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Doing strategy in project-based organizations: Actors and patterns of action

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Abstract

In the project management literature, projects have often been conceptualized as mere implementation sites of organizational strategy. However, such rationalization seldom draws on empirical evidence of strategy as it unfolds at the micro-level and at the interfaces between projects and the organization. Drawing on rich case-study data, this article explores strategy as-it-is-practiced in a large project-based organization. Using a Strategy-as-Practice lens to identify key patterns of strategizing actions, we found that project mind-sets and skill-sets afforded project actors legitimacy to act as strategists on all organizational levels. Project actualities therefore broadly shape strategy in the organization, and play a much larger role in organizational strategizing than typically portrayed in the literature. The findings are used to suggest new perspectives regarding who are strategists and what strategy is in project-based organizations, and outline new directions for a revitalized research agenda on strategy in the project-management field.

1. Introduction

Although the importance of strategy for all levels of governance of a project-based organization (PBO) has been recognized, strategy remains a theoretical and methodological contested construct (e.g. Winter et al., 2006; Green et al., 2008; Söderlund and Maylor, 2012; Biesenthal and Wilden, 2014). In the project management literature, projects have often been conceptualized as merely being implementation sites of organizational strategy (the stable entity) rather than sites where actual strategizing activity may be carried out (Morris and Pinto, 2004; Shenhar, 2004; Morris and Jamieson, 2005; Young et al., 2012). This view can be compared with the mainstream perspective of strategy "as plan" (Mintzberg et al., 2005), whereby an organizational strategic plan is formulated at top-level and then governs what should be done at operational levels (Chandler Jr, 1962; Ansoff, 1965; Porter, 1996). There is a curious absence of human actors and their actions from such a

perspective of strategy (Jarzabkowski and Spee, 2009). Focusing on actors *doing* strategy a growing number of Strategy-as-Practice (SaP) scholars have shown that strategy is not a stable, homogeneous entity across contexts and times; it is a dynamic activity that is practiced and adapted to different contextual contingencies by different actors at different levels of an organization (e.g. Whittington, 2004; Jarzabkowski et al., 2007; Golsorkhi et al., 2010). It therefore makes sense to talk about *strategizing* alongside strategy (Jarzabkowski et al., 2007), and to assume that strategizing (activity) can take place at all levels in an organization, including project levels in PBOs.

A few scholars have critiqued the common top-down, one-dimensional standpoints of strategy in the project-management literature, calling for research into interrelationships between projects and their parent organization other than that of "obedient servant" (Artto et al., 2008) or site of 'strategy execution only' (Söderlund and Maylor, 2012). Examples of such research can be found in studies that highlight how strategic value diffuses upwards from the project to their parent organization rather than the other way around (see for example

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Martinsuo et al., 2012). Such upward-flowing value streams may be more likely to be acknowledged for large (or mega) projects, the (economic) magnitudes of which make them strategically critical (e.g. Eweje et al., 2012). There are also examples of studies that show strategy as being formed by a combination of both bottom-up and top-down movements between the projects and their organizations (Srivannaboon and Milosevic, 2006). The influential 'project capabilities view', for example, falls into this category, portraying strategic capabilities of PBO's as something that builds on continuous mixes of bottom-up learning from projects-to-organization and top-down strategic decision-making from organization-to-projects (e.g. Brady and Davies, 2004; Davies and Brady, 2016; Winch and Leiringer, 2016; Adam and Lindahl, 2017). The 'two interacting levels of learning' involved in the building of strategic project capabilities are thus the "project" on the one hand, and the "organization" on the other (Brady and Davies, 2004).

While the aforementioned studies can indeed be seen as highlighting the active role that the project level may play in forming strategy in PBOs, they also exemplify a common tendency in project-management studies to give analytical and interpretative preference to project or/and organizational level abstractions when strategy is discussed. This tendency to understand strategy as something that is formed (or not) via various combinations of "projects" and "organization" interactions has, it seems, relegated the actual actors carrying out strategic activities at the micro level to the background. Indeed, even in those cases where the actor-level is in focus data collection tools are seldom geared towards, and interpretive priority is rarely given to the richness of their experiences and the complex social processes that underpin their day-to-day activities. Instead, research designs either privilege the use of pre-formulated hypotheses with data collected through Likert-type scales (e.g. Eweje et al., 2012; Unger et al., 2012; ul Musawir et al., 2017) or obscure the actor-level within "project" and "organization" level accumulations (cf. Brady and Davies, 2004; Vuori et al., 2012). The resilience of this strain of research is also reflected in the growing literature on Project Portfolio Management (PPM) and its relation to strategy in PBOs. In the majority of these studies, PPM is (pre)conceived as yet another analytical level portrayed as an intermediary between the "project level" and the "organizational level", or between "business strategy" and "project management" (e.g. Meskendahl, 2010; Killen et al., 2012; Kopmann et al., 2017). This has led other scholars to raise concerns regarding the lack of practice-based studies of PPM in PBO's (Martinsuo, 2013), emphasizing the need to increase understanding of how the actors in PBOs actually work with strategy practices to actualize strategy.

The above line of reasoning around strategy practices echo recent calls for a stronger practice agenda in project management research in general. Cicmil et al. (2006) and Blomquist et al. (2010) among others make a strong case for the need to rethink project management research by adding fine-grained studies of the 'actualities of projects' i.e., the lived experiences of project managers and project members. We argue here that it is not only the actualities of projects per se that need to be uncovered, there is also an urgent need to understand the actualities of the interfaces at the levels between projects, project portfolios and the organization in increasingly complex PBOs (cf. Maylor et al., 2006; Winch, 2014; Söderlund et al., 2014).

In line with Söderlund and Maylor's (2012) suggestion, we apply a Strategy-as-Practice (SaP) lens to explore patterns of strategizing in PBOs, focusing specifically on how various actors interact across the project-organization interface in order to negotiate and form strategy. Drawing on rich case-study data collected in a large PBO over several years we identify key patterns of organizational outcomes which permeate multiple organizational levels (strategizing). A central feature of these patterns is that project mind-sets and practices are strongly inculcated in the mind-sets and practices at the strategic levels. Following this we show how project actualities broadly shape approaches to strategy in the PBO we studied, and therefore play a much larger role in organizational strategizing than typically portrayed in the project management literature. We conclude by problematizing some of the most fundamental issues regarding strategy-making as it emerges out of a project-based context (what is strategy and who are the strategists?) and outline new directions for a revitalized research agenda on strategy in the project management-field.

2. The strategy-as-practice perspective

The origin of the Strategy-as-Practice (SaP) perspective coincides with the practice and linguistic turns (e.g. Schatzki et al., 2001; Alvesson and Kärreman, 2000) in the social sciences, being primarily concerned with how strategy is actually enacted on the micro-level of organizations (Tsoukas and Chia, 2002; Chia and MacKay, 2007; Golsorkhi et al., 2010).

SaP advocates a shift in attention from the notion of strategy as something an organization *has* i.e., which exists per se, to something organizational members *do* (e.g. Whittington, 2004; Jarzabkowski et al., 2007; Johnson et al., 2007). As such, it is the dynamic processes, practices and activities i.e., emerging and integrating patterns top-down and bottom-up (cf. Mintzberg and Waters, 1985), that are privileged, rather than ideal states, end-products, or formal pre-defined organizational levels such as "project" and "organization". *Strategizing*, therefore, describes a constant and emerging organizational *becoming* (cf. Tsoukas and Chia, 2002; Winter et al., 2006). This is the ontological, as well as the analytical, priority of a SaP perspective.

Strategizing can be defined as the intra-organizational work required from emergence to execution of strategies (Jarzabkowski et al., 2007), including the project level. Strategizing actions and discourse emerge in top-down and bottom-up negotiations that disperse onto various organizational levels, linking micro-level practices with outcomes on various macro-levels (Jarzabkowski et al., 2007; Johnson et al., 2007; Golsorkhi et al., 2010). Strategizing is the pattern of a socially accomplished activity that unfolds when strategy *practitioners* draw on strategy *practices* (Jarzabkowski et al., 2007). Certain "traditional" strategy practices could be considered as central elements for strategizing insofar as their