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Publication date:
2008

Document Version
Publisher's PDF, also known as Version of record

[Link to publication from Aalborg University](#)

Citation for published version (APA):
Larsen, M. V., & Rasmussen, J. G. (2008). Strategizing by routines. Paper presented at The 24th Egos Colloquium, Amsterdam, Sub-Theme 5: Stability and Change in strategizing routines, Amsterdam, Netherlands.

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The 24th Egos Colloquium Amsterdam

July 2008

Strategy as Practice Sub-theme 5

Stability and Change in strategizing routines

Strategizing by routines

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Strategizing by routines

Abstract

Starting from the theoretical discussion on routines and building on informal and interpretative perspectives on strategizing and organizing the paper analyses how interplay through communication between routines and strategizing, explicitly and tacitly, takes place. This is done through a study of how management in 15 small and medium sized Danish firms strategizes on a daily basis and by an in-depth longitudinal study in one of those firms. This study reveals how routines influence strategizing and how some routines create a specific framework for these processes. It also looks upon how routines occur, are reformed, and created through strategizing in a natural becoming process, and how strategic routines in some situations do not have the same influence on strategizing as non-strategic routines.

Key concepts: Strategizing, routines, sensemaking, becoming.

Defining routines and strategy

Foci for this paper are two forms of routines – strategic and non strategic. A **routine** is defined following the classic definition of Winter (Winter, 1964: 263): “pattern of behavior that is followed repeatedly, but subject to change if conditions change”, (see also Becker 2004:664). At the same time we will discuss if an alternative definition of Hodgson and Knudsen might be more relevant: “Routines are dispositions rather than sets of behaviors” (Hodgson and Knudsen 2004:289) to enlarge the range of routines.

By characterizing routines as dispositions we argue for a process approach and understanding of routines where also potentials are included. At the same time we argue that routines represent more than repeated behavior, routines are part of and elements to maintain or develop how we conceive the world and make sense of our behavior. These actions are constantly changing since every encounter we take part in is different and therefore naturally modifies the routines we use.

In addition to both these definitions routines are seen in the following way: “Historically the term ‘routines’ clearly referred to recurrent *interaction* patterns, that is, *collective* recurrent activity patterns.” This might be supplemented in the following way by the same authors: “By “organizational routines”, we mean patterned sequences of learned behavior involving multiple actors who are linked by relations of communication and/or authority” (Cohen & Bacdayan 1994:555). Both these quotations underline the interpersonal content of the kind of routines discussed here. This is also the case in the following: “Routines depend on a group of individuals...” (Hodgson & Knudsen 2004:290).

On the function of routines a number of quotations point at: “routines offer a powerful concept that accounts for much of what happens – both good and bad – in organizations...” (Cohen & Bacdayan 1994:556), “routines are a major source of organizational competence.” (op. cit:555), and “without routines, organizations would lose efficiency as structures of collective actions.” (op. cit. 554) Other writers have been on the same track: “These explanations suggest that routines arise because they are functional; they minimize costs and increase managerial control, while maximizing the legitimacy of the organization.” (Feldman & Pentland 2003:97).

Important for the same authors is that "...routines can be a source of inertia and inflexibility they can also be an important source of flexibility and change." (op. cit. 94). This is indirectly supported in the following: "... on fire-fighting techniques (Weick 1993) often reveals how well established habits of relating become resources of improvising" (Cohen 2007:780).

Strategy is the other important element in this paper, and it is traditionally defined in the following fashion: "Strategy is the *direction* and *scope* of an organization over the *long term*, which achieve *advantage* in a changing *environment* through its configuration of *resources and competences* with the aim of fulfilling *stakeholder expectations* (Johnson, Scholes and Whittington 2008:3). This rather general definition might have to be specified by the use of the word "*strategizing* which has come to be used to describe *how people go about the process of making strategy*." (Johnson, Langley, Melin and Whittington 2008:27).

In this paper an additional specification of strategizing will be used, normally named: "Strategy as Practice as a *concern with what people do in relation to strategy and how this is influenced by and influences their organizational and institutional context*." (op. cit.) This way of approaching strategy opens for an interaction with the theoretical development within the very active network in strategy research that has developed especially during the last five years, and where some of the main perspectives are micro-level, process and organizational sociology (Johnson et al 2003). This also opens for additional views on organizational processes, where people like Haridimos Tsoukas (on becoming), and Karl Weick (on sensemaking) play important roles in the development of theory we use as a starting point. This leads back to some of the fathers of organization theory: James March (on exploration/exploitation), R.M. Cyert (on Standard Operation Procedures) and W. Richard Scott (on natural and rational organization).

Behind these researchers we want to underline that roots are going further back to ancestors in the development of theory. Our inspiration in this field has been given to us by people as William James (on the dynamics of change), Ferdinand Tönnies (on Gemeinschaft/Gesellschaft), and Alfred Schutz (on biography and Life-world). It seems clear for us as we have read from many of the researchers on strategy and routines that the conclusions made by James and the other "grandfathers" within sociology, learning and philosophy form important parts of the foundation for the inspiration and results of more recent research within this area.

The way we are inspired from the innovative works of these researchers build our foundation on how the interplay between strategy and routines will be analyzed. Becoming and strategizing are concepts that are inspired by the natural organization and its development as Scott has worked upon it. This means that organizations both are involved in rational and deliberate change, but at the same time are driven by its own natural forces of development. This can be seen as a parallel to the observation of episodic and continuous change (Weick & Quinn 1999) and with connections to deliberate and emergent strategies (Mintzberg & Lampel 1999, Ahlstrand et al. 1998).

Analytically we want to dig into the natural, and informal, perspective. This again opens for studying routines mainly as tacit, informal behaviors or dispositions that are developed through the daily work within the organization, and at the same time strongly influence work. In this we try to highlight those strategy processes that are part of the daily conversation within the organization and especially within management. A conversation that of course relates to the

formal and informal activities and routines on the operative and the strategic sphere, as well as more formal agreements, analyses and reports on strategy.

William James wrote in 1909 that we define and talk about change in fixed and static terms as if change has a beginning and an end (James, 1909:234). In the attempt to describe change in steps and sequences we miss the very essence of it, namely its processual and dynamic nature. Trying to put James' word in to practice and research we have been inspired from Chris Carter et al. who argue that we momentarily should forget the word strategy and see which practices produce enduring and recurrent events that we later categorize as strategizing (Carter et al. 2008:92).

We have chosen these perspectives on routines and strategy to focus on how such activities can be interpreted in the ways they actually happen in the daily life of an organization and in the interaction between the individual actors and small groups of members of the organization. We recognize that especially within strategy theory many other perspectives are in operation on more economic, structural, and macro levels, but in our interpretations they are not as useful for analyzing the informal perspectives when strategy processes meet routines as theory building on pragmatism and phenomenology.

The **interaction between routines and strategy** in this paper will be dealt with in the following way. Routines can be strategic or non-strategic. Using the word non-strategic refers to a situation where organizational routines have not been developed as a part of a strategic operation. This means that non-strategic routines do not come from operating on the triangle: environment, organizational goals and the resources of the organization and that they formally do not have a role in strategic steering. Such routines might instead have developed from and functioning within an operational process. However, this does not mean that such a routine cannot have influencing power toward a strategic activity. To analyze these interaction our departure point is as mentioned above the "Strategy as Practice" activities.

This means that our analytic field is defined by the concepts; practices, praxis and practitioners (Jarzabkowski, Balogun and Seidl 2007). This defines that as well human beings, the specific activities and procedures, and rules - and routines they are guided by in their construction of strategy, will be of interest in the analyses. At the same time it is important to say that praxis constructs practices, praxis constructs practitioners, and practitioners construct practices. Routines are an important part of practices and a point of departure for how practitioners act in praxis both when they use a routine directly, and work to change it. These activities have to be seen in a micro, process and everyday perspective (Johnson et al. 2003). The result of this is that the main interest in this study is not formal goal descriptions, plans, and reports it is the more intimate conversations between and actions conducted by practitioners. This focus is for us connected to works of Julia Balogun, Paula Jarzabkowski, Gerry Johnson, Richard Whittington and other researchers within this perspective. Also an author as Henry Mintzberg plays, in our conception, an important role in the development of strategic theory within this area not at least with his the concepts on emerging strategies, strategic schools, and strategy as cognitive processes.

The way we approach the micro and everyday activities is closely connected to communication, and how routines are linked to communication. Not only tell our experiences and observations that for managers communication is the most important and perhaps the most difficult part of making a strategy work. We, at the same time, see communication

as the perhaps most important and perhaps the only efficient mechanism for keeping an organization together and to keep it on the move. The inspiration for working with communication is coming from Kenneth Gergen, from George Mead and from Peter Berger & Thomas Luckmann. This also means that we are inspired from a social constructivist approach in our analyses of the interplay between strategy and routines. We understand communication and language as central for our creation of meaning and understanding of the world we live in. According to Mead meaning arises out of the interplay between social acts constituting and constituted of gestures and adjusted responses (Mead, 1974:78). It is through these communicative and social acts that people give life to a situation or an object. This process is however not simple, for in order to create meaning and give adjusted responses the communicators need to have common understandings and views on the world. Understandings and views can never be identical since each have their individual biography that is constituted from previous experiences, relations and background – history (Schutz 1970, Luckmann & Schutz 1973). But in order to create these similarities we need to have a history together.

In relation to strategy it is through the gestures and adjusted responses that the members of the firm ascribe meaning to the strategy and actualize it, they strategize as they negotiate meaning of, transform, develop and vitalize the strategy. In order to understand this strategizing process communicatively a vital recognition is that a new strategy is a kind of new language, and an important point is how this new language is created. Chester Barnard (1938) wrote that communication is the most important element in management and highlighted that communication is about cooperation, this emphasizes that communication is a relational sensemaking practice. Both Mats Alvesson and Kenneth Gergen write that it is through our language we maintain and alter our rules, routines, commonsense and institutions (Alvesson, 1995:75, Gergen & Thatchenkery, 2004:233).

Strategy as expressing and redefining routines

An important aim of this paper is to analyze how routines influence the strategy process within an organization and subsequently to discuss how such influencing processes play a role in developing new routines. But, in fact, the title of this section contains a hypothesis of a more radical nature, the idea that a new strategy of an organization to a large extent uses routines – strategic and non-strategic – and formal and informal - as their building blocks. This is inspired by the discussions made by several researchers (Feldman, Pentland, Orlikowski) on the dynamic forces of routines. This is of course also inspired by the perspective from Strategy as Practice on the micro and everyday activities that summarized define the processes of strategizing.

We are not saying that a new strategy entirely builds on the ruins of old routines. Instead we take a position saying that we want to analyze how routines serve as filter, where old and new ideas for a strategy are filtered through important routines of the organization and habits of important actors within and stakeholders in the vicinity of the organization. One of the inspirations to this analytic angle can be found in the following quotation: “that local variations in practice can, over time, shade into a set of substantial organizational metamorphoses.” (Orlikowski 1996:90).

“This perspective on routines fits with an understanding of organization (or organizing) as an ongoing accomplishment.” (Feldman 2000:613) The word “ongoing” point in the direction our paradigm on becoming will be introduced.

Becoming is a concept that Chia and Tsoukas work with that conceptualizes a way to understand the dynamic, ever-changing, emerging and pragmatic micro-process that *is* the organization - or organizing. Becoming is however more than an understanding of the organization and a simple conceptualization, becoming is what constitutes the world we live in whatever we do impacts our conceiving of the world and hence always puts the world in a state of flux and becoming.

The idea is that organizations are constantly on the move and incrementally change their processes, structure and language. Routines are important parts and building blocks of those mechanisms that make it possible for the organization to have institutionalized and taken for granted ways of practice, and at the same time - mainly because of these institutionalized practices – to be able to expand, alter, modify and change their processes, structure and language. They are in these processes incrementally changing, often with so small steps that the actors within the organization do not recognize such changes or first recognize them after they have taken place. This constant movement puts the organization in a perpetual state of becoming.

The empirical basis: Tales from small and medium sized firms

The empirical data for this paper is information on practices of strategizing in 15 Danish small and medium sized firms. These data are produced together with managers from the specific firms in the period 2004 – 2008. The majority of firms have each been followed during app. 6 month through the production of data in cooperation between top managers and researchers within the FIRM research group¹. Several of the firms participated more intensely, and one of them, the largest of the 15 firms, a service company has up to now cooperated with us for nearly two years. Data from this particular firm will play the most important role in the analysis in this paper. But the analyses will start by including all the 15 firms to get the broad picture on routines influencing strategy processes.

The 15 firms are operating within different industries (twelve in manufacturing and three in service industries), and the study was from the start characterized as explorative with an intention to get a broad and comprehensive picture of everyday strategizing activities in firms, and not to test specific theories or hypotheses within strategy. During the study it has as a result of the early discoveries moved from a more broad perspective and toward an increasing focus on the role of communication in such processes.

The study had from its beginning a specific interest in how management in such 15 firms handles strategic work and problems. Therefore the main informants have been the managing directors or other managers within the top management group in these firms. These 15 managers have as informants been divided into three groups - one for each

¹ We want to thank our colleagues Michael Fast, Lars Gelsing, Allan Næs Gerding, Thomas Nielsen, and Anker Lund Vinding from the FIRM research group at the Department of Business Studies, Aalborg University for their work which have made it possible to have these data produced. We also want to thank those managers and employees in the 15 firms who participated on the condition that the name of their firm was not published. We also want to thank our colleague Reinhard Lund for his excellent comments to an earlier version of this paper.

season: 2004/05, 2005/06 and 2006/07. They have in group seminars and individually each spent between 15 and 20 hours together with the researchers. This period of time has been used to construct and discuss specific cases from the individual firms on strategic processes and situations. These cases were constructed by the researchers on data from the individual firm based on visits to the firm, interviews, analyses done by the researchers, and discussion conducted on the specific cases by the group of managers and researchers in a number of consecutive seminars.

The data especially focused in this paper concern information on interplays between routines and strategizing. For the 15 firms, data in this field were produced through concentrating on how the top managers in their presentations and in their discussion with each other and the researchers put forward and describe what by us, according to the definition, are considered as routines. We have not tried to reveal all routines, but only those the managers have mentioned in their descriptions and analyses of strategy. In the same way only data on routines and strategizing are in the more detailed study of the service company selected from a larger and more comprehensive load of strategic process data.

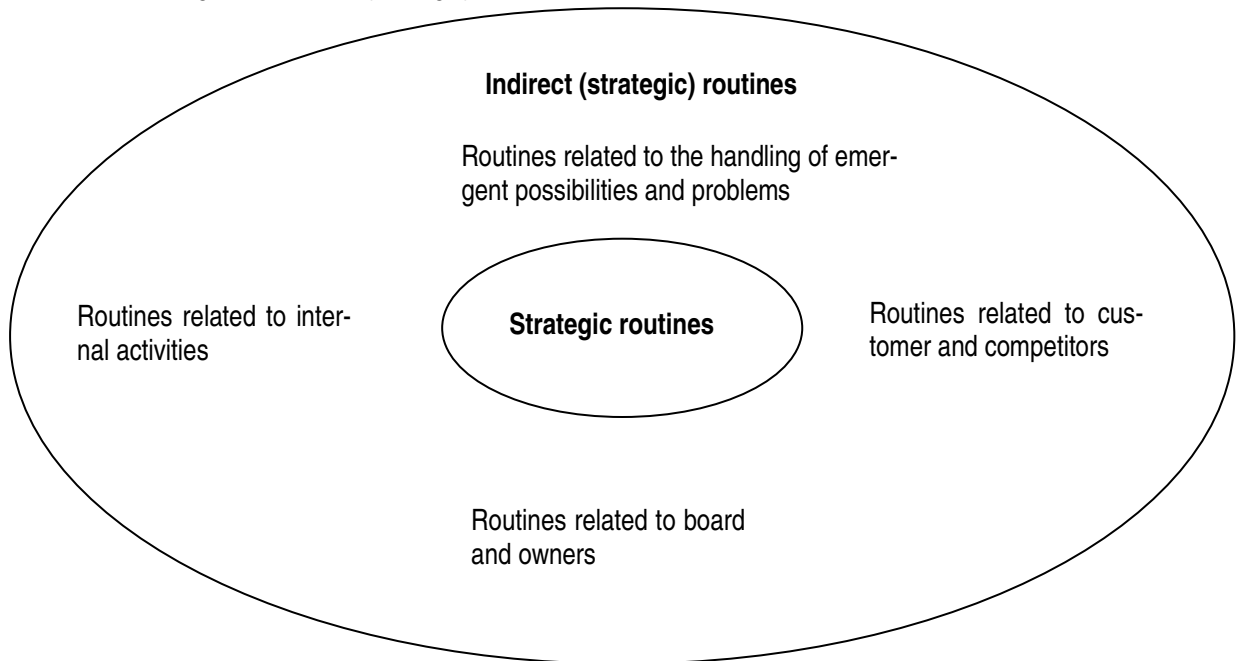
Our everyday and becoming perspective defined a special interest in data on process interactions between routines as frameworks inspiring and directing the strategy process, routines as hindering or derailing strategic ideas, the strategizing processes reforming routines, and how the entire strategizing process create what might become new routines.

Routines strategically important to management

The word routine was not during the production of data used as a key concept. Instead the discussions were inspired by a common interest between managers and researchers to study strategic processes, situations, problems, possibilities, and how strategy is understood and handled by management in these firms. We analyze our data according to the two definitions of routine presented earlier in the paper, but we mostly base our analysis on the definition presented by Hodgson & Knudsen where they emphasize that routines are more than just behavior, they are dispositions.

The entire data co-construction has been analyzed, but only data sets on routines interpreted by the informants and/or us as important to strategy are discussed in this section. Summarized the data from the 15 companies' routines can be divided into two main categories:

Figure 1: Areas of strategic and indirect (strategic) routines



Indirect (strategic) routines are repeated patterns of behaviors or dispositions used to handle strategic situations, but not part of what the managers interpreted as strategic routine or procedure. In the following data from the 15 companies will be presented and discussed as examples of the various types of direct and indirect strategic categories.

Strategic routines

To start at the centre, concerning the routines used to bring the strategy process forward it is interesting to notice that in two third of the firms (10), the manager refers to a set of procedures laid down in the firm that have the function recurrently to initiate and steer an overall strategic process, yearly or each third or fourth year. These firms have, normally with assistance of an external consultant, constructed such a set of procedures that should guide the management in strategizing.

But even more interesting, many of the managers within these firms during the discussions pointed out that they have problems to be able, or even in practice to remember, to use these formalized routines. This creates a somewhat confusing perspective on strategic routines because the managers express that these are routines as formal dispositions, but they seem in most cases not to be “routines-in-use”. They are in most cases inactive “standard operating – or strategic - procedures” for management, because of these ten firms only one is definitely using its strategic routines as planned, eight were at the moment constructing or reconstructing their strategic procedures; and one of the managers frankly confessed that she had forgotten its existence until the study brought it up.

This might seem strange in a study that has strategy as its main target that data on this important point seem so negative. In fact one could say that strategy in these small and medium sized firms seems to be conducted without rou-

tines - or maybe that the strategic routines-in-use are tacit, informal and implicit. There might be dispositions, but dispositions that hardly are taken into use cannot be seen as real dispositions. In any case the lack of use of such formalized procedures cannot however be used to conclude that strategizing in these firms are conducted without routines, but that important routines used are more informal and tacit than those formalized systems presented above. The managers themselves have during the discussions several, most partial explanations why they do not use their laid down/formulated strategic routines:

- The strategic situation changes very fast therefore procedures have to be renewed constantly, and this is why they actually are working on reforming strategic procedures
- What seemed to be all right at the time where the external consultant were presenting these procedures later showed to be less all right in practical use
- The firms and its management are so busy handling operations that strategic issues are handled immediately
- There are difficulties connected in most strategic procedures by including the specific elements of the organizational culture of the firm

The majority of managers do at the same time express that they are actually trying to improve the situation by constructing a new set of procedures, but in their daily practice they seem mostly to attack strategizing more partially. All 15 managers in their daily activities seemed to be constantly observant on how the surroundings of the firm develop. This was awareness on how main customers, competitors and other important stakeholders seemed to move, and on how this should affect the deployment of resources within the firm. This was also to put focus on how new sets of activities from the firm most likely would be received by the same external stakeholders.

Seen in the perspective of routines, these managers together with their co-managers in their individual firm had sets of "micro routines" as dispositions that in fact, if needed, could be activated when the management group was meeting internally as part of their mutual management activities. Such meeting was in some firms kept each week, in others each fortnight. If the situation pressed for a fast response such informal routines also made it possible on short notice to gather the management group (two to five persons) to make urgent decision on subjects of strategic importance. This also means that the formalized procedures on strategizing if necessary could be short cut in such decisions-making. This will later be further elaborated upon in the section on internal routines.

Routines for handling interaction with customers and competitors

These 15 firms had one thing in common. They gradually expanded their markets. For those manufacturing firms older than 20 years the situation seemed to be that they all had started as local producers and suppliers of rather simple and cheap commodities, and today they all were involved on the European or the World market with products that are advanced and rather expensive. For the service firms the development has more been to develop from local suppliers of basic services through technical improvements and specialization to become competitors at the national market.

The most visible routines for handling relations to customers were seen in those firms that had a small number of large and important customers. This was at the same time the youngest firms, less than ten years old. They had routines

that gave priority to those important customers so that the management was certain that these customers were serviced at nearly any cost. One example was the young and very rapidly expanding firm that had a couple of the large German car factories as its main customers. When they expanded their demand for parts delivered by the firm every-one was if necessary on short notice called in for over-time work. At the same time it was close to an explicit policy of these types of firms that they tried to develop routines that created close interaction with such important customers to develop the firm, its products and its marketing activities through this interaction to become more competent and at the same time more visible for new customers.

Such policies were transformed into operating procedures and in this way into routines that was part of a strategy that in the future should liberate these young firms from their strong dependence of a few important customers. Therefore such routines were not only constructed for further integration with the large and important customers. They also had as a function to keep the important customers in collaboration with the firm with a decreasing share of its total increasing turn-over, and in this way develop the firm into a more normal market position. Such operating procedures, as types of non-strategic routines, were not only context for the formation of strategy by management they also were specified through company policies and values to standard operating procedures for operators.

One of the service firms had expanded especially through its ability to attract small customers and solve their problems. But as the firm developed its competences it also specialized in a number of more advanced services. This made the management decide upon a policy for abandoning the small customers and this policy, formed as a standard operating policy for all sales personnel, contradicted the original routine of servicing the small customers and created a constant tension within the firm. The one side of the dialectic was the strategy laid down by the management demanding a policy of abandoning the small customers. The other side was the routine of the sales people to serve small, but long-term customers whose orders still produced a financial surplus for the firm.

One area which for several managements has been taken into consideration for the development of standard operation procedures is the very contemporary question of outsourcing. At least six of the firms are either in a process of outsourcing parts of their activities or planning to do so. In fact what holds several of them back and even make a couple of them reverse this process has to do with the difficulties of building routines that function between different cultures. One of the firms has worked intensely on outsourcing production activities to Ukraine firms. There were no technical difficulties that could not be solved, but an important part of the problem was to get routines to function in a valid manner between two different cultures.

Routines functioning between the firm and its board and owners.

The 15 firms were either organizations not belonging to a concern or were organizations as part of a concern, but with substantial degrees of freedom to form and conduct their own strategies. At the same time all of them had in their relations to their board, the top-management of the concern, or board of the concern obligations to present and to get the strategy of the firm approved. In some firms such processes ran rather smoothly and informally. This was the case in the

six firms where the managing director also was owner or part-owner for the firm. In most of those cases the approval of the strategy within the firm was mostly a formal routine.

The situation in some of those firms that were part of a larger concern the relationships and the routines of the concern gave in some situations, perhaps unintended, limitations in the formation of a new strategy for the firm. One example was one of the manufacturing firms, which management as its main policy for changing the organization had introduced lean principles. This was firstly introduced in the production section of the firm, but when the management tried to introduce lean in the administration of the firm they ran into problems with the compatibility with the administrative procedures of the concern, especially within management accounting. What happened was that the lean principles introduced in the administration of the firm were not accepted by the management of the concern because of these incompatibilities and the need to keep a common standard in the entire concern. Therefore the management of the firm had to stop its administrative reforms. In this case what to the management of the firm seemed to be a chance to get rid of old and mostly informal routines in production and administration ran up against another and more important administrative standard chosen by the management of the concern.

A quite different situation appeared in the software firm that shortly before our study had been merged into a much larger Scandinavian concern within the area of informatics. In the beginning the management of the software firm saw a number of problems to change from what they saw as their rather informal routines both on strategy and operation to a much more formalized system in the new concern. But as the merger process rolled on these more formal structures were gradually introduced to the firm through a, rather elegant, Human Resource Policy of the mother firm in a way so the management and staff in the software firm, according to themselves, hardly noticed the changes.

In a few cases the routines and changes in routines between the firm and its management created more severe situations. In one of the manufacturing companies there was an interesting change in routines that created problems for the managing director. The chairman of the board and the managing director had, as it was their tradition, defined rather ambitious goals in financial turn-over and profits for the next year, with that tacit agreement that these goals were really ambitious. But two things happened from the planning period to the realization period. One was that the chairman of the board stepped down and left the board. The other was that the firm's main market suddenly and unexpectedly flopped. The new chairman of the board did not understand or accept the more tacit agreements and kept to the more formalized routines and the very ambitious goals. This created for a long period problems for the managing director, because the much harder situation made it very difficult for him to continue the organizational changes he had started, because all forces had to be used to keep the boat floating.

Internal firm routines

The traditional formalized way of working with strategy is to define the best strategy and according to this reshape the organizational structures – from strategy to structure. This has been one way to see these processes although already the early authors on strategy (Chandler 1962) warned against seeing it as one-way processes. The data in this study

also show that the existing practices of the firm play important roles in the process of strategizing. Focus in this section is how internal routines affect these processes.

One illustration on some of the long-term aspirations for management especially in the manufacturing firms is the change of the firm from handicraft to industry. By this the managers meant that a number of important routines steering the daily activities within the firm had to go through a process of change. Routines had to change in the direction of increased efficiency and old traditions had to be squeezed out of the organization. One rather curious example was the managing director in one of the manufacturing firms who during our visit actually showed us how some of the older employees still tried to keep small stocks of spare parts for products that had not been produced for several years, just in case a customer had a break-down on this product. The actual cost of such operations was far above the price it was possible to get for such spare parts.

At the same time all the managers underline that their activities to remove such routines from a quite different period do not mean that any of the unique competences that support the competitiveness of the firm should be removed or harmed. The play between a new strategy and internal operational routines consist of a delicate selection made by management on which routines they wish to strengthen and which routines they wish to get rid of. This selection process is not so easy for at least two reasons. One is that such routines are an important foundation for the smooth interaction between management and the organization. So if the management is pressing too hard for removal of "old" routines, it might have the opposite outcome that the employees informally fight to maintain the old routines. The second is that in such old routines many of the operational and daily competences of the firm are situated. This might be competences that are invisible for top management, but at the same time vital for the competitiveness of the firm.

To some of the managers the most dramatic reformulation of routines is, in the period studied, the introduction of lean as a leading principle of standard operating procedures. In one of the above mentioned firms lean seems to be *the* way for management to improve the competitiveness - by getting rid of existing routines. In two of the other firms lean is taken more as a mean for organizing along with other techniques. But, connected to the strategizing process, such tools are in the large majority of firms methods for changing routines for how the daily production, sales, logistics and how the daily administrative duties are carried out.

In some cases such change in daily routines even seems to be the most important part of a new strategy. This was the way one of the manufacturing firms a couple of years before this study turned an unsound development around and minimized cost through systematically renewing routines in production to become competitive again. This was also the main content of a strategy for one of the young and entrepreneurial firms to grow more mature to gain profit of its core competence by dividing the organization into two organizational structures, one for production and another for development. This example can be seen as a way for management to separate standard operating procedures and routines so that those most efficient for production are contained within the production department and those more efficient for development are contained within the R&D function.

These changes that can be seen as larger or smaller parts of a new strategy take their place in an organization and a culture among or instead of routines that have been developed from earlier strategies or have developed as a

natural results of the technologies used, the products produced and the existing organizational cultures. But routines in this field might also fight back. One of the service firms had naturally developed an organizational structure on projects and with project managers. The management reluctance as part of a new strategy to take that seriously made that new strategy malfunction, and first when a new strategizing process building on the project managers active contribution was started, did the firm get a new functioning strategizing process. In one of the manufacturing firms the new managing director, who had been hired by the board to make a substantial improvement of the results, realized the same after a number of malfunctioning strategic steps, where the existing organizational culture and his strategy did not cooperate and the changes did not work.

Routines for the handling of strategic possibilities and problems

As the formal routines for strategizing in the majority of firms do not function well, management has as already shown other ways to deal with strategic change. Some of these ways fit into the definition of routines especially as dispositions. Visualizing the strategic situation, its possibilities and problems are in several firms an activity in the weekly meetings or in the occasional two-day strategy seminars in the summer cottage of the managing director. In more than one firm the chief invites the management group to spend a day or two with such activities - in some cases at his domicile, in others in a conference centre. This can although it is not a regularly returning event be viewed as a routine, because it for the rest of the management group is a well-know disposition.

In other situations where strategic considerations might be important the routines are directly connected to personal habits build on experience. How the managing director or another member of the top-management group introduces possibilities or problems of a strategic nature are closely connected to the personal style – and habits – of that manager and the managerial culture within the management group. The large majority of the managers, especially the managing directors underline that when a new strategic idea is presented, in most cases it has to be done in concordance with the existing management routines and to create room for all managers to comment upon such an idea. Only when the situation is heading toward a major crisis it might be efficient to become more insistent.

Routines or perhaps habits of the individual manager are not only important for the presentation of possible new strategic possibilities or threats. According to several of the managers it is also habits build on experience that make the individual manager decide when and if a certain possibility or threat should be presented for the entire management group. In some cases a manager waits for a better option for presenting a possibility rather than to waist it in a situation where the management group is not ready. To some extent how and when a threat is presented can be explained in a rather similar way. A threat might be interpreted by an individual manager, but when it is not interpreted by the majority of the management group it is not recognized by the firm as an actual threat. Therefore managers, as several explain it, in some cases wait until the “evidence” of threat is diffused from other channels to the management group to introduce it in the actual management discourse.

The way routines are functioning within this field can in several, perhaps the majority, of the 15 firms be seen as a process which starts with an internal or external possibility or problem that management from their experiences scruti-

nize through routines to see if it is operational or strategic. If they are convinced that this possibility or problem is not to be dealt with operationally it then becomes a strategic issue. Some of these issues seem nearly to come out of the blue, and in the opposite position is the situation, where a possibility for strategizing is launched through the fulfillment of a strategy by the end of its term. In between a number of issues are defined as strategic meaning that management agrees upon its importance for the firms' present and future relations to important external partners in the environment.

When such an issue appears the management might start a process to solve the issue specifically, but it might also be an inspiration for another round of strategic procedure including a reformulation of former procedures or strategic routines. To what extent such a new round of strategizing includes scrutinizing the entire set of indirect routines and their interaction with a new set of strategic routine in the shape of a new procedure depends on how radical and explicit management tries to renew the procedure. Such an interaction through strategizing is in focus in the following example.

Tales from a service firm

As mentioned in the introduction of our empirical data we have over a period of two years followed how a Danish service firm – that during a few years has become large - strategizes and in that process we have identified how routines play an important and interesting role in how the strategizing unfolds and at the same time how new routines are in the making as an outcome of the strategizing. In the following we will present and discuss three examples on routines in the firm in the attempt to deepen our understanding of the interplay between routines and strategy. The examples will be taken from the interaction between the management of Region One and the headquarter of the firm since that is where most of the data have been co-constructed. This means that the processes presented can and do differ more or less from how other regions of the firm strategize and organize.

The discussions will centre on when a routine is strategic and when it is non-strategic, how existing routines serve as a filter and sometimes a hinder in the attempt to develop new routines and in that process how various perceptions and understandings of the strategy can influence and create a situation where there are tension concerning which routines should be kept and which should be replaced with new. The examples will highlight how a large part of the activities, processes, and hereby also routines, are implicit, informal and tacit taken-for-granted and the attempts to change or maintain the existing routines are also mostly based on implicit and informal actions. These examples indicate how routines are created through formal and informal communication between employees and management, and especially between management on different levels.

The service firm is in many ways still a typical entrepreneurial project; although it was established 25 years ago and has today more than one thousand employees. The family spirit is still very present in the firm, the owner is the managing director and his wife is helping out in the administration and reception a few times a week, and the family's dog greets you when you enter the building. The firm has continuously and with increasing speed grown in financial turnover, number of employees and in geography. The fast growth has mainly happened through mergers with competitors and this has resulted in a situation where the firm increasingly has met new demands from the environment.

In the last couple of years the firm has experienced an increasing turnover in its work force and increasing difficulties in hiring qualified staff. This is part of the reason why the management two years ago decided explicitly to work on the strategic issues of the firm. As support for this the firm got a financial grant from the regional business development fund to get the process started. The management had not, in their own interpretation, for nearly ten years worked explicitly on strategic matters. Instead it had handled specific problems related to the continuous growth when it had felt that necessary. Important decisions had in this long period to a large extent been made between the CEO, who also is the founder of the firm, and the individual functional or regional manager responsible in the specific case.

A large part of the activities in the firm had as a result of the specific organizing processes been based on implicit, informal and tacit taken-for-granted practices, routines and standard operating procedures. This concerned various practices such as the operating managers' day-to-day independence and freedom to manage the way they wished to as long as they presented a decent profit, how the monthly meetings in the management group and the once a year annual meeting were conducted and what the content was, how people were hired and fired, and who were sent on what courses and when.

What happened two years ago when the firm decided to initiate a new strategy process was that a part of the management together with external consultants conducted a swot analysis that specified and defined some areas for action. The analysis did not as such reveal any new areas, but it made clear for the management that decisions had to be made and action done concerning what areas were the strategically most important, and where to start. Organizationally they agreed to explicate and formalize a large part of their practices, routines and standard operating procedures and strengthen their competitiveness.

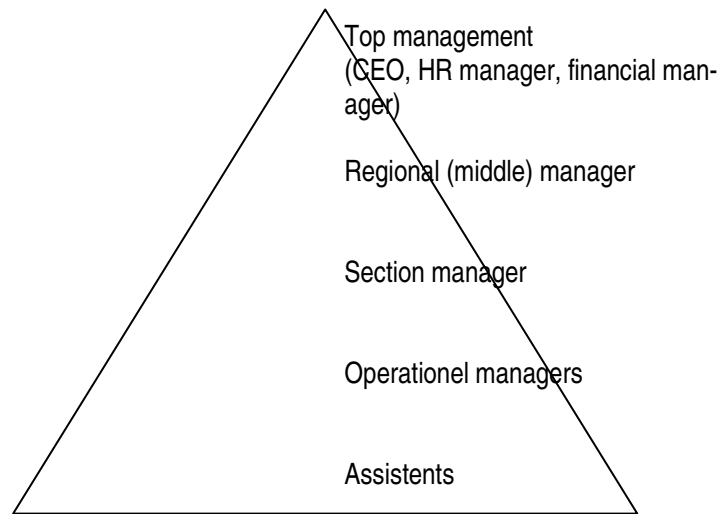
This resulted in the launch of a new strategic concept that had the purpose to build a stronger commitment between the firm and its customers and at the same time attract and maintain a qualified work force and the hiring of the firm's first HR manager. The HR manager's first initiative was to establish an internal academy, where courses held mostly by external consultants should increase the employees' competences, attract new employees and strengthen the firm's image. Another initiative realized by the HR manager was the creation and firm-wide distribution of a value handbook containing the firm's seven newly formulated values. The handbook or more exactly the seven values came to play a central role in the firm's strategizing. This was mostly connected to the HR manager's consistent work with integrating the values in various forms in internal communication and courses.

The values were the springboard for an internal leadership education for the top management consisting of four modules of three days, a large part of the academy courses were all related and connected to the values, envelopes focussing on one value with small tasks attached to it were distributed firm-wide with regular intervals. In addition the annual meeting in 2007 for all the management levels had the values as a central point on the agenda, the employee magazine had regularly articles about the values, and a later hired HR assistant travelled round the country and introduced the operational work force to the values.

This resulted in a situation where the values came to play a central role in the internal formal and informal communication, but on various levels and with different interpretations of what the content of the values was and how they

were to be enacted and put into practice. The outcome was various groupings of organizing and strategizing that had different ideas about which practices, routines and standard operating procedures should be kept and which should be reinvented. This challenge characterizes the first more concrete example that we want to present and discuss. The following three examples focus on how various levels within the organization work on strategizing in connection with routines.

Figure 2: Levels of management in the service firm



“Answering the phone”

The example has been taken from the interaction between the top management, the regional manager, the section manager, and the operational managers, and centres on the firm’s routines on answering calls. Up until the explication and formulation process of strategy was initiated, the informal, implicit, but tacitly taken-for-granted routine was that incoming calls from customers were always important, had first priority and were to be taken without any considerations to where you were and what time of the day it was. This meant that if you were in the middle of a meeting, a job-interview, participated in a course or were on a break and did not answer your phone, someone from the administration would contact you and tell you that you had an important call and you would leave whatever you were in to take the call. In a large part of the firm it was also normal that you answered your phone when you were at home or on vacation. This was by some, especially the manager and owner, his wife and the manager of finances, viewed as something natural and by others, especially some of the regional and operative managers, it was accepted with dissatisfaction.

With the new strategic direction and the entry of the HR manager and the seven values an alternative to this routine was – in the region - implicitly seen and presented. What was articulated and presented on the new courses and during formal and informal talks between the regional manager, the section manager and operational managers was an understanding that if the values were to be realized and taken seriously inside and outside the firm then it meant that if

you did not answer your phone then it was because you were in the middle of something important and did not wish to be disturbed. This alternative interpretation meant that the customer, sales person or person otherwise connected to the firm calling either could leave a message on the answering machine or with the administration and would then later receive a call back.

Another part of the firm including the owner, his wife, and the financial manager felt that the values did not represent anything new or should change the firm, for them the values were only an explication and formalization of how they always had conducted business and they were pleased with the existing routine, where customers always and at any time and place were attributed primacy. They felt that the wish to change the routine was in opposition with the values and a change would endanger the business, the owner had built up by, among other things, always prioritizing the customers' requests. This led to a mostly implicit and not articulated tension between top and middle – regional - management, where each advocated their case and in their actions tried to maintain or change the existing routine.

A regional house meeting was held, where the issue was addressed. On this meeting it was formulated that it was legitimate that people should not be disturbed if they did not answer the phone because they were in a meeting or otherwise engaged. This however did not lead to a solution, where the opposing opinions on how the firm should handle incoming calls agreed. On the contrary it led to a situation where it tacitly and informally became very situation-and-person specific how the incoming calls are being handled, this means that there became no standard operating procedures for answering calls. If for example the manager's wife is helping out in the reception then most of the calls are considered to be very important and the person who the call is for is being asked to take the call no matter what he is doing and where he is. If the manager's wife is not at work then the person answering the phone has to find out whether the person, who the call is for want to be disturbed or not. And in that resonating process the person answering the phone has to take into consideration who is calling: if the person calling has a personal relation to the managing director then maybe the managing director will hear that she/he did not consider the call or caller to be so important that she/he would ask the person, who the call is for to take the call. The outcome of this situation where the employees do not know how to act and who's tacit and informal standard operating procedures to follow has led to much debate on the issue and open discussions about whether or not a specific call is being taken.

Another outcome of the tension-filled situation is that the operating managers experiment with various degrees of success and stability to have telephone hours, leave their phones in their cars when they go in to talk with their customers or employees and have their phone turned of, on silence and put away, or on silence and lying on the table when they are having their monthly regional meeting. The situation is ambiguous and complex and the actors' various strategizing has created a situation where the routine is that there no routine is or that the routine is extremely context-dependent.

What remains unanswered at this point of time is whether or not this example is a strategic or a non-strategic routine that is being altered. The easy and not wrong answer would be to say that it depends on the discourse, but since the ambition here among other things is to look at the interplay between strategy and routines, our answer will be that this routine in the making is an example of a routine implicitly having strategic importance. You can argue that how calls were

to be handled is not a part of the strategy or the seven values but an interpretation and a development of the strategy. But on the other hand what is strategy besides interpretation and development in the intent to make sense of it all? Besides that we will argue what the second half of Strategy as Practice's definition concerns; that the actions influence the organizational and institutional context also is present in this example. How the firm chooses to answer calls influence and can alter their relationship with customers, sales people and other interested parties.

The monthly regional meetings

The next example we want to present and discuss concerns how the routinely conduct of monthly regional operating management meeting in Region One was used as a place to experiment with and vitalize the new strategic course, where the routines served as a filter for what was possible and for how the strategizing developed.

The operative managers meet every first Tuesday of the month with their regional and section managers to discuss various situations and challenges they are facing. The routine was that the agenda and content of these meetings primarily focussed on operational issues such as; do we have the right amount of vacuum cleaners, how is the status of the cleaning wagons, how to fill out the right formulas, booking of people and machines for polishing floors, how much clothes to buy for the assistants and issues of this sort. Besides that the content could concern more social arrangements as bowling tournaments and the annual firm meeting. As the strategizing process unfolded the agenda and content of the meetings began to address strategic issues also for example they held an extraordinary meeting where they introduced new ways of organizing and visions for the coming year. Slowly elements that focussed on issues that were more related to how the regional and the department manager interpreted the values and strategized began to affect what was discussed at these meetings.

This did not happen from one meeting to the next, the routines changed incrementally for example when the visions for the coming year first was presented it was done in very operational terms and addressed issues such as having the right cleaning wagons, adjusted formulas, extra washing machines and driers. The following meeting the visions were presented on a timeline that indicated how the new operative initiatives were congruent with and supportive of the firm's values. These new operative initiatives concerned closer relation to the customers and employees, higher influence on their daily activities and participation in sales courses in order to conduct a new role as an internal sales person of paper and soap.

On this meeting it became especially clear that the content and the agenda of the meetings had changed character and supported the strategizing process that went on in the firm. The strategizing process was primarily functioning on interdisciplinary course where both the operative managers and the regional and section managers participated. The interdisciplinary courses had different purposes but on all of them the participants were presented to a value-based language and were from the course's first days to the follow-up day encouraged to relate the values to their daily practice and conduct various assignments. Besides, the operational, the section and the regional managers were all located in the same building and on the same floor as the HR manager who worked hard on incorporating the seven values in the daily practice. There were posters with the value-tree and the seven values written underneath on the walls and the

screen saver and mouse pad showed the value-tree and the values. This resulted in a language in this part of the company that continually focussed on and made references to the values.

This meant that the strategizing and the monthly meetings not only were supportive of each other or integrated, they created each other and came to be a part of each other and therefore making it difficult to if not impossible to separate them. What however is interesting in this example is how the strategizing influenced and changed a routine action, such as monthly meetings, where the content and agenda primarily focussed on operative issues slowly began to also include and work with strategic issues. This happened incrementally where the routines build up around the meetings filtered what was possible. The regional and section managers did not introduce the operative managers to the vision and values alone. They constantly related them to operational practices and activities and did not start the introduction before they knew that most of the operational managers had participated in some of the interdisciplinary courses and therefore had heard of the values. This approach does not imply that the operational managers would not be able to understand the values without the reference to operational practices and activities; it implies that the reference to operational practices and activities is what makes the values and new forms of organizing and activities make sense and be relevant for the operational managers. And it would be too much of a break with established routines if the issues addressed at the meetings did not have some connection to operational activities. But as time passed the work with operationalizing the values came to play a more central role, at the same time the routines build up around the monthly meetings came to influence and represent a part of the strategizing that went on in the firm.

What remains to be discussed at this point is what sort of routine these meetings represent. We would argue that it is an example of an indirect strategic routine that is related to internal activities and in the long run related to the firm's customers. The change in the routine emanates from the regional and section managers' interpretations of the strategy and the seven values, but the changes do not influence the organizational or institutional context. The example does illustrate what people do in relation to strategy and the change of the routine influences the operational managers' daily activities and practices, but since they do not interfere with the operational managers' relationship to their customers and hence do not operate within the triangle; environment, organizational goals and the resources of the firm we will hesitate to say that it is a strategic routine that is being changed.

Informal sense making through communication

The third example addresses how the various interpretations of the values can be seen as a result of how the regional management communicate and make sense of what is going on around them. In fact this is also an example of the process of creating routines. This will be exemplified by looking at the informal communication that the HR manager and the regional manager of Region One had with each other. They were both located on the same floor with offices just next to each other. The formal communication between the HR manager and the regional manager was primarily centred around 4-6 annual management meetings where the management group including the regional managers gathered and spend a day talking about different, including strategic, issues and problems and challenges that the management needed to address and deal with. Besides that the formal communication between the HR manager and the regional

manager concerned atypical employee situations where the regional manager needed advice on how to handle the situation.

Their formal communication did not differ much from the formal communication that the HR manager had with the other regional managers. Their informal communication on the other hand became increasingly intense and played an important role in their common and individual sensemaking. This took place as they unplanned dropped in on each others' offices to discuss issues, talk about how much they worked during the weekend, sat next to each other during lunch, management meetings or social arrangements. They both referred to each other as a haven and a free space where they could take the communication to a higher level and discuss different models and theories that would help them to distance themselves from the operational focus that dominated the management meetings and daily practice in the firm in general. This was for both of them necessary in their struggle to vitalize the values and strategize in accordance with their interpretation of the process since a large part of the organization did not conceive the strategy process as a change in behaviour or practices. They used each other as a sort of reassurance that their understandings and views were the "right ones" and made sense.

This process is something that Schutz (Schutz 1970) deals with in his understanding of how we construct and maintain our view on the world; it is an interpersonal construction where we through our communication with each other assign meaning and importance to certain actions and not to others. What we consider to be important and meaningful has a lot to do with our biography and the relations we participate in, and it is through interaction with our relations that we create, maintain and develop our understandings of the world we live in. In the service firm the interpretation and understanding of the strategy process that the HR manager and the regional manager constructed differed from what went on in the other regions and that became very clear as the interdisciplinary courses were held. The HR manager had constructed a large part of the material and content of the courses and had made sure that the values were integrated and discussed. During these discussions the manager of Region One participated and came with examples on how he and his section manager strategized and vitalized the values and here it was clear that his understanding of and views on the process was congruent with the HR manager's and differed from some of the other regions'. This was expressed in some of the formulations and expressions that the regional manager used, these where some the HR manager also had used and mentioned earlier and vice versa. Their understandings and views came to bear similarities and be in accordance with each other.

What is interesting in this example is how their communal construction of understandings and views can be viewed as the building of a routine where the HR manager and the regional manager used each other daily to make sense of the situation they were in. These meetings and talks were most of the time not planned or explicitly agreed on they just happened, but they did routinely and it was during these routine-based informal communication that they vitalized the values and strategized.

Like the second example we will argue that this routine in the making is an indirect strategic routine that influence internal activities and the relationship to colleagues, but on another aspect than the previous example. What this routine did was that it changed the relationship to their colleagues in the other regions and in the head-quarter, who had another

interpretation and understanding than they did. They distanced themselves from them and referred to them as too operational-driven and –focussed to understand what the values or the strategy was about. Even though this example shows how the HR manager and the region manager acted in relation to the strategy it did not influence the organizational or institutional context and like the second example we will hesitate to say that the routine in the making is strategic.

What is interesting here and in the other examples is that there was nothing in the original value handbook or the swot analysis concerning how calls are to be handled, meetings held or communication handled. The introduction of the new strategic course functioned as a possibility for some of the actors to vitalize and realize some of their own ambitions as leaders and then using the new strategic course as a legitimating reason to change the routines. This issue is not new, Tsoukas and Chia (Tsoukas & Chia 2002) touched upon it briefly in their article on becoming, but it does help us understand why it is difficult if not impossible directly to hang on to the ideology that you can formulate a strategy and then implement it. With this example it becomes obvious that how a strategy and here seven values are understood and brought to live is dependent on the eye of the beholder(s), it is his – and the relations he takes part in - history, values, culture, norms and taken-for-granted assumptions that shape the strategizing.

Discussion

Both parts of the empirical data, from the managers in the 15 firms and from the intensive study in the service firm, reveal that interplay between routines and strategizing takes place. Of special interest is to discuss how routines influence strategizing, strategizing changes routines and creates new routines, how as well strategic as non-strategic routines are important factors in strategizing, and how strategizing reaches out even to those routines that are important in the strictly operational activities. The discussion will start with the day-to day operations and gradually approach the “traditional” strategic field of the entire organization, its environment, goals, and resources.

Strategizing and operational routines

The study of the service firm clearly showed that at least for the middle and operational managers the strategizing process worked on operational processes, i.e. the phone example. What can be seen here is that an informally learned behavior on how to serve customers was questioned by some as part of the value process. At the same time this old and rather tacit routines was not questioned by all members of the organization. At least part of the top-management did not support that the strategizing process should allow change in what they saw as a strictly operational routine with decisive importance for the strategic and competitive situation for the firm. The interaction on this subject was between communication within the region and implicit authority coming from the owner and CEO of the firm.

This process can be seen as running on the edge between what according to routines are allowed to happen and what is not allowed in the organization. The “change agents” in the regional management interpret the old routine on answering the phone as a legal target for change for in this way to minimize cost by making the managerial job run more smoothly, while the CEO sees the old routine very essential to the firm. To him to allow this change would result in decreasing the managerial control and abandoning an important part of the organizational culture. Seen in this perspective

this is a case where a routine that in the perspective of middle management is operational or perhaps tactic for the CEO influences the strategizing process importantly. The end result seems to be that the old routine still has a very strong position.

Such operational routines that develop informally and act in an informal way, are part of the natural becoming of the organization, but are in some cases issues for change for top-management. An example in several of the fifteen firms was the intention of the top-management to create an industrial culture out of an organization that in important areas has functioned as an old fashioned handicraft. The main worry of the managers in this process was often if they in fact were able through the strategizing process to handle this change processes of routines, to minimize cost and to make the firm more competitive, or they where stuck in such old cultural dispositions of the organization. One of the reasons for their worries was the fact that they in that process and overall saw themselves as dependent of their employees and that if they pressed this process too hard the strategizing process might back-fire.

Strategizing and routines for communication

A general condition for strategizing is how routines influence what to be communicated and what not to be communicated. Strategizing is in principle a process for changing direction, new distribution of resources, new activities, and new routines, but at the same time some routines are the framework for strategic change more than subjects for change. In the service firm the swot procedure was by management seen as a new and more formalized way to work on strategic issues, but in the communication processes and in the meeting within management the primary interpretation was that the entire process resulted in a more systematic way to present the situation, and not in an entirely new perception. The real novelty of the process was the possibility for management to use time and effort structured to communicate on these matters. To some extent it was in a March vocabulary more an exploitation that and exploration process.

This way of interpreting the situation was rather similar to the way the majority of managers in the other firms presented the conditions for strategizing. In all firms, according to the managers, some routines existed that was not subjects for change in the present situation. If they should be subjects for change it could only be in a real crises situation. So the informal rules for communication did not, in a normal strategizing process, put such subjects on the agenda. Such unchanging routines might be traditional ways for the firm to approach the market and the channels of distribution, the sequence new markets were approached, or the way old products were eliminated. What seemed to be the case was that routines influencing such non-decisions were deeply embedded in the culture of the firm.

Also routines on communicating strategic processes in firms were influencing the strategizing process. Some communication activities was explicitly or tacitly accepted and used in the process. The most prominent example was the strategy seminars for management, but also the weekly meeting of top management in several firms and the monthly meeting in the regional management in the service firm were places where strategic issues were discussed. In the service firm two examples of using such traditional routines for communication to create new routines for communication were of interest in the study of how routines can change as a result of strategizing.

One was the process that from meeting to meeting gradually changed the agenda and the way subjects were discussed at the regional meeting. The process went from discussion entirely on operational matters through the value process gradually to introduce strategic issues on a regional and local level. Here routines were gradually changed without old communication routines were explicitly questioned. The other was how the HR-manager and the manager of Region One used the formal opening on the new standard strategic procedure, the meeting on strategy, to enlarge this into a change of their mutual habits to discuss the strategic possibilities and problems of everyday. This process can be seen as a development of a *Gesellschaft* procedure: the strategy procedure, into a *Gemeinschaft* routine between these two managers: their mutual exchange “in the corridor” where their daily informal communication functioned as a reassurance of their common interpretation and sensemaking. The formal and rational changes developed into an informal and natural very local exchange of knowledge.

In other cases such change of the routines of communication on what and how, did not run so smoothly. The case where the new management in one of the manufacturing firms tried to create change by explicitly addressing overall strategic changes toward the entire work-force was due to the traditions and routines in the organization by the employees “translated” entirely into technical problems and solutions. This did not lead to the important discussion on culture and values because such issues were not a part of the vocabulary in the firm and did not fit into the sensemaking in the organization. Another case was when the management of one of the service firms created a discourse entirely among themselves and a consultant on strategic change in the firm. This discourse never included the project managers in the firm who had the daily responsibility for customers and resulted for this reason in a new strategy that the majority of the firm never took any notice of.

Routines and overall strategy

The way the management of these 15 firms approach strategy was through the recognition that what might be called “standard strategizing procedures” as important, but not easy to use. It is necessary here to remind that these firms are medium sized or small, and it is also fair to say that they live in a culture, where the distance between worker and manager is small, and the culture of cooperation is rather informal. All relations and requests for change are, according to the managers, run with more weight on communication than formal authority, and routines are as dispositions mostly seen as informal rules of conduct.

On the other hand “standard strategizing procedures” play an important role in the minds of, and in the communication between the managers. They try to structure strategic processes in this way and to improve these procedures because they are not working as they should. Why they are not working or working inefficiently might be given an alternative interpretation than the standard explanation given by these managers. This alternative interpretation is based on the strength of implicit routines, how they relate to praxis and communication, and how they are related to natural becoming processes of organizational change. At the same time this interpretation downplays the role of formalized procedures and focus on the roles of informal communication and tacit routines in strategizing.

What seem to be a concern of the majority managers in the 15 firms when they talk about the difficulties of communicating strategic change might be more clearly seen when focus is turned to the service firm studied in details. This firm came from a long period of informal and nearly tacit strategizing. The relationships between the CEO, the subordinate managers, and the entire organization were rather close to natural organizing processes, where activities and decisions followed those opportunities the CEO saw and exploited. Only a combination of a threat that the firm had become too large and complex for this kind of organizing and the possibility to get support for a strategic process from the regional development council started the process of traditional strategic structuring beginning with the swot. This process constructed an arena for managerial analyses and discussion, and had through its work on values and learning programs to create new routines from strategic procedures. It became a clear step in the direction of rational organizing with its weight on increasing and formalizing managerial control.

To the CEO this was more or less a formalization of status quo. To some of the less experienced managers it was the start of an essential reorganization of the firm that was supported by the steps in the action plan: values, education, and discourse on new integrated products and service processes. In the first period these two perspectives was able to develop in parallel, but increasingly those routines that were firmly embedded in the old culture were hinders for the increased formalization of the development process. Demands for ending the process and questions on costs and benefits connected to the strategic process became louder and louder.

This "standard strategizing procedure" can in the perspective of the difficulties of the other firms in permanent use of formalized strategizing procedures be seen not as a continuous and long- range mechanism, but as a kind episodic change mechanism that result in management scrutinizing the strategic situation and discussing actual possibilities. But the actual changes that are allowed to happen in both strategic as well as non-strategic routines of strategic importance are kept within important routines embedded in the firm culture. In the service firm these routines were related to the way the firm serves customers, how it minimizes spending money for unnecessary activities and how it kept its natural grip on its environment.

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