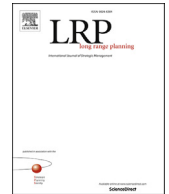




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Open strategy: Dimensions, dilemmas, dynamics

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Responding to increasing practitioner and academic interest in Open Strategy, this article builds on recent theoretical and empirical studies in order to advance research in the following ways. We begin by developing a definition of Open Strategy that emphasizes variation along the two dimensions of transparency and inclusion, as well as the dilemmas and dynamics inherent in its practices. We identify five dilemmas in particular: those of process, commitment, disclosure, empowerment and escalation. We continue by exploring key dynamics in Open Strategy, including both movements along the dimensions of transparency and inclusion, and movements between the two dimensions. Respecting the acute dilemmas of Open Strategy, we allow in each case for movement away from greater openness. The article concludes by proposing an agenda for future research on Open Strategy.

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Introduction

At its simplest, Open Strategy promises increased transparency and inclusion regarding strategic issues, involving both internal and external stakeholders (Whittington et al., 2011). With openness, more strategic information is available, and more people are able to engage in the strategic conversation. However, building on a gathering body of research, we aim in this article to develop a more theoretically-nuanced understanding of Open Strategy, one capable of driving an ongoing research agenda. We will argue that Open Strategy should be seen as continuously varying along the two dimensions of transparency and inclusion, its dynamics driven by the sharp dilemmas posed by organizational and environmental contingencies.

To be sure, the practices associated with Open Strategy – for example, Chief Executive strategy presentations, ‘jams’, wiki conversations and the like – appear well-aligned with major trends in contemporary business. The spread of business education, the new social media technologies and the rise of interdependent ecosystems all favour more transparent and inclusive approaches to strategy (Whittington et al., 2011). Open Strategy also promises many benefits, such as greater creativity due to larger, more diverse pools of contributors (Stieger et al., 2012), increased commitment and joint sensemaking (Ketokivi and Castaner, 2004; Doz and Kosonen, 2008; Hutter et al., 2017), and favorable impression management (Gegenhuber and Dobusch, 2017; Yakis-Douglas et al., 2017). Yet, despite the power of these trends and benefits, the spirit of critical inquiry requires of us an approach to Open Strategy that remains alive to both ambivalence and reversion.

Accordingly, we develop from the articles in this Special Issue and from recent research published elsewhere a definition of Open Strategy that allows for the complexity and contingency required for further research. In this view, Open Strategy is a

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dynamic bundle of practices that affords internal and external actors greater strategic transparency and/or inclusion, the balance and extent of which respond to evolving contingencies derived from both within and without organizational boundaries. This definition aims to capture the varying degrees of transparency and inclusion, from modest to radical, found empirically, at the same time as recognizing how openness can switch from one dimension to another, or even be entirely reversed. This more nuanced approach also reflects how openness is not simply the product of general social, technological and economic forces, but sensitive to the particular and varying contingencies facing individual organizations. Under some conditions, Open Strategy can be dysfunctional. The evolution of Open Strategy is therefore likely to be uneven, with changes in direction according to local circumstances.

It is clear, then, that Open Strategy involves both general trends and specific applications. In this sense, the concept connects directly with the emerging ‘macro’ agenda in Strategy-as-Practice research, an agenda focused on strategy practices with societal reach and significance (Suddaby et al., 2013; Seidl and Whittington, 2014). Strategy-as-Practice research has always recognized the value of local accounts of strategizing activities in specific episodes (Hendry and Seidl, 2003), but has grappled less with strategy practices that have the capacity, as Open Strategy does, of transforming organizational relationships and responsibilities more widely in society. In taking advantage of economic, technological and social trends to grant greater transparency and inclusion to actors inside and outside organizations, Open Strategy does have the potential for those kinds of ‘macro’ repercussions. Yet, as the articles we review here demonstrate, Open Strategy practices are also being continuously made and remade in particular organizations. Openness is simultaneously macro phenomenon and micro instantiation. As such, Open Strategy deserves large-scale, quantitative study across many organizations as much as close ethnographic observation in individual cases. Spanning different levels, and employing a range of quantitative and qualitative methodologies, research on Open Strategy can thus contribute to the melding of micro and macro approaches in Strategy-as-Practice research.

We believe therefore that Open Strategy is potentially a rich and productive concept, capable of capturing major trends in contemporary strategy practice at the same time as allowing for local variation. The phenomena it describes are highly diverse. As we shall show, many practices have been explored under different labels well-before the concept was even coined, and other established practices have been multiplied in both their extent and their effects by greater openness. However, as with the related umbrella concept of Open Innovation (Chesbrough, 2003; Trott and Hartmann, 2009), Open Strategy organizes a range of practices in order to assert fundamental similarities and mobilize joint-research. The concept directs attention to an increasingly widespread set of practices in contemporary organizations, ones that share in contrasting sharply with the deliberately opaque and elitist practices that prevailed in earlier modes of strategizing (Whittington et al., 2011). The growing importance of the phenomenon, its potential benefits, and the complexities of enactment all demand further research.

This article continues by exploring the benefits and complexities of Open Strategy as revealed by recent research. Drawing on this research, we first define more precisely the dimensions of transparency and inclusion, draw out some key dilemmas posed by Open Strategy, and then explicate its inherent dynamics. We conclude with an overarching agenda for future research.

Dimensions of Open Strategy

Early notions of Open Strategy varied in their emphases. Thus Chesbrough and Appleyard (2007), in the first explicit usage of the term Open Strategy, emphasized the exchange of ideas with external actors through the combination of ‘open innovation’ and ‘open coordination’ within ecosystems. For Doz and Kosonen (2008: 75), Open Strategy is more a process requiring that ‘... companies actively co-strategize and experiment with multiple stakeholders in line with a comprehensive architecture for staying connected with the world’. Schmitt (2010) describes ‘open strategizing’ as a process involving external stakeholders in issue framing, arena shaping and credibility building. Demonstrated here is a range of Open Strategy phenomena, from Chesbrough and Appleyard’s (2007) focus on knowledge flows, to the more avowedly consultative approaches of Schmitt (2010) and Doz and Kosonen (2008).

These various phenomena are all captured by the two key dimensions of Whittington et al.’s (2011) conceptualization of Open Strategy. Thus the dimension of *transparency*, referring to the internal or external visibility of information about an organization’s strategy, encompasses the exchange of ideas and knowledge emphasized by Chesbrough and Appleyard (2007). The dimension of *inclusion*, referring to internal or external consultation, embraces both the external consultation of Schmitt (2010) and the more comprehensive co-strategizing of Doz and Kosonen (2008).

But in addition, the two dimensions are capable of organizing complementary themes in parallel research streams even outside the specific domain of Open Strategy. To start with transparency, researchers from the fields of reputation and impression management are exploring the role of openness towards external stakeholders: appropriately managed, greater understanding of strategy leads to more support on the part of shareholders and interest groups (Rindova and Fombrun, 1999; Benner and Zenger, 2016; Whittington et al., 2016). From a different angle, research on new information technologies is increasingly revealing the potential of social media to enhance transparency, by increasing the visibility of internal conversations and creating traceable threads of exchange (Haefliger et al., 2011; Gast and Zanini, 2012; Neeley and Leonardi, forthcoming).

Information technology also promotes inclusion. Thus strategy jamming and wiki technologies underpin recent initiatives to crowd-source strategy, involving participants both from inside (Wood and Bjelland, 2008; Stieger et al., 2012) and from

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