



Openness disposition: Readiness characteristics that influence participant benefits from scenario planning as strategic conversation



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ARTICLE INFO

Article history:

Received 25 February 2016

Received in revised form 16 November 2016

Accepted 29 November 2016

Available online 3 December 2016

Keywords:

Readiness

Disposition

Scenario planning

Strategic conversations

ABSTRACT

In this paper we examine the impact of participant readiness to engage with, perform and benefit from scenario planning processes. Central to our examination is the concept of 'openness disposition', which in the context of scenario planning refers to the tendency to seek either to hold open ambiguity, complexity and uncertainty, or look for closure, simplification and surety when engaging in strategic conversations. Readiness indicates the capacity of individuals and collectives to work with competing narratives, dilemmas, tensions and differences of opinion, as may occur in scenario work. A focus on readiness through openness disposition enables critical evaluation of the utility of scenario planning to different individuals and groups based on their capacity to engage with equivocality during structured, exploratory strategic conversations. Based on findings emerging from a longitudinal field study with ProRail B.V. Holland, we empirically identify three characteristics of participant readiness, which are theorised to extend understanding of how individuals and groups might engage in, cope and benefit from, scenario planning processes.

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1. Introduction

Characterised by ambiguity, complexity and uncertainty, the constantly unfolding world generates opportunities and threats for organizations that influence their performance or even survival (Bowman et al., 2013; Burt, 2007; Burt et al., 2015; Grinyer et al., 1990; Jauch and Kraft, 1986; Milliken, 1987). Given the unknown nature of future external conditions, management teams understanding of how change will develop is varied and incomplete (Brown et al., 2015; Daft and Weick, 1984; Maitis, 2005), and interpretation of the meaning and implications of shifting circumstances is divergent between top team members (Chia, 1998). Despite these challenging decision making conditions, the onus remains on management teams to steer the organisation onwards in an effective way. Against this backdrop, scenario planning has a well-established history of reducing equivocality in a management team's shared view of unfolding events (de Geus, 1988; Docherty and McKiernan, 2008; Grant, 2003; van der Heijden et al., 2002; Wack, 1985a,b). However, being able to build a productive, unequivocal position in a top management team is not a given (Cairns et al., 2004; Maitlis and Lawrence, 2007).

Scenario planning is a process that is designed to create time and space for a management team to share their ideas, hopes and concerns about the changing world (Docherty and McKiernan, 2008). Through a pluralistic and participative process developing a set of plausible stories about the future, scenario planning accommodates divergent and conflicting thoughts without privileging one over another (van der Heijden et al., 2002). In all likelihood none of these stories will emerge exactly as anticipated, although elements from across the scenario narratives may emerge (van der Heijden et al., 2002), providing a management team with a heightened awareness of and sensitivity to the changing world as it unfolds (Chia, 1996, 1997).

There are many examples of successful application of scenario planning in practice at an organisational level, including Shell (Cornelius et al., 2005; Grant, 2003; Leemhuis, 1985), British Airways (Moyer, 1996) and ICL (Ringland, 1998). However, there is a lack of understanding as to how individuals cope with ambiguity, complexity and uncertainty (and the corresponding lack of certainty) whilst experiencing the scenarios process (Burt and van der Heijden, 2003; Mackay and McKiernan, 2004; Wright, 2005). As a consequence, little is known of the extent to which participant readiness to engage in scenario planning might impact the effectiveness of the process.

There is value in addressing this gap in knowledge as whilst there are claims about the success of scenario planning in supporting strategic planning and learning in organizations (Galer and van der Heijden,

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1992; Moyer, 1996), there are also examples where scenario planning is argued to have failed to make an impact (Docherty and McKiernan, 2008; Hodgkinson and Wright, 2002; Wack, 1985a,b). To date the limitations and boundaries of scenario planning have had relatively little attention, with exceptions exploring failure from a psycho-analytic perspective focused on decisional conflict (Wright et al., 2008), or limited action-taking following scenario building (Docherty and McKiernan, 2008). In addition, there are also concerns raised about the emotional and psychological capabilities of individuals and groups engaging with scenario planning (Bradfield, 2008; Healey and Hodgkinson, 2008; Hodgkinson and Healey, 2008). These issues suggest that there is a gap in theory about the ‘users’ (i.e. top management teams) of scenario planning. Specifically, there is lack of knowledge as to how the ‘readiness’ or receptiveness of individuals to the conventions of scenario planning impacts process outcomes. Little is known about how individual capacities to remain open throughout the process, rather than seeking the certainty associated with premature closure, might influence how the scenario planning process is able to aid a management team (Chia and Holt, 2009).

A main contribution of this paper is the development of a ‘readiness’ framework for those about to engage in a scenario planning process. Readiness indicates the capacity of individuals and collectives to work effectively with the competing narratives, dilemmas, tensions and differences of opinion, that characterise the strategic conversations occurring in and around the scenarios process (van der Heijden et al., 2002). As these conversations typically address matters of complexity, uncertainty and ambiguity, we describe a heightened level of participant ‘readiness’ as an ‘openness disposition’. An openness disposition is a participant’s capacity to remain comfortable with equivocality and avoid premature closure of potentially unsettling lines of conversation. This paper explores the extent to which an openness disposition enables individuals and groups to perform and benefit from scenario planning-based strategic conversations.

Developing a readiness framework is intended to be a first step in addressing the limited understanding of how individuals and teams participate effectively in the scenario planning process. The framework was developed through analysis of fieldwork with the top management team of ProRail BV, the Dutch railways manager. We supported the team undertaking a scenario planning exercise for the first time as part of their change management process (see Fig. 1 in the methodology section). Fieldwork was conducted over an eleven-month period from March 2013 to January 2014. Our findings suggest that the senior management team demonstrated a “capacity to live with and tolerate ambiguity and paradox” (Ward, 1963, p 15), and “to engage in a non-defensive way with change, resisting the impulse merely to react to

pressures inherent in risk-taking” (French, 2001, p 482). To varying degrees as individuals and a collective, this ‘openness disposition’ enabled them to use the scenario process as a means to reach beyond current thinking to find ways of coping with a complex and uncertain strategic future whilst avoiding simplification of challenges and premature closure. In this paper, we identify and elaborate three dimensions of ‘readiness’– balance of thinking, attitude to timescales, behavioural orientation to action – uncovered by our study. We examine how these dimensions contributed to the utility of the scenario planning process, and we discuss the implications for future scenario planning research and practice.

The paper is set out as follows: in the next section we develop our theoretical framework that explores the evolution of scenario planning, from its origins in military application through to the emergence of a ‘strategic conversation’ perspective. With this philosophical shift, we develop the role of talk and conversations as a reflexive and recursive process across time and space. By doing so we are able to develop the connection between openness disposition, readiness to participate in scenarios, strategic conversation and the utility of the process. We then set out the approach adopted to empirically observe in vivo interactions and the evolving narratives during the eleven-month period. From the empirical analysis we present ‘readiness’ characteristics implied by our fieldwork, which we illustrate with participant comments. We then discuss the implications of the framework and an ‘openness disposition’, and conclude by drawing out implications for research and practice.

2. Theoretical framework

In this section we develop our theoretical conceptualisation of scenario planning as a process of strategic conversation, tracing its origins and identifying opportunities to build insights in this under-developed perspective on the role of scenarios.

Developing from the work of Kahn (1962) and Kahn and Wiener (1967) in a military context, in the late 1970s scenarios began to be introduced to business planning functions, challenging conventional methods based on linear forecasts (Amara and Lipinsky, 1983; Wack, 1985a,b) grounded in historic data and experience-based assumptions of relatively stable circumstances (Emery and Trist, 1965; Rameriz et al., 2010). Such an approach was based on the search for pre-determined elements of the business environment (Burt, 2010; Wack, 1985a,b). Against this backdrop, scenario planning emerged as an alternative strategic foresight technique combining economic theories and principles of systems analysis to develop non-linear representations of the changing world. However, initial attempts were of limited practical

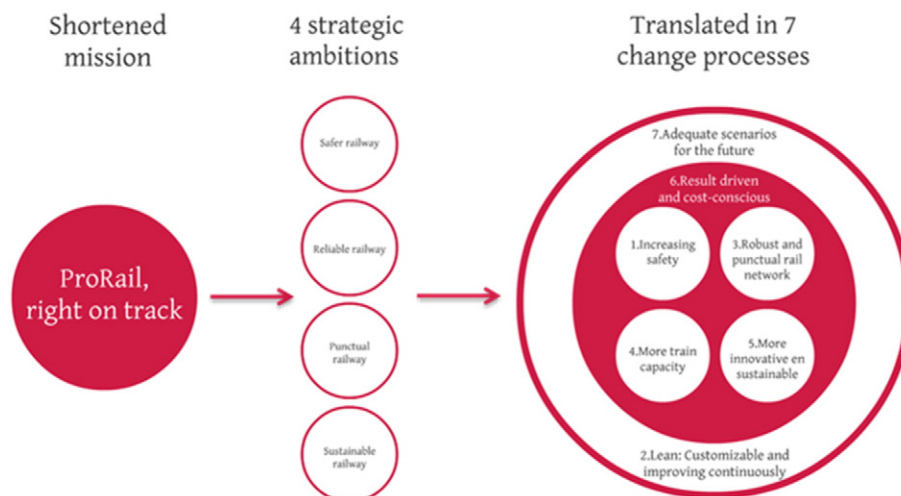


Fig. 1. ProRail strategic change agenda.

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