Strategising as a complex responsive leadership process

Nol Groot* and Thijs H. Homan

Open University,
PO Box 2960, 6401 DL,
Heerlen, The Netherlands
Email: nol.groot@ou.nl
Email: thijs.homan@ou.nl
*Corresponding author

Abstract: This paper, based on a narrative of one of the authors, explores management reality where a chosen strategy developed into a different direction than expected. The authors offer an insight in a manager’s daily struggle, where power, gossip and conflict can influence the strategising process. The plans and strategic ambitions chosen at the outset did not seem to work, yet a strategic organisational change was highly necessary due to new governmental regulations. The story follows unpredictable turns and surprises, becoming an example of real political life in organisations. We propose that the kind of leadership practice that takes seriously the unpredictable responsive processes of spontaneously changing circumstances described here can enhance the possibilities of successful outcomes.

Keywords: strategy; unpredictability; surprise; power; complexity; gossip; responsive; conversation; paradox.

Reference to this paper should be made as follows: Groot, N. and Homan, T.H. (2012) ‘Strategising as a complex responsive leadership process’, Int. J. Learning and Change, Vol. 6, Nos. 3/4, pp.156–170.

Biographical notes: Nol Groot has many years of experience as a Senior Executive in different international service companies operating in Europe and the Middle East. Until recently, he was COO in the executive team of the passenger company of the Dutch Railways. His areas of interest and experience are: leadership, strategy and complexity. He has published several papers, books and book contributions in these fields. He holds a Doctor of Management degree in Organizational Change from the Complexity and Management Centre at the Business School of the University of Hertfordshire, UK. At present he is a Professor in Management Sciences and Complexity at the Open University in the Netherlands.

Thijs H. Homan is a Professor of Change and Implementation at the Open University, The Netherlands. His teaching experience covers a wide range of courses on the field of Organisational Behaviour, Organisational Dynamics, Change Management, Organisational and Team Learning and Managerial Competencies for both graduate and post graduate students and Management Development programmes. He is also active as an organisational consultant. He has written several books and articles, including an innovative study formulating new theories on Team Learning and on facilitating Team Learning Processes. He is Founder of a research centre at the Dutch Open University, ‘Facilitating Organisational Change and Implementation Dynamics’. In this research centre, scientists, practitioners and consultants cooperatively research the inner dynamics of organisational change.
1 Introduction

More than ten years ago the board of directors of the passenger company of the Dutch Railways made a strategic plan which should lead to a better performance after interruptions of train services. After long negotiations, an agreement was made between management, unions and works council representatives to simplify working rosters. After the plan was presented by the negotiation parties to the conductors and train drivers, it led to major turbulence, leading to strikes which caused much delay, irritation and intense negative publicity. The company reached an all-time quality low (Wessels, 2003; Van der Meulen, 2007; Groot, 2009, 2010; Van der Zwan, 2010). As a result of this crisis, new directors and a new supervisory board were appointed by the government. In that same period, the transport police service, previously managed by the passenger company, was taken over by regular Dutch police forces. Yet, due to budget cuts, the government reduced this police support at many locations which forced the management of the passenger company to create a security department in their own organisation. The government provided new rules and regulations about the way security people should exercise their responsibilities. The company reacted to this demand with a strategic plan to meet these new requirements. The narrative in this paper concerns the events which unfolded after this plan was presented to the organisation. The strategic plan created turbulence in the existing workforce. Not only would the legal position of the service personnel change, but around 270 people would lose their jobs because they were not sufficiently qualified for the new responsibility levels. At the time this situation occurred a new executive team was appointed in the passenger company, of which one of the authors was a member. The new team decided to reconsider the original strategic plan, in order to avoid a repetition of the social conflicts from 10 years ago. But what could be the next step? The new governmental regulations were clear, implicating serious training and qualification deficits of a large group of personnel.

As is the case in many other organisations, a chosen strategy may not always bring the anticipated results. This also can be the case with organisational change processes, as well as with construction and technological development programmes. This observation is supported by several authors like Mintzberg and Waters (1985), Pettigrew (1997), Boonstra (2000), Kaplan and Norton (2004), Balogun and Johnson (2005) and Mulder et al. (2006).

Like in any other company, managers prefer introducing new plans and regulations following the textbook-formulated strategic planning stages. But as will be demonstrated in this paper, practice can clearly show another experience. The stages developed in many different directions, which regularly came as a surprise to management. The objective of writing this paper is to share experiences with another perspective on strategic developments. In this perspective, surprises are a normal part of our daily management life. The described experiences forced the members of the executive management team to realise a more helpful but unorthodox way of thinking about strategy. In conventional management literature, an important line of thought is the dualism of strategy ‘formulation’ on the one hand and ‘implementation’ on the other hand (Andrews, 1971). Whittington et al. (2006) challenge these traditional notions proposing shifts towards activity, the practical and duality (instead of dualism). Burger (2007) and Raynor (2007) move to strategy as paradox. Another approach describes the complex dialectical approach of ‘formulating and implementing strategy at the same time’ (Groot, 2007).
This view, focusing on local conversation, social relations and self-organisation, requires that managers paradoxically need to have the ability to adapt to local strategic developments and at the same time lead the global organisation. Chia and Holt (2009) warn that the more managers are pushing at the required results of a single minded strategy, the bigger the chance that this strategy will fail. We will argue that based on the complexity ideas of Stacey, Griffin and Shaw (2000), a responsive strategising approach can result in different but successful strategic outcome.

The paper starts with a description of the strategic challenge of the organisation. After an overview of related strategic literature, a description of the strategy approach is presented. We will illustrate the unexpected development of the strategic processes moving into an unwanted direction and showing the impact of power influences of the different participating groups during these processes and will link theory and practice. In the final part of the paper, conclusions are presented with regard to responsive behaviour of executives and their influence on results.

2 The strategic challenge

In the spring of 2006, The Dutch Railway Group employed around 26,000 people, almost 12,500 of which were in the national passenger company. The departments in this national passenger company were: commerce, finance, human relations and two operational areas: one covering equipment, logistics and planning and the other train operations, customer information and services.

This latter part of operations, for which one of the authors of this paper was the COO, employs 8000 people. It is divided in 13 regional production areas, headed by regional production managers and two production directors. Station operations and services are also headed by a service director. Operations are supported by specialised departments like travel information, interruption services and a security department, specifically for extra ticket control and emergency assistance. 700 Members of this department work in the 13 regional production areas. It is about this department that the following story unfolds.

2.1 Important players in the field: unions and works council

Both in the Netherlands and Germany, a works council structure is required by law, along with a two-tier board structure – consisting of a supervisory board and a management board (De Wit and Meyer, 2005). This law has to ensure that general management respects the rights and interests of employees when developing labour condition policies and company strategy. Regarding labour conditions, the works council must approve change requests from management. With regard to strategic decisions, the works council has an advisory right. They have a right to appoint some supervisory board members, which closes the governance circle.

Management tries to build up a good relationship with the works council, including informal relations with prominent members like the chairperson. This creates the possibility to informally introduce and test new developments that have not yet reached formal discussion status. In general, the works council structure brings about balanced relations between workers and management, resulting in fewer strikes than in many other
countries (Van der Velden et al., 2007; SER, 2008). In this company, the works council has established a strong power position. The responsibility for labour agreement negotiations rests with these unions. But as most of the works council members are elected by the unions, there is a strong connection between the works council and the unions with regard to labour agreement issues.

2.2 Governmental interference

Security in trains and on railway stations is provided by three parties: the police with a special railway police section; the company’s own security department and train conductors. The government has reduced police support and it has outlined new rules for security people to fulfil their responsibilities. Although train conductors and the security department are allowed to perform light police related tasks, they were not prepared to take up this new level of responsibility. The new demands required a training programme, where staff would be assessed on their ability to use force in preliminary arrests and perform more serious police work. A governmental exception regulation authorised train conductors and security department employees to do this. But this regulation was about to be terminated. As the security group employees also provided general service tasks, many employees lacked the training and experience to take up the new responsibilities. This was the main reason that management thought it is necessary to restructure this department into a new professional security group, leaving train conductors to focus on service tasks and abolishing their authority to use force.

This strategic plan brought about considerable agitation. Not only would it change the legal position of general security and service personnel, but also around 270 employees would lose their jobs as they were not suitable for this new task. The company offered job security to these groups for 4 years, which reduced short term management flexibility considerably. Although these preliminary plans had caused much turmoil management still had to face the new security regulations and wanted to avoid the intense turmoil of a few years earlier, so something had to be done differently.

2.3 The first big meeting

The executive team took the initiative to organise a conference with most of the security people, to discuss how to proceed with meeting the new governmental standards. During the meeting, in a good atmosphere, it became clear that security and service activities turned out to be overlapping areas. The conference led to the idea of investigating closer cooperation and possibly a merger between the security department and the station service department. This could lead to a combined department with more operational opportunities and shared responsibilities and would create new job opportunities for the group of 270 potentially unqualified people. The meeting turned out to be the beginning of a process of many local conversations which will be explained later on in this paper in terms of the complexity ideas of Stacey et al. (2000), Stacey (2007) and Groot (2009, 2010). After the conference, the executive team reconsidered the original strategic plan accepting that participation of the professionals working on trains and stations was of eminent importance. Before elucidating how the process developed, we will first present a short overview of some of the theoretical approaches to strategy and strategising in management literature which played a part in the considerations.
3 Prescriptive, descriptive and participatory strategy literature

Mintzberg et al. (1998) suggest that there are at least nine ‘strategic schools of thought’, based on two major lines of thinking. The first, the prescriptive school, is built around planning and design, while the second, the descriptive school, is focused on the learning aspects of strategy and ideal strategic behaviour rather than prescribing how strategies should be formulated. The broad spectrum of ideas and thoughts about strategy brings De Wit and Meyer (2005) to the conclusion that our knowledge of strategy and management is still fragmented, unstructured and inconsistent, even self-contradictory. Whittington (2001) advises managers to start thinking differently about strategy, accepting that there is no general recipe. He encourages managers to use their own brains and senses in developing their own strategic awareness. An important area of choice for practicing managers is the decision to what extent employees in the organisation should be involved in the process of developing the organisational strategy. In this paper, we suggest that it is impossible to make such a distinction between people who ‘design’ the strategy (management) and others who have to be ‘involved’ in that process.

We contend that strategy is the result of organisation wide local interaction processes, where the interactions in a management team are only one set of local interactions amidst a ‘sea’ of many other ongoing local conversations. In the strategy literature, there are at least four relevant strands describing aspects of these local-global strategic dynamics: micro strategy, strategy-as-practice, crafting strategy and paradoxical approaches.

3.1 Micro strategy

Johnson et al. (2003) argue for a shift in the strategy debate towards a micro perspective. They call for an emphasis on the detailed processes and practices that constitute the day-to-day activities of organisational life, relating these practices to strategic outcomes. For instance, strategic innovation increasingly involves managers at the periphery, rather than just at the centre of the organisation. Strategy-making becomes a chronic feature of the organisational life of many people working in organisations. This necessitates a micro perspective on what really is going on in strategic processes.

Ketovi and Castener (2004) discovered that the role of employees in the strategic planning process reduces managerial position bias. Mintzberg (1994) states that strategic planning as an integrative mechanism of discussions amongst many is more likely to succeed than when it is confined to top management or planning experts. Johnson, Melin and Whittington conclude that key theoretical and empirical traditions within the macro approach have arrived at a similar conclusion: the need to ‘put more micro into the macro’. This makes it possible to uncover linkages to organisational performance and to offer tangible guides for managerial action. Regnér (2003) describes strategy-making as a peripheral activity, including externally oriented and exploratory strategy activities like trial and error, informal noticing, experimenting and the use of heuristics. Strategy making in the periphery is seen as an inductive activity, dealing with what comes out of day-to-day practice. Thus the micro-strategy approach makes clear that it can be a sensible strategising approach to ask local managers to develop strategies at their own local level, walking the strategy road together with the members of executive teams.
3.2 Strategy-as-practice

The strategy-as-practice (Jarzabkowski et al., 2007) approach adds important insights to micro-strategy thinking. This approach emphasises the need to understand micro actions in their wider social context. People are not acting in isolation. Their modes of acting arise from the plural social networks to which they belong. The strategy-as-practice approach pays attention to the explicit links between macro and micro perspectives on strategy, focusing on strategy processes mainly as social (interaction) practices. As such, the strategy-as-practice perspective is based on the ‘practice turn’ in social theory building, for instance as in Bourdieu’s (1977, 1990) practice theories.

Dionysiou and Tsoukas (2008) refer to Mead’s (1925) notions of the generalised other, socially shared tendencies to act when confronted with similar situations. Routines can thus be seen as the common tendencies of how people act in comparable social situations. Participating in social routines develops our personal identity in relation to the ‘we’ identity (the generalised other) in the organisation we work in. Translated in terms of a strategy-as-practice perspective, Jarzabkowski et al. (2007) conceptualise ‘strategising’ as a situated, socially accomplished activity, which comprises the actions, interactions and negotiations of multiple actors and the situated practices they draw on in accomplishing that activity. Research from the strategy-as-practice perspective builds on this definition of strategy and describes the outcomes for the direction and survival of the organisation or industry.

3.3 Crafting strategy

Accepting the perspective that people working in operations have their own local strategic views: how could cooperation between them and the top management help organisations perform better? In this context, Mintzberg (1987) uses the term ‘crafting strategy’. Crafting is not so much about thinking and reasoning but about involvement with the materials at hand, involving feelings of intimacy and harmony developed through long experience and commitment. Understanding strategizing as crafting implies that formulating and implementing merge into a fluid process of learning through which creative shared strategies emerge. In this sense Mintzberg (1994) contrasts ‘deliberate strategy’ with emergent strategies as strategies without clear intentions. They are actions converging into organisationally relevant patterns. The concept of emergent strategy suggests that strategists have to take into account the multitude of actors in an organisation and the ‘interplay’ of their actions. The ‘strategic patterns’ that emerge can only be understood as immanently unpredictable. Seen from a practitioner’s point of view, it is an undeniable part of organisational reality. According to Whittington et al. (2006), clear borders between strategy formulation and implementation disappear when attention is paid to emergent strategy. Organising, being organisationally active during the strategy development process becomes an integral element of strategic development.

Whittington et al. refer to three important aspects of practical strategising: strategy workshops, strategy projects and strategy artefacts. In these practices, hands on crafting skills are getting strategising done. These authors do not reject formal strategy making for practitioners. Yet they argue that practitioners can renew formal strategy by injecting aspects of practical strategising directly into the strategy process. Both strategy and organisation as well as formulation and implementation run together as simultaneous
activities. In the heat of the moment practitioners will not be able to distinguish the difference between strategising and organising or formation and implementation. Whittington and Caillet (2008) also connect crafting ideas with a strategy as practice view. They emphasise the importance of involving daily practice and skills in formal strategy making and the plurality of forms that such strategy activity can take in different contexts. Although their research shows that 80% of the companies still use formal strategic planning techniques, they suggest that the strategy-as-practice perspective can enrich the strategy research agenda. Strategy-as-practice is – according to these authors - something that goes on in every organisation and comes much closer to the reality of what people in organisations do when they are involved in strategic processes. With regard to research on strategic planning Mead’s (1925) earlier mentioned sociological notions of the generalised other, the development of a ‘self’ and ‘intelligent action’ can raise interesting new research questions as: how exactly is strategic planning performed, who are the performers and what kind of tools are used and how? One really has to go ‘inside the process’ to intimately examine the kind of work which is actually being done.

3.4 Strategy as paradoxical process

Several authors focus on strategy emphasising its paradoxical character. An example of a paradox is presented by the British Philosopher Bertrand Russell in his *Principia Mathematica* (1910-1913) with the expression: ‘I am a liar’. Because he is no liar, it is only true if it is untrue (Encyclopaedia Britannica, 2010). Paradoxes cannot be solved and exist or disappear. Burger (2007) acknowledges the role of culturally mediated dispositions in the ongoing transformation of organisations advocated by Chia and Holt (2006) and Chia and MacKay (2007). He argues for a paradoxical and therefore simultaneous occurrence of habitual and mindful actions by people participating in involved in strategising processes. Chia and Holt (2009) also argue that a collective success may be the result of many interactions by many people all acting in response to purpose they feel related to. They see a growing interest in paying more attention to practices and activities within organisations that have been surreptitiously overlooked in traditional strategy research. In contrast, to the rationalised identification of internal and external strategic variables, therefore, they are in favour of a more interpretive and even intuitive approach emphasising the internal processes of strategy making. It is about embracing uncertainty and ambiguity as part of human behaviour, without a permanent search for clarity and certainty (Chia and Holt, 2009).

Also Raynor (2007) refers to the highly unpredictable character of the future. He sees the strategy paradox as a consequence of the commitment to a chosen strategy, despite the deep uncertainty. He calls this strategic uncertainty. Although Raynor departs from the idea that paradoxes should be resolved and not solved, he also suggests that executives and strategists can benefit from thinking carefully about separating how to generate returns from managing uncertainty. We are not sure whether this split is possible and would consider the strategy paradox as strategy formulation and implementation at the same time by all the participants. Paradoxical situations can only be resolved in transformative processes in which the original standpoints have disappeared and a new situation has emerged.

Burger (2007) turns to the complex responsive processes described by Stacey et al. (2000). According to this approach, strategy develops in many local interactions as joint process, without plan, programme or blueprint. The global outcome cannot directly be
controlled by any member in the organisation. This does not imply that people in organisations do not have purposes or goals, even when reaching these goals is highly unpredictable. The reality is that people do make strategic plans but the question is what are they actually doing when making these plans, most of the time it is not strategy making in the sense of joint action, which is an important aspect of a complexity approach. We will later connect this approach to the story.

4 Developments in practice

After the first big conference, the senior executive team was pondering possible next steps in the process with local managers and the works council. They wanted all people to hold jobs, also wanted to comply to the governmental requirements and needed also to be aware of the financial implications. The steps to be taken should imply both a practical and strategic approach. To make this happen, they agreed on the execution of experimental pilots which were organised by local management at 13 locations. All pilots were supported by a national project group, in which works council members participated, connecting local and global discussions. At the start of the pilots, a series of questions was formulated. The experiments in daily practice were used to find answers to these questions. Examples of questions were: Is it possible to connect service and security tasks? Can we separate station and train duties, and can service staff play a role in the security field?

Every four weeks, the project group visited every location and discussed progress with the participants. Every three months, the project group together with the executive team evaluated progress in a meeting that one of the authors of this paper would chair. The whole experimental period covered more than a year. In that year, many people were trained and educated as well. Furthermore they were included in all relevant discussions. After little more than a year, the members of the project team expressed the feeling that the local strategic outcomes of the pilots could become an official part of company strategy. A new meeting was scheduled with members from all teams to investigate what was needed to formalise these ideas.

5 The second big meeting

During this meeting with 150 participants, members of the executive team reviewed last year’s progress. Participants evaluated all necessary information and opinions in order to move on to the next stages in developing a higher security and service level for travellers and employees. The conclusion was to proceed with the merger of the service and security departments and to prepare a joint decision with the works council. Emphasis was put on local responsibilities and relations within a national framework of guidelines on how to operate in crisis situations. To coordinate the joint activities of operation and service, it was proposed that a national security centre should be developed. This centre could provide an overview of the different security teams and assist in operations across regional boundaries. The executive team had the impression that the process had moved forward smoothly and that everyone, including the works council, felt they had been adequately included in the formal and informal decision-making process.
The next step would be to prepare and submit the official advisory paper for the works council. Yet, during an unofficial contact with some board members of the works council, it became clear that they started to have doubts about the new nationwide service and security organisation. They expressed the wish of their local representatives that the security teams should remain part of the regional management responsibility for train operations. One of the main reasons was that the unions wanted to extend the police training to all 2500 conductors requiring 300 extra conductors. This matched one of the primary ideologies of the unions, namely to increase employment possibilities. Next, members of the Dutch parliament, influenced by board members from the unions, started to question the ministry of transport on why the company did not offer police training for all our conductors. This certainly was something the executive team had considered. But it was concluded that services and security on trains are different responsibilities. Besides 300 extra conductors would be needed to make up for the extra training required as well as allowing rehearsal time for the whole group. This would have unacceptable financial consequences.

The first half of the designated security group of 600 people had followed their training programme, the other half would follow soon. During the training period of the first group, the others had to perform extra duties to provide the minimal required security level and could not perform other tasks which reduced job variety for a period of time. As a result, a lot of employees asked whether they could return to train duties, a job with less pressure and better-scheduled working hours. During the year 2008, other groups would be trained expanding the required task variation possibilities. An additional 400 conductors were also invited to follow the same training programme to expand the possibilities for providing different services across different duties. During the training period, people felt some extra pressure leading to tension in the groups. These events provided grounds for the works council to change their position and take a firm stance against a merger between the security and station service department. At the same time, they influenced unions and members of parliament, leading to many critical newspaper articles. Last but not least, the new service and security group was to have its own works council, in which strategic developments concerning its field of operation could be discussed. This would mean that the works council of train operations would have to transfer part of their power to this new works council, thus reducing their overall influence, a move which they resisted.

Of overriding importance was that the security requirements as part of executive responsibility were met. The nature of the developments however started to completely differ from the original outcomes, envisaged at the first big meeting. What became clear was that it is only possible to get a good feeling of what a proposed change means when there is an opportunity to examine the day-to-day consequences after putting it into practice. The executive team needed to react to what was happening and influence, sometimes strongly, at the moment the outcome moved too far away from the demanded original intentions of meeting the security requirements. This needed responsiveness, creativity and orientation on the original demands. One could conclude that the process up to this point had cost a lot of time and money, the process got stuck and it seemed back at square one. But was it really like this?
6 A different approach: strategising as a complex responsive process

The complex responsive process perspective (Stacey, 2007; Stacey et al., 2000) is based on the idea that organisations develop through local patterns of interaction forming ‘organisational’ figurations. Organisations are thus understood as processes of self-organising interaction between agents. Here individual and group/organisation are aspects of the same process of interaction between people. There are no separate levels, only paradoxical processes of individuals forming the social reality, while at the same time being formed by it.

Homan (2006) explains this phenomenon in describing how groups, working together in a large group setting will influence each other and in doing so will build new connections at the same time creating new meaning. This approach shows many similarities with the ideas of Elias (1939) about how local figurations lead to global outcome, during which processes the global influences at the same time frame the discussions in the local figurations. In this perspective, the development of strategy is understood as the emergent result of the activities of many interdependent people. Stacey et al. (2000) use some elements of complexity sciences as a source for analogies with human action. Also involving the psychological/sociological theories of Mead (1934) and Elias (1970), they suggest a theory of organisations as complex responsive processes.

This approach assumes that work in organisations is accomplished in conversational processes, in which according to Shaw (2002) and Shotter (1993) patterns of communication (meaning) emerge across the organisational population. Elias defines power as an aspect of all human relating and considers values, norms and ideology as the bases of power. Human choice and intention influence the shifting of power balances in which conflict, as a normal aspect of human interaction, plays an important role. Power, ideology and identity are then seen as central concepts necessary for understanding organisational and strategic processes. A complex responsive process view of relating does not reduce executive responsibility to a ‘Laissez-faire’ position. Strategy and organisational change emerge in local interaction between human beings and not exclusively between positions and functions.

In the complex responsive processes approach, strategic development is understood as a paradox in which there are no clear-cut boundaries between different phases like design–implementation. According to Stacey (2007), this paradox can present itself in two different ways:

- As an apparent contradiction, a state in which two apparently conflicting elements appear to be operating at the same time. Paradox in this sense can be removed or resolved by choosing one element above the other or by reframing the problem to remove the apparent contradiction. This meaning of paradox is usually taken in the systems theory views on organisations.

- Paradox can also mean a state in which two diametrically opposing forces/ideas are simultaneously present, neither of which can ever be resolved or eliminated. There is, therefore, no possibility of a choice between the opposing poles or of locating them in different spheres. Instead, what is required is a different kind of logic, such as the dialectical logic of Hegel (1969). In this logic, the word paradox means the simultaneous presence of contradictory, essentially conflicting ideas, none of which can be eliminated or resolved. It is this conflict that gives rise to the transformation that is central to Hegel’s dialectical logic. The causality implied in this kind of dialectical logic is transformative (Shaw, 2002).
Approaching strategic paradoxes from a dialectical point of view triggered the newly appointed executive team members to try to understand how strategy could paradoxically emerge in the organisation through formulation and implementation at the same time accepting the surprises this approach had in stock.

6.1 The influence of power

A constraint for leadership is that power differences are inherent in all relations, even when stimulating non-hierarchical discussions. According to Elias (1970) power is not something anyone possesses, but it is a characteristic of human relating. Power relations lead to figurations, or groups, in which some are included and others excluded, as the power balance is tilted in favour of some people and against others. Specifically these temporarily dominant groups will play an important role in the final outcomes of the initiated processes.

Plans, actions and the emotional and rational impulses of people constantly interweave in a friendly or hostile way. This interweaving can give rise to new patterns that no individual has envisaged nor created deliberately. From this interdependence of people arises an order *sui generis*, an order more compelling and stronger than the will and reason of the individual people. It is this order of interweaved human impulses and strivings, which determines the course of historical (and organisational) change; it underlies the civilising process (Elias, 1939).

Belonging to a group establishes powerful feelings, constituting each individual’s ‘we’ identity. These ‘we’ identities cannot be separated from the ‘I’ identities (Stacey, 2005). Mead (1934) explains that processes of human relating form and are formed by both individual and collective identities. In these interaction processes power balances are formed, which in turn form the ‘medium’ for future relating. An implication of these socio-psychological dimensions of complex responsive processes is that executive teams and works councils also are part of local ongoing interaction patterns. According to mainstream management literature, executives should distance themselves from the organisational operations, reflect upon what they see and decide what actions should be taken. The complex responsive process perspective makes clear that this distancing implies disconnecting oneself from ‘where it is all happening’: the actual socio-psychological power dynamics which shape the emerging strategic patterns. The executive is then part of this local joint creation of meaning and not a distant bystander.

6.2 Interplay of intentions

From a complex responsive process view, the strategy process can be described as a flow of ongoing local interactions taking the form of formal and informal conversations between small numbers of people. The way people relate to each other reflects their shared and individual histories. These interactions interweave and lead to the emergence of global (that is, population-wide) patterns that cannot be influenced by one single group, i.e. management.

This approach challenges the conventional thinking about strategy and implies that it is not the exclusive domain of a few top managers to create their strategy and pass it on to the rest of the organisation. Yet all these processes develop under the general responsibilities of company management, such as ‘We need to provide security within the governmental demands’. It is no free ride where anything goes. Managers need to be
aware that frequently strategising activities lead to confusion and opposition and that moving to a next step requires the ongoing involvement of the top executives of organisations.

7 The process continues, moving away from stuckness

The temporary results were part of an intensive period of conversations by almost everyone involved. Also, due to the involvement of unions and works councils, many shadow- or informal side conversations took place often using other means of communication like internet platforms or weblogs. The impact of these conversations established major differences between groups through streams of blame-and-praise gossip as described by Soeters and van Iterson (2002) and Homan (2006). Also these alternative means of communication are an integral part of strategy practice in which management influence is marginal. Yet they play an important part in the strategic outcomes.

Where do these experiences leave executive responsibilities? Reconsidering the options, management was facing the following points regarding the actual outcome:

- Led by new governmental rules, the executive team tried to incorporate the wishes and ideas of those doing the actual work.
- The original ideas were tried out in pilots, combining service and security operations, which produced good results and happy faces. However, some employees still wanted to return to their original train conductor’s duties.
- Evaluations by customers and staff showed a rapid increase of customer and employee satisfaction. Through improved cooperation, it became possible to organise training programmes for staff who were not originally qualified for their new security status. This led to increased job satisfaction and work opportunities.
- Supported by the ideas of members of parliament and unions, the works council of train operations changed its opinion on combining service and security in a national organisation, preferring to combine security with train service operations.
- Works councils of train and of station service operations disagreed on which choice to make. In this process, the train operation side has always been the more powerful group.
- Regional operational train managers have expressed their desire to cooperate in organising the new national service. Yet some still have a sense of loss because the transfer of security responsibilities to a specialised organisation.

7.1 New negotiations

At this point, the strategic case involved almost 2000 people directly and 2500 indirectly. Then something remarkable happened. The works council representatives, who took part in the national project group, were not able to convince the other members of the works council about the positive results, mainly under influence of conductors who feared an erosion of their responsibilities. Paradoxically the developments turned out to be successful and unacceptable at the same time. Only ‘Hegelian’ transformational processes can resolve this kind of paradox in which the contradictions shift into new perspectives,
which actually happened. The works council teamed up with union representatives and forced board members to start formal negotiations. With the experience of the results of the negotiation process ten years ago, management wanted to stay away from the formal negotiation table. However, the unions and the works council representatives only wanted to continue the process at the negotiation table. To overcome this demonstration of power, management agreed to start the negotiations. To everybody’s surprise, these negotiations moved away from the security subject to many other management and organisational issues. It led to suggestions about other forms of thinking about division of responsibilities. It became possible to have talks about simplifying the present top structure of the operations department which ideas became reality soon after. Results no one had ever thought of or expected when this whole chain of events started. In the responsive interactions between the participants, the plans had changed making it possible that more employees could maintain their work in the company. Through re-education and adjusting the requirements, a large part of the group of 270 people could now meet the standards and others were welcome in the service department. It was surprising to discover that many people involved in the process had completely forgotten how the original plans had threatened to turn their personal lives upside-down.

8 Conclusion

This narrative shows that although the strategising process moved into many directions management was not always happy about, it turned out that there was no reason to become nervous. To everybody’s surprise, the pilot processes in which both top-management and local employees participated, somehow paved the way for new negotiations, which turned out to be productive. Unexpected movements from micro strategy developments should be considered an asset, because they can lead to increased strategic manoeuvrability and flexibility. The emergent and transformative character of the new strategy brought about that none of the parties, employees participating in the pilots, works council, unions and management recognised their original plans in the final outcome. But surprisingly it worked and the outcome did not contradict with top-management responsibility but followed a rather unusual path.

This narrative demonstrates that executives cannot directly influence global results. But within their executive responsibilities they can prepare next steps, stimulating local conversation between participants leading to new emerging strategies. In general, managers can influence global developments in different roles:

1. Managers can participate in local interactions. In these local interactions new meaning arises, which can influence the global outcomes in an unpredictable way.

2. Successful leaders are able to identify those local patterns in their organisation that can have significant impact on results. They can put their energy into those patterns, reinforcing them by directly participating in them.

3. Through their participation in and their knowledge of processes taking place everywhere in their organisation, leaders have more overview of the dynamics going on. This allows them to initiate new conversations and connections which they deem relevant. In these new conversations new patterns and new meaning can arise, possibly leading to new strategy.
References


