taking the culture into account and enabled its influence in the process. In the next part of the conclusions, the role of the CEO is examined in the light of the literature.

6.3 The CEO as a modern chief strategist

If we take a look back into the nature of the strategy process, the CEO has been certainly affecting to the features of the process. The way he/she designed the formulation process to take all the organizational actors aboard from the beginning and ensured everyone got chances to affect into during the different steps of the process, was probably the most important part of the role of the CEO in this process. Therefore, the CEO of the case company has certainly been an important agent in a crucial role in the strategy process of the case company. This is the main treat by Ericson et al. (2001, 58) for a strategist. As we earlier noted how all the actors have been in a role of a strategist, and the CEO was involved in every part of the strategy formulation, which he/she also designed, can be interpreted that the CEO in this case has been acting as a chief strategist, which Porter (2005) set as a default role for a CEO in a strategy process.

Porter (2005) highlighted how a CEO has to lead the strategy as a cause and that the most important skill for a CEO in a strategy process is the ability to make choices and trade-offs. The CEO in the case process has been certainly leading the cause but the choices and trade-offs have been absent in his/hers work, as the process has been very collective, and the decision making has occurred in mutual understanding. Perhaps, it can

be interpreted that the CEO didn't have to make though last resort solutions or trade-offs in this case alone, because he/she managed to get the other participants involved to discussions and thus got their support in decision making. Also, one thing that should be taken into account, is the culture and interest to strong involvement by other actors which have made it easy for the CEO to get the support in the first place. Another factor which has made the process and decision making easier for the CEO has been the lack of critical changes in the strategy, as the new strategy is mainly updated version of the old one. Perhaps the ability to choices and trade-offs would have been pronounced if the process included larger scale changes or if it was the traditional scenario of a strategy process presented by O'Shannasy (2010), where a CEO is responsible for the decision making alone and passes instructions and action plans down to managers below for implementation.

In this case, which has been pretty opposite to the traditional scenario, the role of the CEO has been very similar with the modern role of a 21st century CEO in the strategy making by O'Shannasy (2010). This modern role includes design and customization of the process to the context, engagement of other managers to the process, as well as, maintaining top-down and bottom-up information flow and strategic conversations (O'Shannasy 2010). The CEO in this case has been moderating as a head designer of the strategy process and he/she has been customizing it to the context. The customization can be seen in the way the CEO designed the process to involve the staff to the process in this organization where opportunities to participate are a strong part of the culture. The CEO has also taken into account the knowledge of the top management team and made use of their expertise by sharing tasks inside the top management team. This part of involving other managers is especially important by O'Shannasy (2010) as he claims that a CEO must be able to cooperate with other managers on "who-what-how" dimensions. Maintaining of top-down and bottom-up information flows and strategic conversations have also been executed straightly by the CEO as he/she has been carrying the strategy and its progress between the staff and the board in turns and chaired the conversations in both ends.

When examining staff involvement in the light of the theory, the tasks of a CEO in involving other managers by O'Shannasy (2010), as well as, recommendations for a CEO by Kiel and Nicholson (2003, 130) were limited to acting as a key link between other management and the board. O'Shannasy's (2010) modern role of a CEO only included creation of supportive culture to the staff involvement. By the findings of this research, can be interpreted how at least in this SME context of the case company, which already had a strong culture of participation, the CEO's role and scope of the strategy work can reach the lowest levels of the organization in terms of executing the flow of information and involving the other actors in the process. As all the actors stated that they understood the strategy and were able to participate in it, can be assumed that the CEO had an important role in enabling the understanding and involvement.

In the limited theory of the strategy in the SME context, the management of knowledge-based resources and entrepreneurial orientation together with formal strategic planning were pointed up as the key features for a successful strategy (Aragón-Sánchez & Sánchez-Marin 2005; Baporikar 2014, 25; Wiklund & Shepherd 2003). In the case company context, the role of the CEO has been important in combining formal planning with knowledge management. Features from entrepreneurial orientation have always been part of organization and its culture as there prevails confidence to success and everyone can take part to the development. The CEO has been able to create and maintain personal relationships with all the organizational actors and managed to make use of their collective knowledge during and also before the strategy process. This was possible due to the CEO's personal conversations with the staff members and his/her design and execution of the process, which again strongly involved all the actors in the process and decision making until the end of the formulation.

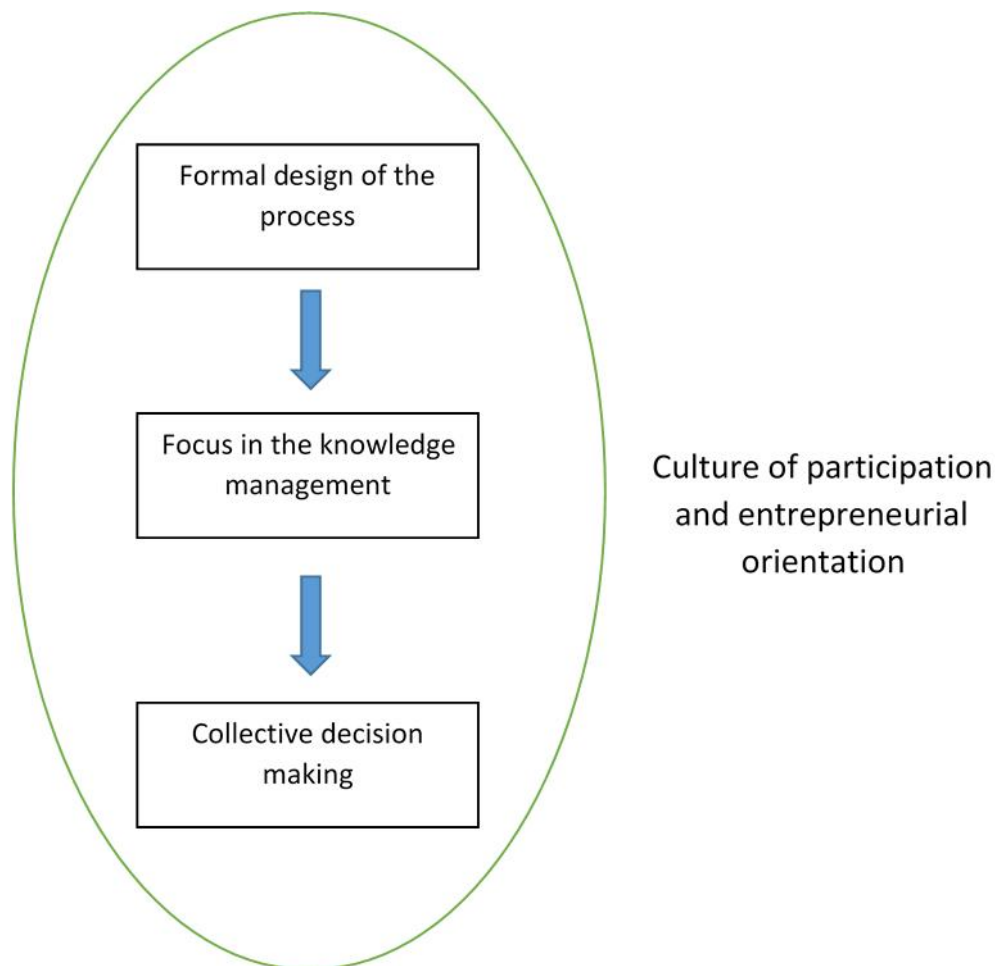


Figure 3 Culture based model to achieve collective decision making through formal design of the process and management of the knowledge based resources by the CEO in a strategy process

As Figure 3 above shows, can be interpreted by the findings of this research, how the CEO was in an important role to design the strategy process to take organization's culture of entrepreneurial orientation into account with a strong focus in the management of the knowledge-based resources. This formal planning introduced methods such as strategy survey, strategy workshops and strategy day to the process, and led to the use of knowledge-based resources and ultimately to the collective decision making.

The strategy survey for the staff as a part of the SWOT-analysis, strategy workshops, and the strategy day of the staff were such practical strategy tools used by the CEO which can be pointed out as important findings from this study. These tools can be noted as ways to enhance the participation of the lowest levels of an organization and management of the knowledge-based resources. These practical tools such as SWOT-analysis and workshops have been noticed in the strategy literature by Johnson (2008, 575-576). This research showed how these can be utilized in the SME context with a culture of participation and entrepreneurial orientation by the CEO to involve the whole organization to the decision making.

Another interesting practical finding is how the CEO carried the process from side to side between the staff and the board and got these actors to develop each other's work further until the strategy was formulated. In the middle of the board and the staff, the CEO has been able to use the expertise of the top management team, for example with the pre-materials, survey design, as well as, workshop content. Van Gils (2005) pointed out how CEOs of SMEs can benefit from top management team's influence by giving significant importance to them in a strategy work. This research supports the argument of Van Gils (2005) and shows an example of how the CEO can do it in practice.

Finally, can be concluded that the CEO has been acting as a modern main strategist who has been designing the process to conform and take advantage of the culture in the management of the knowledge-based resources. Can be interpreted how, by the management of the knowledge-based resources and usage of the expertise of the other actors, the role of the CEO was to gather the whole organization around a collective decision making.

6.4 Limitations

This study was limited on examining the strategy process until the strategy was formulated. The study also covered implementation related activities during this time period, but it does not give information about implementation after the formulation period ended in January 2018. Another thing to consider as a limitation for this study, was the limited amount of time which the researcher was able to use to make observations among the daily work. The researcher wasn't able to observe all the strategy related meetings and

conversations, such as the meetings of the board and top management team. The researcher was only able to observe meetings in which he participated as part of the staff. The material from the meetings and conversations of the board and top management team is only based on the interviews and limited number of documents.

As one of the purposes of this study was to create the best possible picture of the strategy process and the actors in it in the case company and to compare the findings to different theories, the literature review of this study includes many theories and perspectives to strategy literature and therefore each of them have not been thoroughly dealt with due to the limited length and scope of the study. Also, some theories and perspectives might have been completely excluded from the research because only the most interesting and most relevant theories were chosen from the broad literature.

Finally, one more constraint in this study must also be mentioned which is the sensitivity of the research topic and some of the material. Because the strategy of the case company and planning behind it includes data which the organization does not want to share publicly, the researcher wasn't able to tell neither the name of the company or all the details of the strategy content and decisions behind it. The researcher has sought, in his best effort, to describe sensitive issues so that they are not revealed in detail, but that they would be described accurately enough for the purpose of the research.

6.5 Future research directions

For the development of the strategy literature and business, it could be beneficial to repeat this study in different SME contexts. Repeating this study, especially in an organization which seeks bigger changes through strategy process, could reveal differing views, opinions and ambitions in decision making. The study setting might also be really interesting in an organization where culture of participation was the opposite. In these kind of contexts, different challenges brought to the CEO and other actors could be explored further together with the possible effects of these challenges to the roles of the actors.

Another interesting perspective for future research could be cultural differences of organizations and how these should be taken into account in the design of a strategy process. By this research for example, can be interpreted, that in this particular context, authoritarian role for the CEO in the strategy formulation could have been against organizations' expectations and will set by culture.

Strong culture of participation was one factor in this study which gathered the whole organization around the strategy process. Third future research area could be linked to larger organizations which also cherish this kind of culture. One could for example study if it is possible in larger organizations to deploy knowledge-based resources with same kind of management and strategy tools as in this SME context.

6.6 Managerial recommendations

By this study, can be claimed that the CEO can be effective in involving rest of the organization to a strategy formulation in the SME context. Also, can be claimed that with this kind of role, a CEO can affect positively to the way the other actors understand the strategy and its content. Therefore, this study has shown some practical examples for managers about how to get an organization involved in a strategy process.

First of all, to CEOs and other managers, this study recommends to think how to design a strategy process in a way to get all of the organizational actors involved. Secondly, this research recommends managers to think how to utilize knowledge of the whole organization and to get different actors proceed further the contribution of each other. With a certain design of the process, managers can get the strategy formulation to proceed from side to side between a board and a staff for example. By this kind of utilization of the knowledge-based resources, CEOs or other managers can generate collectively made, think through decision.

Finally, this study invites managers to think through the culture of their organization and to discuss the needs which the culture sets for a strategy process. The recommendations above are intended for an organization where other stakeholders are interested in participating in the strategy formulation and decision making.

6.7 Summary

This research focused on the role of the CEO in the strategy process of a small and medium sized recruitment company. The strategy literature has always been interested in the top managers and recently the focus has been steering towards the activities and practicalities around strategy. The literature has also acknowledged the importance of other strategic actors in organizations. Finally, the fact that the SME context hasn't got much attention yet made this study interesting and relevant. The idea was to reveal the practical nature of the strategy process and to find out how the CEO was interacting along the process with the other actors, so we could understand the role of the CEO in the strategy process of the SME. The research focused on the formulation process of the strategy, revealed its steps, involvement of the other actors and finally sharpened to the role of the CEO. The study includes also observations to the implementation procedures during the formulation and therefore gives a broader picture of the whole strategy process.

By this study, it is possible to get an image how the strategy process got started, what kind of steps it included, how it proceeded through these, and how the whole organization

participated in the process. This study highlighted the contextual features which impacted to the process and presented participants' perspectives to the way the strategy was formulated. Most of all, this study answered to the main research question about the role of the CEO through the primary questions about the nature of the process and roles of the other actors in the process.

The CEO was in a role of a modern chief strategist who designed and led the process. The design of the process took the strong culture of participation into account, enabled the management of the knowledge-based resources and finally led to collective decision making. Other actors participated in the process as strategists together with the CEO. The role of the CEO was constructed through the collective nature of the process and active roles of the other actors, in both which the CEO also affected by his/hers own acts and plans. This intertwined whole underlines the importance of the context and culture in a strategy process.

For the development of the strategy literature and business, it could be beneficial to repeat this study in different SME contexts for finding more challenges in strategy process, study organizational culture differences and focus on how these should be taken into account in the design of a strategy process and finally to find out if it is possible in larger organizations to deploy knowledge-based resources with same kind of management and strategy tools as in this SME context.

In the end, should be mentioned that we can't know how successful the strategy process reveals to be for the case company in the long run. Therefore, by this research, we can't be sure if the CEO acted as he/she should have or if the role was good or bad for the long term results. However, can at least be assumed that the CEO contributed positively to the involvement of the other actors in the strategy work, as well as, to the way the other actors understood the strategy and its content. Therefore, this study has shown what kind of practical actions can be taken by a CEO to achieve these results. This research may give advice to practical strategy work for CEOs and to prove that this kind of role for a CEO can be effective at least regarding organization's involvement and sense making of a strategy in the SME context.

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APPENDICES

APPENDIX 1 Structure of the theme interviews and example questions

Strategy in general (Every interviewee):

- What do you think strategy is in the case in the company?
- What does the strategy include?
- What is the purpose of the strategy?

Process flow (Every interviewee):

- When did the process begin?
- What happened back then?
- What happened next?
- What was your role there?
- What happened next?

Continuation of the process (The CEO, Top Management Team & Board):

- What are the future plans of the process?
- What about after the finished strategy?
- When will the strategy be updated again?

Board meetings (The CEO, Top Management Team & Board):

- What have the board's strategic meetings included?
- What has been your role in these?
- Is there an example of how the meeting has progressed?
- Who have been involved in?
- Who led these?
- Who designed the content?
- Have the board members utilized special skills?
- Have the board members had different roles?

Decision making (Every interviewee):

- How the strategic decisions have been made?
- Has the decision making been easy or has there been any disagreements?
- What has been done when there have been disagreements?
- Who has got the last word?

CEO's role (Every interviewee):

- How have you been interacting with the CEO during the process?
- Have there been many formal meetings?
- What have happened in these?
- Have there been many informal meetings?
- What have happened in these?
- How would you describe his role in the process?

Success of the process (Every interviewee):

- How do you think the process has gone this far?
- What would you have done differently?

Context (The CEO, Top Management Team & Board):

- How do you think the context of the company has affected to the strategy process?
- Has there been some effect by:
 - Company's size?
 - Growth?
 - Some special knowledge?
 - Industry?
 - Other?