



## Research paper

# The paradoxes of city strategy practice: Why some issues become strategically important and others do not



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## ABSTRACT

Based on an in-depth study of a strategy initiative in the city of Gothenburg, Sweden, this article addresses the practice of city strategy making. Using methods inspired by ethnography, the article illustrates the complex task of drafting strategies in an urban context. The concept of paradox is used to highlight the tensions involved in being strategic in a city, tensions that can also affect the outcome, i.e., the strategy document. Examining organizational paradoxes is a way to deepen our understanding of why the content of a strategy document has certain qualities and why some issues become strategically important while others do not.

## 1. Introduction

The ways our cities are managed are changing (Batty, 2012) and city organization and structure need to be challenged to meet future needs (Chatterton, 2000). To address future challenges and in response to New Public Management, cities and public organizations are increasingly creating and using strategies (Kornberger & Clegg, 2011; Lapsley, 2008). Strategy documents, as an important part of the strategy practice of cities, have been criticized for being overly abstract, permitting various actors to interpret them to their own ends, but the documents still greatly influence actions in cities because they legitimate certain actions over others (Kornberger & Clegg, 2011; Swyngedouw, 2007). According to Vaara and Durand (2012, p. 249), strategists “make decisions with significant impact on wealth, nature and society”, yet we still lack research into city management practices (Czarniawska-Joerges, 2002; Kornberger, 2013; Kornberger & Clegg, 2011; Vaara, Sorsa, & Pälli, 2010). The present paper therefore aims to contribute to the field of city management studies. The methodology entailed ethnographically following a city’s strategy-formulation process and the involved actors for two years, giving a close-up view of the strategy practice in a city context. Of interest here is the process used to reach a final decision on a strategy document, not the final document itself: in other words, the planning is more important than the final plan (see Clegg, Cunha, & Cunha, 2002; Mintzberg & McHugh, 1985; Wack, 1985). This makes it important to understand the drafting process to be able to understand the future implications of the strategy document and of the actions based on it. The focus here is the process and how and why certain city issues become strategically important while others do

not. The framework concerns organizational strategy making in practice in everyday situations (e.g., Fenton & Langley, 2011; Jarzabkowski & Fenton, 2006; Kornberger & Clegg, 2011; Whittington, 1996, 2006; Seidl & Whittington, 2014). In addition, paradox theory is used as an analytical tool to yield insights into the ambiguous actions taken in a city strategy process (Clegg et al., 2002; Smith & Lewis, 2011). Paradoxical tensions require that we reflect on our rationality and force us to re-examine organizational life in an attempt to make sense of complexity (e.g., Fiol, Pratt, & O’Connor, 2009; Gaim & Wählin, 2016; Jarzabkowski and Sillince, 2007; Jarzabkowski & Sillince, 2007). Theories and concepts are used as tools to illustrate how strategy making unfolds in practice, and the two theoretical perspectives together help us analyse and understand the tensions arising in a city-strategy process and explain why some issues become strategically important while others do not.

## 2. Theoretical framework

## 2.1. City strategy practice

A city is what Weick (1976) would call a loosely coupled system and what Czarniawska-Joerges (2002) would call a social laboratory. Metzger and Rader Olsson (2013, p. 2) describe cities as nodes “within networks that both constitute and are constituted by people, ideas and resources”. Cities have seen a shift from traditional planning to entrepreneurialism (Harvey, 1989) and from public administration to public management (Czarniawska 1999; Czarniawska-Joerges, 2002; Syrett, 2006), sometimes described under the label of New Public

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Management (Hood, 1991, 1995; Lapsley, 2008). This shift might also have prompted cities to adopt certain forward-looking strategies. Strategies regarding what a city should be, for example, 20 years in the future, are formulated and presented in documents that influence the future city and attract interest from engaged citizens, the media, businesses, and other stakeholders. These documents, and what is and is not included in them, are crucial for future city development. What is included often results from negotiations between various city actors and stakeholders. However, some aspects considered but not included in the final document might be as important as those that are included. As Carter, Clegg, and Kornberger, (2008, p. 93) put it, “sometimes that which is left unsaid is more important than that which is carefully articulated”. That the practice of strategy making and the people involved in it are important for the outcome has been stressed before. For example, Pettigrew (1977) suggested that strategy formulation should be seen as a political process in which subgroups develop interests and individuals have more or less to gain or lose from the strategy formulation. More recently, strategy-as-practice scholars have considered how strategies are constructed and used in various settings. This research field treats strategies as things that organizations do rather than possess (Fenton and Langley, 2011; Whittington, 1996; , 2006). Strategies therefore have other roles than simply managing the organization. For example, Kornberger and Clegg (2011) claim that a strategy’s strength is that it treats facts such as numbers and values, creating a rational image of the organization and its future. This further implies that a strategy is intended to mobilize people and legitimate decision making.

Whittington (2006) describes strategy as practice as being about practice, praxis, and practitioners. Strategy making is thus a social practice (Mantere, 2005), and what people do, who does what, and why depend on the practices available to them and on the trends evident at a societal level (Whittington, 2006). A strategy process uses a certain language to move the strategy forward; however, this language is also exclusive, leading the strategy process to be called elitist (Eriksson & Lehtimäki, 2001; Vaara et al., 2010). Language is in turn closely connected to power because it creates a collective understanding of how the world is constructed (Weick, 1995, 2001), and the language of strategy texts exemplifies this. In a city context, Kornberger and Clegg (2011) claim that strategy is what connects experts and laypeople. However, making joint strategic decisions in a city is problematic in two ways due to issues of *extension* (What knowledge can we assume that society has?) and *legitimacy* (How legitimate can a decision made by experts be in a democratic society?) (Collins & Evans, 2008). It is obvious that a strategy process entails inherent tensions, for example, between the two issues of extension versus legitimacy, illustrating the complex task of developing a city for everyone in which everyone has a say. Yet – and this is central – the opinions of all strategy actors must be translated into a document, a narrative on which the city can then base its action (Fenton & Langley, 2011; Vaara et al., 2010). One way to do this is by using abstract concepts, such as sustainability, on which city actors can agree but without sharing an understanding of the changes that they require (Swyngedouw, 2009; Vanolo, 2014). What can be stated is that the use of strategies in city management is both something emerging as well as something that adds to tensions and complexity (Brandtner, Höllerer, Meyer, & Kornberger, 2017). The involved practitioners at various levels may agree at a superficial level but do not have to agree in practice. One way to deepen our understanding of these tensions is to use the concept of paradoxes.

## 2.2. Organizational paradoxes

A city strategy tends to be abstract (Swyngedouw, 2007), even paradoxical, because this allows contradictory goals and future developments to coexist. For that reason, we move to paradox theory. Paradox scholars argue that tensions are inherent in all organizations

and that examining paradoxes can deepen our understanding of organizational complexity (e.g., Clegg et al., 2002; Miron-Spektor, Erez, & Naveh, 2011; Putnam, Fairhurst, & Banghart, 2016; Schad, Lewis, Raich, & Smith, 2016; Smith & Lewis, 2011). Yet, the presence of paradoxes entails questions about how organizations can effectively deepen their understanding of complexity and its implications. Paradoxes are defined by Smith and Lewis (2011, p. 382) as “contradictory yet interrelated elements that exist simultaneously and persist over time”, and by Schad et al. (2016, p. 10) as “persistent contradictions between interdependent elements”. Jarzabkowski, Lê, and Van de Ven, 2013 argue that paradoxes are especially obvious in strategic settings, because strategies often imply organizational change. Luschner et al. (2006) argue that there are three different forms of paradoxes in an organization: paradoxes of *belonging*, *organizing*, and *performing*. Smith and Lewis (2011) add a fourth form: paradoxes of *learning*. The paradox of *belonging* stems from the tension between the organization’s and the individual’s identity and between group benefits and individual self-interest. The paradox of *organizing* encompasses the inherent tensions in organizations, for example, between stability and change, consensus and dissension, empowerment and control, collaboration and competition (Nasim & Sushil, 2011; Stadler & Van Wassenhove, 2016; Watson, 2012). Another example is that organizational structures aim to provide clarity and stability while also enabling flexibility and change (Andriopoulos & Lewis, 2009). Here the control–collaboration paradox should be mentioned (Demb & Neubauer, 1992; Sundaramurthy & Lewis, 2003) especially because, in their development, public organizations increasingly base their management on organizational structures involving people from various parts of the organization in collaboration to address a common task, while retaining goals and interests from their home organizational divisions (Lægred, Sarapu, Rykkja, & Randma-Liiv, 2015). This focus on collaborative approaches is regarded as marking the shift from New Public Management to New Public Governance (Almquist, Grossi, Helden, & van Reichard, 2013; Lapsley, 2008) and from city government to urban governance (Brandtner et al., 2017). This in turn implies that there is room for paradoxes in the structural differences between organizations established to formulate strategies.

There are different types of paradoxes within organizations. The paradox of *performing* implies that multiple stakeholders, both inside and outside organizations, give mixed messages about what the organizations should and should not do (Denis, Langley, & Rouleau, 2007). This is obvious in the setting of a city, which from a political perspective, is an organization based on various interests. Czarniawska (2010) even argues that the city is impossible to manage due to its complexity (also see Michaud, 2014).

The fourth paradox, of *learning*, “revolves around the processes of sense making, innovation and transformation” (Lewis, 2000, p. 765), meaning that there is a paradox when learning anything new given that existing knowledge is embedded in formal structures, procedures, and norms. In relation to this, Miller (1993) argues that there is a risk of over-simplification when seeking to explain organizational success, something that will limit the organization’s capacity to explore new opportunities. These paradoxes are present in the city setting, where there is ongoing negotiation of what to do and how to act, as illustrated by the process of drafting a new strategy document. The paradox of integration and differentiation is also evident (Lawrence & Lorsch, 1967), with integration implying the certainty that the organization’s goals are being met and that its image is coherent. Differentiation is needed, however, because of the range of expert knowledge an organization needs to perform its task. Again, this is obvious in a city’s strategy process, because there is an overall goal of agreeing on what to do, but based on diverse perspectives and expert knowledge. Tensions in a city include the tension between population growth and social problems. It is often argued that cities need more inhabitants in order to survive the competition from other cities (Tretter, 2013); at the same time, however, social problems increase with a growing population

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