Making Media Strategy in Times of Uncertainty

Abstract

The future of the media industry has never been more uncertain. The rise of digital content generation and delivery has resulted in unpredictable and unfamiliar market conditions and encouraged an invasion of new, non traditional entrants which has increased competition and choice for the public. In such a turbulent competitive environment, visibility of the future is clouded and the strategic way forward for media organisations remains unclear. The process of making strategy in media organisation may well be compounded by constantly shifting competitive conditions. Existing literature on the process of strategy making in such unfamiliar and complex environment conditions is concentrated within the 'Learning' School' of strategic management. This school of thought suggests that strategy making is a process of emergent learning over time, where strategy makers critically reflect on past experience, and current events, and adapt their strategies accordingly. Learning from action, change and reflection, is therefore, considered to be more useful in strategy making than formal analysis and subsequent strategy formulation.

This paper proposes that conceptualizing the strategy making process as one of 'learning' from uncertainty. It further argues that action learning can be used as a tool that can be used effectively to develop media strategy, particularly as many media organizations are operating in competitive environments that are characterized by change, complexity and unpredictability.

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Introduction

The media landscape is changing, and fast. Its future size and shape in the medium to long term is unknown and that is a daunting prospect for those responsible for managing a media organisation. It also "represents a real challenge to managers tasked with planning a strategy" (Kung, 2008:1) where the existing business models, and practices are under pressure to deliver audiences, revenues and profits.

We all know about the drivers of change and it is not the intention of this paper to rehash the strategic environmental trends of rapidly changing technology, convergence, de-regulation, audience fragmentation and the drift to new media consumption. The conclusion to these trends is that the media industry is operating in a completely different competitive environment than it was just a few years ago, and indeed, will operate in a different type of environment in five years time

compared to what exists today. In these shifting and uncertain conditions, one has to consider the process of how media organisations will develop their media strategies?

The aim of this paper is to extend the debate about strategy making as a process within the Learning School, and in particular, to consider the role that action learning could make as an effective tool that harnesses and builds media organizations learning capability in the strategy making process. The most prevalent criticisms leveled at the Learning School is that the 'learning process' is formless, purposeless, time consuming and produces a series of tactical organizational responses that cannot be considered to be 'a strategy'. With these criticisms in mind, this paper argues that action learning can provide an effective methodology to develop media strategies that are centred on learning from the competitive media environment, but in a way that is formalized, structured and timely.

Strategy making as learning and formation: a review of literature

The advocates of the strategy 'formation' perspective (Quinn, 1980; Mintzberg 1987; Senge, 1990; Argyris, 2004; Rees and Porter, 2006) argue that competitive environments are complex and unpredictable, and as such, media organisations can only hope to learn from changing environmental conditions and adapt their strategies accordingly. They argue that strategy making is a process whereby the strategy 'emerges' over time as individuals and groups collectively learn from a dynamic environment, and that this learning results in small decisions and minor changes in organisational approach. Emergent strategists conclude that an organisational strategy is only obvious when these small decisions and changes are viewed retrospectively over time. This learning conceptualisation of the process of strategy making is known in strategic management literature as the 'Learning School'.

A review of literature in the fields of strategic management, organizational learning and the strategy making process indicate the contribution that action learning could make in developing effective strategy making has largely been ignored. Furthermore the review of learning and strategy literature by Leavy (1998) revealed that most of the attention of researchers had been devoted to; innovation in research and development, business processes and developing institutional schemes that encourage creativity in staff. Leavy (1998:461) also develops a key theme in his paper, that is, the link between learning, strategy and competitiveness, pointing out that "the concept of learning has never been more central to our understanding of competitiveness and even more fundamentally to our understanding of the strategy process". Unfortunately action learning as a method to enable this learning did not surface in his paper, or indeed, the review of strategic management literature by Hoskisson, Hitt, Wan and Yiu (1999).

However, in their review of Practices and Tools of Organization Learning, Pawlowsky, Forslin and Reinhardt (2003:788), identified action learning as a tool for "improved problem solving", yet adoption of this method remains largely unexploited by strategy makers.

The use of diagnostic tools in strategic development is common place, indeed, Bowman, Singh and Thomas (2007:37) contend that "a significant feature of work in strategy has been the development of tools for analysis". These can largely be attributed (although not mutually exclusively) to considerations of;

strategic direction (eg. Visioning, SWOT, Industry Forces, Portfolio Matrices)
strategy creation (eg. Scenario Planning, Balanced Scorecard)
strategic choice (eg. Risk Analysis)

Rigby and Bilodeau (2007) provide a regular review of the top strategic management tools used by organizations across the world. So if strategy makers are used to adopting diagnostic tools, one must consider what the utilization of action learning as a strategy making tool could offer them. Could this method of capturing strategic learning be used as one of the many instruments in the strategists toolbox?

What can action learning offer the media strategist?
The Learning School of strategy making argues that many competitive environments are complex, volatile and unpredictable, and the strategic direction an organization should take is largely unclear. Mintzberg, Ahlstrand and Lampel (1998:189-190) argue that emergent strategy making involves individual and collective learning over extended periods of time, it therefore,

"Opens the door to strategic learning, because it acknowledges the organizations capacity to experiment. A single action can be taken, feedback received, and the process can continue until the organization converges on the pattern that becomes its strategy".

But Chakravarthy and White (2007:183) argue that this emergent process "suffers…from a lack of insights on how the process can be managed better". Equally, we must consider how this learning is generated? How can it be captured? And can it be used to develop media strategies. These are the type of critical questions often directed toward the Learning School of strategy and must be addressed in order to move this school of thought away from the nebulous and more towards a strategic process that is practical and implementable.

A definition of action learning gives a sense of it being closely aligned with the emergent learning perspective of strategy formation, in so far as it is concerned with learning, reflecting on past and current events, taking action and finding a new way forward.

"Action Learning is based on the relationship between reflection and action. We learn through experience by thinking through past events, seeking ideas that make sense of the event and help us to find new ways of behaving in similar situations in the future. This thinking through or reflection is the essential link between past action and more effective future action".
McGill and Beaty (2001:11)

The discussion below offers a narrative around the similarities of the Learning School and Action Learning and argues that action learning, as a methodological approach to media strategy making, is relevant to today's media environment.

1. Making sense of unfamiliar competitive conditions

An unpredictable and unfamiliar working context is a common notion in both strategy and action

learning literature. Both disciplines, as a result, are based on an experiential learning model, with experimentation and incremental change regarded as the way to move an organisation or organisational issue forward.

Advocates of the Learning School of strategic management (Argyris and Schon, 1974; Quinn, 1980; Mintzberg 1987; Senge, 1990; Argyris, 2004; Rees and Porter, 2006) argue that an organisation's competitive environment is often complex, turbulent and unpredictable. In his formidable paper "Strategy as Revolution" Hamel (1996:74) illustrates this uncertainty observing that "in industry after industry, the terrain is changing so fast that (management) experience is becoming irrelevant". In a similar vein of thought, the ideas of Kachaner and Deimler (2008) suggest that organisations need to 'stretch their strategic thinking' by questioning and challenging existing assumptions, and business models, rather than use the same strategic planning tools, year on year, as these tend to produce strategies that are incremental and do not take advantage of emerging market opportunites.

Indeed, the definition of 'the media industry' is one worth exploring. A decade ago it would almost have been impossible to predict an industry where competition in the UK consisted of a previously nationalised telecoms company (BT); a mobile phone company (Carphone Warehouse); and search engine company (Google) competing against the likes of the BBC, ITV and Virgin Media. This changing media industry definition is replicated on the global stage in the form of the battle to acquire Yahoo. Potential suitors included a traditional media company (News Corporation), a new media company (Google) and a software company (Microsoft). The definition of the media industry today will no doubt be significantly different to the one that will have emerged in five years time.

Proponents of the Learning School argue that with such obscure competitive conditions, the process of strategy making needs to be reactive, experimental, gradual, and where the implementation of strategy forms an integral part of strategic options development (Senge, 1990; Leavy 1998). At best, the strategist can only hope to learn about the recurrent patterns in their markets and react to the opportunities and threats presented (Sull, 2005).

This unpredictable environment that strategists refer to is the type of working environment that action learners often find themselves in. Action learners are faced with an exploration into the unknown in their "search for the unfamiliar" (Koo 1999: 89) in times when there is no single course of action that can justifiably be considered to move an organisation forward.

Much of the literature pertaining to action learning (Revans, 1982, 1998; Mumford, 1985; Pedler, 1997) suggests that one of the underpinning features contributing to an effective learning environment is that learners are often working in a setting that is characterised by adversity, conflict, frustration and where the need to solve complex managerial problems is achieved through experiential and emergent problem investigation and insight (Beaty et al, 1997; Johnson, 1998; Zuber-Skerrit, 2002). Action learning encourages reflection, insightful questioning and assumption breaking that result in changes in attitude and behaviour. This learning process provides the potential to explore and solve complex organizational problems, such as, the question of how to develop a future media strategy.

2. Media strategy is developed through an iterative process

The Learning School of strategic management argues that business strategies "simply emerge over time" (Quinn, 1980:15) and are a consequence of external competitive conditions and their influence over organizations and their management who take adaptive action to remain competitive.

The nature of the strategy development process is, therefore, iterative and characterised by an informal process of trial and error where individuals, and or groups, within the organisation learn more about the environment they are competing in and how best to take advantage of it (Senge, 1990; Stopford 2003). Strategies tend to consist of a series of small actions that, when viewed retrospectively, produce "major changes in direction" (Mintzberg et al, 1998:178) in order to remain in touch with the environment.

The action learning framework can capture this iterative and experiential process since "action emerges" (McGill and Beaty 2002:183) from a cyclical process of action, reflection, theory building and change in practice. Furthermore, many researchers in the field of management research would argue that it is only through the adoption of an experienced based learning model that real insight into management problems can be found (Sanford, 1981; Elliot, 1991; Ellis and Kiely, 2000; Reason and Bradbury, 2001).

As mentioned earlier, this informality in the learning process is a fundamental criticism of the Learning School and one which needs to be countered if this approach to strategy making is to be developed into the future. Whilst this experimental and experiential learning approach to strategy making, is by its nature, closely aligned to the discipline of action learning, action learning can facilitate more effective strategy making by providing strategists with a formalised framework and process to capture action, change, reflection and learning. Indeed, empirical research by Finlay and Marples (1998); Smith and Day (2000); and Oliver (2006) concludes that action learning can be successfully deployed in the development of organisational strategy.

3. Media strategy making as a collective learning experience

The Learning School argue that strategy emerges from interaction between different groupings of people with different amounts of expertise, influence, and interest in an organisation. De Geus (1988:71) states that this interaction between people provides the basis for collective learning to emerge, as "individual mental models" change to a "joint model" of organizational consensus on how to adapt to the changing competitive environment. The advantages of the learning organization are its ability to create a working environment that promotes flexible, adaptable working patterns and structures where workers, individually and collectively, question and learn from their changing environment.

If, as McGill and Beaty (2002:196) suggest, that the "only consistent feature of organizational life is change" then instilling a culture of adaptability and change in media organisations is the only basis on which emergent strategies can be effectively implemented.

The learning organization is a living, evolving and adaptable organism, that is based on individual

and collective learning. Again, it is surprising to note the lack of action learning being used in strategy making, particularly as Leavy (1998:456-7) points out, that the notion of "learning…as a model for the strategy process itself" is becoming increasingly important when considering organizational transformation.

He goes on to suggest that the concept of 'strategy as learning' may well be more effective than "simply planning or decision making" in uncertain competitive conditions.

Action learning has been used extensively for management and executive development, yet the notion of 'individual and collective' learning in the organization seems to have been an irrelevance when discussing the impact that an action learning programme could make in the development of business strategy. When reviewing organizational learning literature, it appears that much of the learning being discussed seems to occur naturally in formal meetings, and informally, in corridors and around the coffee machine.

The question then, is whether this is an effective way to develop organizational learning? The Learning School argue that the learning process is slow, largely informal, and may result in important issues being ignored, forgotten and unactioned. Action learning, by its nature, can overcome these problems through the formal, structured process it offers. It can also speed up the learning process and can provide a sound basis for strategic implementation to be more effective as a result of the buy-in and group consensus that has developed over learning cycles and set meetings. As a consequence, action learning can stimulate and accelerate organizational learning, adaptability and responsiveness, which in uncertain times, is essential for competitiveness.

4. Strategic learning and changes in behaviour stimulate retrospective sense making

As previously discussed, the Learning School argue that strategic learning is emergent and changes in behaviour stimulate retrospective sense making of action. Strategies emerge from small adaptive attitudinal and behavioral changes in organizational practice that attempt to respond to the demands of the changing competitive landscape.

However, these changes are based on learning, and this learning is based on individual and collective reflection of what has, and is, happening in the environment. As both strategic learning and action learning are founded on the same experiential learning model, it is no surprise to find that retrospective sense making features significantly in both disciplines.

Action learning is a process whereby an individual or group raise their levels of consciousness of a problem through an iterative process of action, reflection, insightful questioning and assumption breaking and change. Ideas about alternative revenue models, piracy, audience fragmentation and industry consolidation in the media are strategic issues that need to be addressed, assumptions challenged and strategic responses to be made.

Brockbank, McGill and Beech (2002:22) argue that action learning involves a process of "reflective dialogue" which involves the learner making sense of their actions by reflecting on their previous assumptions and new ways of thinking, and by engaging in discussion with other managers and staff that involves progressive questioning "to continually explore and question suppositions by surfacing new insights and evolving fresh questions leading from (our) ignorance" (Smith and O'Neil, 2003:63).When learners undertake this reflective process they

adopt new behaviours and new attitudes (Isabella, 1993; Marquardt, 2004, 2007) as they try to understand what is happening in the competitive environment. Established cognitive and behavourial organizational routines are transformed as the previous and established ways of thinking and acting are called into question. This de-stabilisation process often occurs to action learners as they are encouraged to be self reflective, self critical and question their previously held assumptions. As Revans (1982, 1998) points out, for effective action learning to take place, managers must translate this new cognitive belief system into obvious, clear and palpable action by incorporating new practices into the organization in an attempt to resolve their management problem. Culpan and Akcaoglu (2002:175) support this view by arguing that action learning is often regarded as a "process of cognition and behaviour" whereby managers are made aware of their own inner decision-making processes and how this will inform their assessment of the problem and the actions that they take as a result of this action-change-reflection cycle.

Does the depth in this reflective process occur in the same degree with emergent strategists? It is unlikely. Eden and Ackermann (1998:75) illustrate the reflective process by arguing that organizational learning should focus on "standing back from everyday life, detecting emergent patterns of behaviour, reflecting upon these, and designing ways of thinking and working". As such, emergent strategists seek to adapt to change through retrospective sense making and corrective action. One must, therefore, conclude that whilst emergent strategy making exploits the use of reflection, action learning seeks to take the level of reflection a step further, formalising it and expressing it as a series of reflective and developmental cycles that could, if used, enable emergent strategists to break their pre-existing assumptions and make them aware of their own inner decision-making processes.

5. Media strategy formation and implementation are based on experimentation, learning and adaptation

Emergent strategies evolve and are formed through a process of trial and error over time. The Learning School argues that the idea of emergent strategy making "opens the door to strategic learning, because it acknowledges the organizations capacity to experiment" (Mintzberg et al, 1998:189).
Strategies are formed through adaptation, evolution and convergence on successful working patterns. As such, strategic implementation is not regarded as the 'solution' to a changing competitive landscape. Instead, implementation is inextricably linked in a dynamic and non-linear process of strategic analysis, strategic choice and strategic implementation, where experimentation and learning are a continual and evolving process.
In a similar vein, action learning attempts to overcome learning closure whereby the learning generated from a succession of individual and collective organizational projects is captured and used to build knowledge in order to take action that leads to more effective change outcomes. Action learning is often used to gain insight into unfamiliar organizational issues, and where the resulting adaptive cognitive and behavioural changes result in actions that are aimed to solve the issue at hand.

Conclusions
The media industry, is and will, continue to go through a fast moving transformation of its competitive landscape. Rapidly changing digital media technology and consumption, de-

regulation, audience fragmentation are some of the key drivers of change. This paper argues that Action Learning is can be used as an effective methodology to develop media strategy, particularly in uncertain environmental conditions. It has also integrated two domains of theoretical knowledge, that of, strategic management and action learning, a notion that has received little or no attention in either paradigms, and yet, there are obvious parallels to be drawn from concepts that share the same experiential learning model.

As mentioned earlier, the primary criticism leveled at Learning School theorists centres on the question of how to harness and build an organisational learning capability when so much of the learning is informal, and as such, is so ingrained inside organisational practices that it is difficult to isolate, access and develop. It is this fundamental weakness in emergent strategy making that provides the biggest opportunity for the action research paradigm, and as such, action learning should be seen by strategists as a means to provide a structured methodology to capture and formalize learning and develop effective media strategy.

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