

## Leeds University Business School – Research and Innovation Podcast

Episode 26: The changing nature of strategy work in organisations

Speakers: Dr Josh Morton and Professor Krsto Pandza

**Josh:** [00:00:00] Hello, I'm Josh Morton. I'm a lecturer in strategy innovation here at Leeds University Business School and the program director for the MSc in global strategy and innovation management.

**Krsto:** [00:00:16] Hello, I'm Krsto Pandza. I'm professor for strategic management and innovation here at Leeds University Business School.

**Josh:** [00:00:23] So welcome to the research and innovation podcast. Today Krsto and I are going to be talking a bit about the changing nature of strategy work in organizations. So some focus on the role of strategists, but also crucially the role that digital technologies play in the change that strategy work is having in organizations.

And this has been commonly referred to as open strategy or the opening of strategy in the strategy research field. So it's really posing the question “who is a strategist these days”, or perhaps even “is everybody now a strategists in organizations?”. So Krsto, I know this is a real area of interest for you, and you've been active in this area for a few years now. What's from your experience has been the key ways in which strategy work is changing in organizations.

**Krsto:** [00:01:06] You came with a very interesting question now, whether everybody can be a strategist now. And I think that this has been pretty long-standing question in the field of strategy - “who can contribute and how”, and we have seen a lot of changes. First change that we have seen, in years is that strategy is not just about planning and forecasting and analyzing.

So I think that in that sense, the strategy work has changed significantly because strategies are now involved in not just formulating something, but also, implement some issues that companies believe are of strategic importance like innovation or agility is for example. The other thing where the strategy really [00:02:00] changes is that it's not necessarily just constrained, for top management teams.

So many other people are involved and this is driven by, you know, two trends. The first one that external environment is more and more complex. So I think that you have to bring more people together in order to get relevant insights about the strategically important trends. And the other, the other trend is digitalization itself because it now enables, it gives us the tools and techniques or technology for different people to be involved in relevant, strategic conversations. These conversations do not necessary now just contained within the, within the kind of borders of, you know, a small group of senior strategists.

So I think that if I summarize this, then yes. If we have situation that the trends are much more complex, where there are social market, technological trends, we need to get more

people to get relevant insights. And that technology enables to actually open the strategy to many more people as, before. This kind of leads me to a question for you, George, because you looked much more, much more into the technology itself.

So can you tell a little bit, like, what is the role of digital technology exactly in opening the strategy work?

**Josh:** [00:03:41] Yeah, it's a really interesting question Krsto there because as you pointed to, you know, there's this idea that there's more inclusion and more transparency in strategy work, but you could also almost think of those as two dimensions and a third dimension is this idea of kind of IT-enabledness, or you might even say digitally-enabled strategy work.

So there's been some [00:04:00] really interesting research that's looked at how strategy work in part it's been okay in the past, it's been more closed, more exclusive, but it's also been more analog in nature, as opposed to digital. So we think that strategy meetings were in board in the boardroom, they were the work of top managers, they took place in the offices. But of course COVID has changed that as well in that, you know, a lots of workers have gone digital, and that's the case as well for strategy work and that's been happening for some time. So instead of these more face-to-face interactions, we're now seeing varying degrees of how strategy work is turning digital.

And of course, part of that is still face-to-face, but we're seeing things like social media platforms, for example, Twitter being used. We're seeing enterprise social platforms in organizations such as Yammer being used as well. But these are being used not only amongst managers or senior managers or top management teams, but they're also being used to cross across the organization, ideate more with members of staff at different levels, but also outside the organization as well.

So in some of my own research with colleagues at Loughborough university and at the university in the USA, we've looked at this and kind of turn this digital strategy work or the digital work of strategists. So as two quick examples, we looked at how a large professional association in the UK use these different techniques.

They use various forms of freely available, social media, such as Twitter. And this was driven by the CEO of the organization. And they use these platforms to try and capture the view of their members of this professional association, because they're the key stakeholders who of course pay their membership.

And the CEO's view was that we need to capture these. These people need to inform the future direction and this five-year strategy for our organization. I was also quite fortunate to work for, for a while, with IBM on their, what they call their strategy, jamming processes, which are basically a form of crowdsourcing for strategy. And these jamming processes started inside IBM. So IBM derived this term that they call strategy jamming from the idea of [00:06:00] musicians jamming on their instruments. So it's a similar idea in organizations in that people come together, they share ideas around strategy and they also get around

innovation as well. And the idea is that they spend a certain amount of time doing this on a particular platform.

And the process basically follows that there's a bit of ideation between people. Then there's a bit of refinement of these ideas. And then at the end top managers, look at these ideas and go away and consider whether they should form parts of the strategy of the organization or inform some strategy processes.

But then over time, they've also marketed them externally and helped other organizations, their clients to open strategize to through this kind of jamming process that takes place on various forms of digital technology. Krsto - I know you've worked for a number of years now with Ericsson, so obviously a huge multinational organization. And part of this was focused on the strategy professionals about how their work is changing, particularly through, I believe, an online open strategy community. Can you tell us a bit more about the key insights from that research project?

**Krsto:** [00:06:59] Yeah, definitely. I think that we had a very big project funded by European Union working together with Ericsson. And that was one particular part, that I work on with my colleagues, Anna Plotnikova and Saeed Khanagha. So we looked at how a group of strategy professionals in Ericsson Department called Strategy Group try to make strategy process much more open and much more inclusive, and they establish a dedicated, online community which was open to different members across, across Ericsson. And the idea at the very beginning was essentially just to bring people together that really have interest in some strategic topics.

But at the same time, they also wanted these conversations to be a little bit unconventional, a little bit more [00:08:00] imaginative and not constrained as it is in more formal strategy process. And it, it's interesting that this community has grown; at a certain stage they had like 2000 people involved relatively regularly in these conversations. And what we studied as a more of a research question is how the strategy professionals then maintain and motivate, maintain this online community and motivate people to constantly participate because that's of course a challenge because this is not they're job necessary. And I think that you want to grow community, you want to motivate people and that's, that's certainly a challenge.

There are some questions here that are interesting. To what extent you want to involve senior managers in this community? Or do you want to kind of have them a little bit a part of the community? The other question that they were dealing with is who exactly in what kind of role in this community? Do you really want to have a free-flowing discussion that everybody can contribute? Or this discussion is then steered a little bit if you want to have particular people more involved in this conversation in order to increase the credibility of the outcome. And at the end of the day, question about what exactly is going to be discussed, because maybe you don't really want to have a totally open discussion in the sense that every topic can be addressed.

So you want to, the strategy professionals have to steer the conversation a little bit in order to, you know, increase the relevance of conversation for, for top management. So I think that there are a lot of things that we learn, that show that openness is not just simply open it and see what happens, but the process actually have to be, you know, have [00:10:00] to be really, really well managed.

**Josh:** [00:10:04] Yeah, I think that's a really interesting point because in some of our own research, such as when we studied this professional association, you know, the CEO, there was very keen for this to be more of an open culture going forward. But I suppose in a sense that comes back to the type of organization and what's possible because.

With organizations, perhaps in the public sector or the third sector, it might be more possible to kind of change the culture in that way and be more open. I know there's been examples in the literature on this idea of open strategy and digital strategy with Wikimedia and how they defined a new strategy with their community, who of course, a key part of the organization and that they contribute all of the knowledge to the Wikipedia platform.

So I think going forward, at least from my perspective, a key future avenue for research is to look at the different types of organizations and how this idea of kind of digital strategy or open strategy kind of looks differently in different cases, across different sectors and this idea of control of top managers and what their role is, whether it's more facilitating ideation or is kind of fostering a culture of decision-making perhaps in strategy processes too, because they, I don't know if you have any thoughts yourself in terms of future directions.

**Krsto:** [00:11:16] Yes certainly. For me, there are two big questions. I mean, the first one is essentially whether this type of open strategy initiatives are going to lead to some, maybe some more radical changes in the organization, or are these initiatives more or less used for some conversation about incremental changes?

So that's a big question still. And, and perhaps the final one, if we, everyone is going to be a strategist or at least more people are going to be involved in the strategy process, what we see, they will have to learn about the kind of the language of the strategy and the practice of the strategy. So a more strategy [00:12:00] became democratized if you wish, the most, the more people will actually have to learn how to do it. And that it's perhaps not going to be that straightforward.

**Josh:** [00:12:10] This is definitely an area of research that we'll be continuing to pursue and find out a bit more in the future about, you know, what is the role of strategists and perhaps answering this idea of what does a strategist today look like? So if you want to get in touch or find out more about our research, our contact details are available in the episode description, and you can find out more about our research on our profiles on the Business School website as well.

**Krsto:** [00:12:31] Thanks for listening and I hope that you will join us on our podcast in the future. Thank you.