Strategic Understanding
A Qualitative Study on Similarities and Differences in Perceptions of Strategy

Bachelor Thesis within Business Administration
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Abstract

In today’s society, strategy becomes more important because of the ever fast changing environment. Companies all around the world set strategies, in order to grow and earn a profit, and wish for them to be implemented the way they were intended to be. Therefore, we believe it is important to investigate individuals’ perceptions of firm strategy.

The purpose of this thesis is therefore to investigate individuals’ perception and understanding of firm strategy, and to see how these perceptions show similarities and differences. Our aim is also to see how cognitive mapping in relation to a strategic model can be helpful both for practitioners and researchers.

Collection of primary data was done by interviewing five employees on different hierarchical levels in Company X that is active in multiple different business areas both in Sweden and abroad. The interviews were later analysed with the help of theories such as cognitive structures and maps, and Whittington’s (2001) generic perspective of strategy. This model recognizes four approaches to strategizing, namely Classical, Evolutionary, Systemic and Processual. The two former ones have a Profit- maximizing outcome, while the latter two are Pluralistic in outcome.

During the analysis we found some similarities and differences. It was found that not all employees, individually or together, could be categorised under one specific approach. It is hypothesized that this could be because of the fact that they are at different levels and positions in the company, but they had similar perception on long-term planning as a firm strategy.

The interviewees in Company X have shown different perceptions when relating to strategy. We come to the conclusion that it is important for managers and strategic decision makers that they understand and take the differences and similarities under consideration when delegating and injecting new strategies into a company. We think this could then help them to enhance an understanding of their own strategic organisation.

Although case studies tend to be subjective, this is pointed out as the main limitation of the methodology. The researchers’ interpretation of the interviews lay as the foundation of the analysis and conclusion, and in order to make the study as objective as possible, clear and relevant selection of theories and literature was used to support the claims made in the thesis.
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1 Introduction

1.1 Preface

To start off from the beginning, as most tales do, the narrative of strategy is that companies want to earn profits, and to do so they are inclined to grow. This need of growth though, does not seem to be the same for all companies. That is, neither all companies have the same perception of what growth is, nor through what strategy to reach it.

These variations in perceptions make different firms formulate diverse strategies according to their individual needs. This strategy formulation is found to be done in different ways, both deliberate and emergent, or deliberately emergent (Mintzberg & Waters, 1985). This is now seen from a process perspective and where some companies are said to have a profit-outcome oriented strategy, while others have a pluralistic view on outcome of strategy (Whittington, 2001).

Theory also describes strategies that are working as guidelines for those in the company; these are for example Mintzberg and Westley’s (1989) visionary school. These strategies are often formed by the top leaders in the organisation and are later adopted by the employees. Applying strategies according to these theories will give the employees more options when making strategic decisions.

Smircich and Stubbart (1985) stated that it is interpretive perceptions that will render strategic actions by managers as they will base strategies on their knowledge on past events and situations. To simplify this, one can say that before strategy there are thoughts, these thoughts lead to new strategies which will be turned into actions.

In that line, previous research has shown the importance of the strategist where the necessity to investigate how the mind of the strategist affect strategies (Mintzberg & Waters, 1983; Hellgren & Melin, 1993; Gallén, 1997, 2006). As a corner base of argument they have found that the way-of-thinking of the strategist is prevalent to the realized strategy. All kinds of decisions, including strategic ones, are believed to be dependent on cognitive structures of the individual who makes the decisions (Hodgkinson et al., 1999; Schwenk, 1984; Tomicic, 1998, 2001).

Cognition can be described as thoughts or concepts which have relations to each other. It is believed that these concepts together show the individual’s cognitive structure. The cognitive structure is then the foundation of which the mind evaluates the relevance of new information. More important, it is believed to control the interpretation of new information and therefore the perception of what the information means (Weick, 2001).

A cognitive structure is a pattern of concepts based on the information the strategic decision maker carries from past experiences. This structure is created both consciously and subconsciously to simplify the complex reality the individual experience. Because of this, not all objective information of the reality can be handled by the brain and a bias is therefore created in the mind of the individual (Laukkanen, 1994).

Exemplified one could ironically say that; what someone says, what you hear them say, and what you understand of it, are different things. Unfortunately, it is also believed that the cognitive structure then controls how you yourself tell the same thing to someone else (Hint: Think of the whispering game of a rumour).
The visualization of a cognitive structure can be drawn like a map. This map can then show a picture of the strategic cognitive structure of the individual. Researchers and practitioners can thereby be helped to describe and understand which concepts of the cognitive structure of the participants that are the most important ones (Laukkanen, 1994). This methodological technique has been used for some time and in different ways. (Weick 1979; Schwenk 1984; Ginsberg 1990; Huff 1990; Barr, Stimpert & Huff 1992; Hart 1992; Reger & Huff 1993; Laukkanen 1994; Tomicic 1998, 2001; Hines 2000)

1.2 Problem Discussion

What is then the effect of the cognitive structure of the individual on strategy? Even if it is believed that a strategy is formulated, say by the CEO, it is not necessarily understood in its proper meaning by the individual who is to implement it. That individual will possibly alter the strategy according to that individual’s cognitive structure. In that case the strategy implemented would then not be the same as the intended strategy when decisions of strategic importance are taken, but only the perception of the CEO’s strategy.

If it is actually all decision makers who are a part of strategizing, formulating and implementing the strategy (Thompson & Strickland, 2001), then there would in that case be as many strategies within the firm as there are individual decision makers! No longer can one then talk about one firm strategy but rather multiple individual perceptions of firm strategy. This would probably be seen as problematic for all strategy formulating CEOs, as they ought to be interested in both how, and on what base the decisions of strategic importance are made.

This thesis is therefore based on the above discussion and three questions leading to the thesis purpose have been asked:

1. If strategies are dependent on the individuals of the firm, how does their interpretation (cognitive structure) of strategic Process and Outcome look like?
2. How do these interpretations look like in comparison to each other?
3. How could the methodology of using cognitive mapping to show the individuals cognitive structure be combined with a model that shows strategic Process and Outcome?

1.3 Purpose

The purpose of this thesis is to investigate individuals’ perception and understanding of firm strategy, and to see how these perceptions show similarities and differences.

In this way it is therefore this thesis’ aim to see how cognitive mapping in relation to a strategic model can be beneficial both for practitioners and researchers.

1.4 Delimitations

When such a high focus is on the individual mind, and in collaboration with other individual minds, there is a degree of neglect towards macro environmental factors in the study. These two factors have therefore functioned as an assumption for the thesis relevance and its negative impact have been minimised by trying to interview managers with previous experience within the same or similar industry wisdom.
Neither is the negative or positive outcome of strategy by the company analysed in accordance to the cognitive structures. Hence, this thesis does not give any consultative advice regarding the appropriateness regarding the cognitive structures of strategy and their financial effects, but the focus is only on the cognitional part of strategic perception. The argument for this is that result and value of a company’s activities are believed to be subjectively perceived by the managers’ one asks, and that they are results of past strategy (Hart & Banbury, 1994). In some respect, one could of course argue that if the company has been doing well financially it might be because of its strategic actions. But again, this is outside the scope of the analysis of this thesis.

1.5 Definitions

**Strategy:** Is a firm’s long-term plan on how to achieve its goals and which resources to use when implementing. A strategy is created by a strategist. Strategy is more like a tool and direction that one uses in order to reach the desired goals (Johnson et al., 2005).

**Strategizing:** Is a focus on strategy that looks on micro processes, and also in particular on how, what, where and when such processes take place. It also asks who the strategist is (Nordqvist, 2005).

**Strategist:** The best way to describe a strategist is that he or she is a concept attainer (Mintzberg & Waters, 1983).

**Cognitive Structure:** Can be described as experiences ‘chunked’ into patterns of which one make understanding of ones reality (Weick, 1979), or the creation of meaning out of thoughts of past experiences (Tomicic, 1998). These thoughts create belief systems that humans use to interpret their surrounding and lay as a ground for the information retrieval and understanding on which individuals make their [strategic] decisions (Walsh, 1995).

1.6 Outline

The 2nd chapter of the thesis will give an overview of literature in the fields of the strategist, cognitive structure, strategic vision and Whittington’s four strategy approaches. A summary will also be presented.

The 3rd chapter will explain the methodology of the thesis. First some philosophical pre-assumptions will be explained and analysed with implications for this study. Following parts will outline more specific choices of method, and will explain how the research was conducted. Critique of these choices will be addressed.

The 4th chapter will present the empirical data collected as analysed according to a cognitive map showing the interviewees cognitive structure. This will then be analysed according to the strategy theories presented in chapter two, and the similarities and difference between the individuals’ strategic perceptions.

The 5th chapter will present our conclusions which are drawn upon the analyses, to fulfil the purpose of the thesis. Here the research relevance of both managerial practice and further theoretical research will be discussed and suggested. Also a concluding end-note of the thesis will be presented.
2 The Strategist and Strategy Approaches

Table 2-1 Outline of the Theoretical Framework

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2.1 The Strategist(s)

In 1983 Mintzberg and Waters wrote a chapter labelled “The Mind of the Strategist(s)” in Srivastva with associates’ “The Executive Mind”. The organization was beginning to be considered in strategizing research, hence the plural ‘s’ in brackets of Mintzberg’s and Waters title. In this way Hart (1992) also describes how the organisational ‘mind’ has gained importance when it comes to strategy.

Hellgren and Melin (1993) separate three levels of thinking: “Industrial wisdom”, “Corporate Culture”, and “Strategic way-of-thinking”, or strategic perception. These levels consist of a number of related sets of values, assumptions, beliefs, and thoughts about leadership and strategic development of organizations” (Hellgren & Melin, 1993, p.63, original italics). They found that this strategic perception of a manager affected other individuals’ perceptions “in a significant way” (Hellgren and Melin, 1993, p. 64). This finding argues for the importance of looking rather at the micro than the macro level of individuals’ perceptions and cognition.

Hellgren and Melin (1993) found that strategic change was possible by implementing a new way-of-thinking. This was believed to have come about because the rest of the individuals in the organisation already shared many of the new beliefs. It is therefore of interest to look not only at the CEO or absolute top-managers regarding perceptions or cognitive structures, but on different levels of the organization which has also been suggested and asked for by Gallén (2006). We will therefore hereafter go further into describing what cognition and cognitive structures are and what base these stipulate for strategic action.

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1 The notion of Industrial Wisdom is not further investigated in this thesis as it is perceived by the authors to fall under the level of the macro environment, which is not in the focus of this thesis. Industrial Wisdom is commonly understood in the research field of cognitive management, but as implied by both Hellgren/Melin (1993) and Gallén (2006; 129) it is “difficult to distinguish […] manager’s personal view from the industry wisdom”.

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2.1.1 Cognition of the Strategist

In the 1st chapter of this thesis cognition was described as creation of meaning through thoughts (Tomicic, 1998) and further theory on cognitive structures will hereby follow.

2.1.1.1 Cognition and Cognitive Structures as Understanding of Reality

“Cognition lies in the path of the action” (Weick, 2001, p. v)

Cognition and understanding can be explained as clarity instead of complexity in the mind of the individual. This clarity is only relevant when it is put in context and related to past experiences (Tomicic, 1998). This can be explained as using one’s understanding as a tool for future complex situations.

The process of creating meaning and understanding is both conscious and subconscious (Tomicic, 1998), but the conscious part of it demands that complexity is altered for clarity in a way that this process creates a bias (Schwenk, 1984) as the individual choose to understand what information makes the environment easier to understand (Tomicic, 1998).

In this way the individual then creates a cognitive structure where “[t]hought affects action which in turn affects thought” (Weick, 1995, cited in Tomicic, 1998, p. 11, authors translation). This creation of a structure of understanding of the individual’s reality is a process, where the structure works as a tool to understand new information. In this way a cognitive structure of the individual gets altered and thereby can be viewed as a result of understanding of ones reality based on a previous cognitive structure.

As one can see, all individuals construct a ground for thinking about their situations. This process obviously starts more or less as soon as we are able to think in abstract terms, already as children. As we grow and experience more things, this structure of which we understand our lives changes, as we create new understanding. This structure is therefore very relevant to take into consideration when looking at individuals’ perception, if one believes that we are all different with different previous experiences and understanding of what we do. But how does one find what this structure is, consists of, and how it looks like in strategic terms?

2.1.1.2 How a Cognitive Structure of Concepts Shows in a Cognitive Map

As understanding of reality in a structure is created of thoughts, these thoughts can be seen as concepts. These concepts are differently valued by the individual and also show cause and effect on each other. It is therefore believed that these concepts show the individual’s cognitive structure (Tomicic, 1998). By finding out what concepts this structure is built

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2 Cognition Theory could be separated into three main areas of epistemology: Philosophy, Behavioural Sciences and Methodology. It is therefore important to understand that when thinking of cognition as a concept certain philosophical views on reality guides in which way cognitional theory is described. As the philosophical standpoint of the authors of this thesis will be described in the following chapter of “Methodology”, the theory here will not take such a standpoint, and are reflections on cognition from both angels of positivism and phenomenology. The focus of this theory part will give a view on previous research, regardless its philosophical nature. The methodological part of Cognition Theory is mainly describing how to map cognitional concepts to find patterns, and only briefly mentioned in this part of the thesis. It is instead further described in chapter three, “Methodology”. Important to say though, is that it is not only research on cognition that could be helped by using this technique of mapping, as almost any causality and comparison study could benefit from Causal Mapping (CM). See Laukkanen (1994) or Anderson (1999) for suggestions on organisational studies for example.
upon one could draw a cognitive map. This would then in turn show the cognitive structure of the individual visually (Laukkanen, 1994).

Using the example of taking a walk; cognition is here thoughts of the individual that tries to understand what the walk is about, how it was, for example tiring, in a beautiful nature, a neighbour one met and had a chat with and so on; a cognitive structure set the limits to how the individual’s perception of the walk can make understanding of this reality. If one had not previously made up ones mind that it is nicer to walk when it is sunny, the weather during the walk would have been perceived differently. Maybe one knows one would rather have a walk in town than in the woods. This would effect how one experience a walk in the woods, and so on. Although strategy might be more complex than taking a walk, the principle is the same.

Understanding then becomes a part of the cognitive structure, on which new understanding can be created. Now, say one did previously prefer walks in town. If one go to the woods instead one might confirm the previous understanding of what one like, but it is also possible that one would change one’s mind. But, as most individuals probably feel, change is harder than confirmation of an already established understanding. An individual’s cognitive structure sets limits in this way, what Schwenk described as a biased structure.

But a cognitive map can try to visualize what one in retrospect thinks of how the walk was understood, and the individual’s perception of it. This is described by the individual through the use of different concepts of taking a walk, and how these concepts have relation to each other. One could say that it is like drawing links between different cities on a geographic map, and give these links causal value of where one thinks one rather would like to walk, which also shows how one can not walk in any order, as one has to visit city number one before one visits city number two, and so on. Like a map of the understanding of ones mind on which ground new understanding comes about.

2.1.1.3 Structure with other Individuals – Similarities and Differences

Tomicic (1998) explains that belonging to a group is important as it creates stability and structure. She further argues that this is therefore a question of similarities and differences (Tomicic, 1998). Ginsberg (1990) describes this as a shared understanding where individuals adapt to other individuals’ perceptions. Similarities of consensus on concepts show to what degree individuals’ cognitive structures are shared within a group (Ginsberg, 1990). Ginsberg (1990) further argues that this shared understanding of thoughts within a group of people is not always good, as it can hinder learning.

As we described, a single individual have a cognitive structure of understanding that sets limits in form of a bias. Different individuals within a group also create a structure of understanding which could be limiting. But it is also important to understand that also the differences in perceptions between individuals help them to create their own cognitive structures. In this sense, all individuals create an understanding together with other individuals.

From a strategic understanding, we could then say that all individuals have different strategic experiences. This most likely affect how they not only understand and perceive strategy but also how they then act upon that strategic understanding. We will therefore try to find out how different individuals express their understanding around strategic concepts guided by the strategy model of Whittington. This to see how their cognitive structures can be visualized in a cognitive map of strategic perceptions. This brings us into explaining further about different strategy approaches found by previous research in strategy.
2.2 Strategy Introduction

What is strategy? There is no one specific answer to this question because the perceptions on strategy vary depending on who is being asked to clarify it. One of the more general views of strategy is that it is an organisation’s long-term direction (Johnson et al., 2005). The authors go on to give a detailed description of strategy as:

“Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations” (Johnson et al., 2005, p. 9)

Thompson and Strickland (2001) also describe strategy in the sense of long term planning. Although it resembles Johnson et al.’s, their main first part is strategic vision. A vision directs where you want to be in the future. The strategic vision is here detailed because future markets, needed resources and organisational issues are defined (Thompson & Strickland, 2001). Hart (1992) has a slightly different view on vision and is not so precise. His view is similar regarding the long-term guide in the sense that it should benefit micro decisions. In this way the vision works as a control system of shared beliefs stipulated by top management. Hence, the perceptions and values must be shared within the organization. In the same sense Mintzberg and Waters (1985) describes Umbrella strategies to come of visionary beliefs shared in the organization. Built on similar thoughts, Bourgeois and Brodwin emphasized top managers’ part of visionary boundaries of which interpretive strategies can be formulated as shared values (Cited in Hart, 1992).

If a visionary strategy is a long-term objective, then how does this affect short term objectives? One would here expect that if a vision is very broad to suffice many different micro situations, then this is in line with our perception that such a vision needs to be interpreted by the individual. Thus it is the individual’s personal perception that will depict how it will be used. As people have different cognitive structures it is not unlikely that individuals will understand the vision differently. Therefore we will now present a broader view on different ways of looking at strategy with the help of Whittington’s strategy model from 2001. It will be used as a guide for different individuals' interpretations of strategy vision.

2.3 Whittington’s Strategy Model

From the Figure 2-1 Strategic Perspectives on Strategy by Whittington (2001) below, one can see that four approaches distinguish themselves by the outcomes of strategy, profit-maximizing or plural, and the processes by which strategy is made, either deliberate or emergent. The two axes serve as a tool for answering the two fundamental questions: what is the strategy for; and how is the strategy done.

The Classical and Evolutionary approaches agree that profit-maximizing is the outcome of strategy, but the Processual and Systemic approaches are pluralistic; meaning that they see other possible outcomes than just profit. The Evolutionary and Processual approaches have similar perceptions on the process of strategy that they are emergent, while the Classical and Systemic approach believe that they are deliberate.

An overview of the the four different approaches can be found in Appendix A. In the table Whittington (2001) has structured the different approaches with brief definitions of Strategy, Rationale, Focus, Processes, and theory influencers and authors.
A deliberate strategy is when the realised strategy forms exactly as intended. The emergent strategy is a strategy that was not intended from the beginning, this can be due to unforeseen changes in the company or in the environment that leads the company to change its intended strategy (Mintzberg & Waters, 1985).

We will therefore now move on to more in depth describe Whittington’s model.

### 2.3.1 Profit-maximizers

#### 2.3.1.1 The Classical approach

It is through rational long-term planning that the Classicists are able to achieve their profit-orientated goals of strategy. The Classical approach is about planning how to use one’s resources effectively in order to achieve the long-term desired goals. The key features of the Classical approach are “rational analysis, the separation of conception from execution, and the commitment of profit maximization” (Whittington, 2001, p. 11). This formulation was done in the 1960’s by historian Alfred Chandler, theorist Igor Ansoff and the businessman Alfred Sloan (Whittington, 2001). They shared a similar view on the Classical approach, namely the superiority of the top-down, planned and rational approach to strategy making.

In this approach, one gets the sense that the top managers are in charge of the formulation of strategy and control, while the operational managers are responsible for implementing strategy. Chandler’s (1962) definition of strategy has the same characteristics as the Classical approach (cited in Whittington, 2001).

“Strategy is the determination of the basic, long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for those goals” (Chandler, 1962; cited in Whittington, 2001, p. 12-13)

Each firm is persistently applying the method of maximizing return on investment, the profit-maximizing assumption of the Classical approach (Hollander 1988: cited in Whittington, 2001). Mintzberg (1990) states about the Classical approach that strategy should be formulated by ‘THE strategist’, the CEO, who is the one that formulates and controls the strategy (cited in Whittington, 2001). The Classical approach emphasises that managers will adapt to the profit-maximizing strategies through rational planning. It is about analysing,
planning and command. The approach describes strategy formation as a formal process (Mintzberg et al., 1998).

According to the above, strategic plans are formulated and controlled by top-management and pushed down the hierarchical structure of the organisation. The implementation is therefore done on different levels according to the plans without questions of their applicability. We find this way of describing strategy as old fashion but believe that it is not unlikely that many companies and organisations still function under these circumstances and it is therefore important not to neglect this view regardless if we believe it is outdated.

### 2.3.1.2 The Evolutionary approach

The Evolutionists believe that a company's success depends on the environment it is acting in, and not the managers. According to Einkorn and Howarth (1988:114) ‘evolution is nature’s cost benefit analysis’, so it will not matter which strategy the manager plan because it is the market that will determine the best performers and not the other way around (cited in Whittington, 2001). The companies that are better and outperform others are the ones that survive; it is all about the survival of the fittest. The Evolutionary approach therefore stipulates that companies do not survive for long unless they are unique and can perform better than their competitors. A strategy of differentiation is the key to success (Whittington, 2001).

The reason for differentiation is that it would be irrational for managers to try to outguess the market by investing heavily in one main plan (Whittington, 2001). The reason for this is that as soon as a new product or service is launched on a market many new entrants will join the competition (Hannan, 1997: cited in Whittington, 2001). The best and the most efficient way is therefore to invest in many different small projects to see which ones succeed and which ones that fail, and divest the failing ones (Whittington, 2001).

To sum up, the Evolutionary approach believes in letting the environment select the best strategy and not the managers (Whittington, 2001). In this line Friedman (1953) argued that it does not matter if managers rationally plan long-term profit-maximizing strategies if the competing markets only ensure survival for those who manage to attain those strategies (cited in Whittington, 2001). Hannan and Friedman (1988) further says that the best way to secure efficiency in a stream of new entrants is to let the population pick out those that do not adopt (cited in Whittington, 2001).

This adaptation to the environment is something we believe is impossible to ignore. A strategy cannot survive unless it in some way or the other reflects the threats and opportunities of the environment in which the company is present, or want to be present in. But is it realistic to believe that a strategy can be depicted only by environmental needs, regardless of the resource of the CEO that the Classists are basing strategy on? If not, then only a combination of managerial foresight of the environment and their own strategy capacity of creating visionary plans that can meet environmental needs ought to be functional in practice.

### 2.3.2 The Pluralists

#### 2.3.2.1 The Processual approach

The Processual approach states that instead of making changes, one should accept the world as it is and work with it as it is. The outcomes of strategy in this approach are more
than just profit-maximization as it is for the Classical and Evolutionary approaches. Individuals in the organisation bring their own objectives and cognitive biases to the organisation and try to embrace in order to decide on the set of goals that they all agree on. While the strategy-makers in the Classical approach are more for the rational analysis, the Processualists disagree and mean that the strategists should follow the already existing rules and routines in the organisation (Whittington, 2001).

Instead of going out to the market and chase every opportunity that pops up, here the strategy emphasises on internal development rather than external, it has to do with building on the company’s core competences. It is about using the valuable and non imitable resources in the best way to outperform the competitors. The most valuable resource a firm can possess is knowledge as this is hard to trade on the market and hard to manage. Knowledge is gained by experience or by learning, making it personal and hard for competitors to imitate (Whittington, 2001).

According to Weick (1990) strategic plans are like a map: it guides managers to act up on it no matter if it is right or wrong. This means that if managers wait for the ‘right’ map, they might wait for too long and miss the opportunity. In contrast with the Classical approach where strategy is first formulated and then implemented, here it is the other way around as it is through action that strategy gets discovered (March, 1976: cited in Whittington, 2001). As mentioned before, the resource-based view is important in this approach. It does not matter how many opportunities that are in the market, the firms that do not have the necessary resources and skills will fail in implementing strategy. The Processual approach stresses on internally insight of the firm rather than externally foresight.

In similarity to the Evolutionary approach, the Processual approach does not believe in rational planning. This approach states that strategy emerges from basic everyday operations of the organisational strengths and from the market processes where competencies are embedded in a bottom-up fashion of the firm (Whittington, 2001).

One might here wonder how top management is to handle all these micro strategies that will come about if everyone in the firm is to create new personal strategies based on their own personal daily activities? In short, who knows what strategy the firm follows and where the firm is going? We therefore believe that a single focus on micro strategies following internal resources rather than what resources the environment are looking for is sceptical. If strategies are formulated bottom-up, what will the job of top management be?

### 2.3.2.2 The Systemic approach

Even though the Classical and Systemic approaches have different perceptions on the outcomes of strategy, they do on the other hand agree on the process of long-term planning, and that firms should act effectively in their environments (Whittington, 2001).

The Systemic approach states that companies’ decision-makers are people that are interlinked in social systems. These social networks influence the means and ends of action. The Systemic approach suggests that it depends on which social and economic systems that companies are embedded in also distinguish them. The Systemic approach also suggests that the goals of strategy and how they act depends on which social systems they are in (Whittington, 2001).

According to Whittington (2001) the Systemic approach’s view on strategy is that it must be ‘sociologically efficient’ as both outcome and process depend on the character of the lo-
Firm strategy in the Systemic approach is pluralistic in difference to the Classical and Evolutionary approaches. It is also different from the Processual approach that emphasizes on internal development. Strategy in this approach does not arise from managers but instead from the cultural rules of the local society. Hampden-Turner and Trompenaars (1993) found that most Americans have profit as their main goal while Koreans stress the importance of growth and market share more than profit (cited in Whittington, 2001). From this example one can see that it is the cultural rules and their social characteristics that determine the strategies and goals of a firm.

The complicated thing about the Systemic approach is its lack of clear definition. What for example are the cultural rules in the local society? And if the firm is part of that society and culture, is it then suppose to have strategy according to itself? Who is the strategist? We understand the Systemic approach being similar to the Processual approach in that sense that every individual in the firm’s social society is than a strategist in a way. This seems rather far fetched and uncontrollable. The culture and social rules bare resemblance to visionary strategy, and individual cognitive perceptions of such, as also they can work as guides for micro processes.

In that way this 2\textsuperscript{nd} theory chapter has closed a circle and a summary of this theory will hereafter be presented where its relevance for this thesis will be evaluated and explained.

### 2.4 Summary of Interrelated Concepts

To summarize this 2\textsuperscript{nd} chapter of theory the reader should now have the understanding that strategy is created by the strategist. As mentioned earlier there are many different perceptions of what strategy is. Johnson et al. (2005) describes strategy as a firm’s long-term planning on how to reach its desired goals and what resources and competences one has to use in order to reach them. The strategist does this in a process based on a cognitive structure of concepts. This structure has earlier been created by previous experiences and views on those and has been described as the foundation of the strategist strategic perception.

The strategy model of Whittington has been explained and it will be used as ‘our’ structure based on the individual’s cognitive maps. This model describes how four different strategic perspectives can be found by looking at a firm’s strategic processes of deliberate or emergent, and also the firm’s strategic outcome of either profit-maximisation or pluralistic.

The four perceptions of Whittington’s strategy model from 2001 give different style or ways one can look at strategy. Each and everyone are different in its way and most people will probably recognize themselves with at least one of these. The approaches are broad and one can not find a clear line between them. This is one of the reasons why we have chosen to use this model since our idea is not to categorize the interviewees in a specific box.

Strategy is a tool used to achieve the defined goal. This tool could be very concrete such as a detailed step by step plan how to reach the desired goal or it could be the ideas and understanding that people have on their way to the desired goal. Their strategic understanding might then change their perception of the predetermined goal, or in other words; the cognitive structures of the individuals might effect their perception of what strategy is and which visions firm strategy has.
3 Methodology

3.1 Brief Philosophical Discussion

As every enquiry of how reality is functioning is based on the idea if there is a matter to be interested in, then how did this come about? Choice of a problem and a purpose formulation should depict in most cases in what angle methodology leans, towards Qualitative or Quantitative.

3.1.1 An Example for Philosophical Clarification

In our thesis a clue can be found in the question-word of “how”. The answer to “how” more or less describe a processual activity. Smirich and Stubbart (1985, p. 728, p. 727, original italics) put it as this: “The language through which people understand actions powerfully shapes future actions as well as the questions they are likely to ask about those actions.” They further refer to this as asking “questions about the process of knowing”. Therefore consider the following simplification of a problem and empirical data retrieved as the researcher ask you a question and you answer.

- How did you get to town?
  - I took the bus.

- Why did you take the bus?
  - Because I like it.

Although the answer to a simple question might also seem simple at first, in depth it is all but simple. One could find different levels of analysis of such an empirically found answer.

Explanation of the Question of How.

The bus is a physical transportation vehicle that is meant to take passengers from point A to point B. How to take the bus could be to go to a bus stop. For this you have to know how to plan the route to a bus stop. You have to pay for a ticket and plan to bring money. You have to do it at a certain point in time and plan it according to the timetable. To all of this you can ask the question of how. Hence, there is a contextual pre-understanding needed for one to be able to take the bus, and there is a processual dynamic of understanding the interrelatedness of such processes.

Explanation of the Question of Why.

You would actually have choices, not depicted in the answer, things that are not said. Why do you like it, and what is this connected to? Why did you not chose to take the car, or walk to town? I.e. why do you have a preference for a bus ride in front of something else? The answer does not show how such things depicted why you took the bus. Hence, there are cognitive preconceptions of value of the interviewee that may, or may not, depict the chosen transportation and the answer given, and these might be of a causal matter. Say for example that it is actually the conversation with your fellows on the bus you like, not the bus itself. In that case, going to town might have very little to do with the question of how. That is, it is not going to town that is the goal, but talking to people on the bus. How in this case would then depict the Process, but not the Outcome.
How does one get these additional answers in the best way, in what way does one best analyze answers to such areas of interest, and what does this have to do with cognitive decision-making of companies strategic formulation and implementation?

### 3.1.2 Positivism and Phenomenology in its Extreme

From a **positivist** point of view, reality is objective, analyzable and can be either clarified or falsified according to a pre-set hypothesis. Such a hypothesis is here based on the assumption that “reality is out there”, untouchable and out of the control of the participants. The participant can only adapt to such an environment. It is also assumed that this environment can be measured. Based on this data, the participants are seen to be of a “rational economic man [sic]”, who chooses the most efficient option of all options known. Also these options chosen can then be measured and analysed. Humans are calculative, and their behaviour is therefore seen as a ‘black box’, where cognition is predetermined, based on a common set of knowledge, that is universally applicable, and planning can therefore occur (Gabrielsson & Paulsson, 2004).

The opposite end of philosophy is then **phenomenology**. Here, reality is by default never fully observable, as it is based on a continuous social construction that is subjective. This reality is therefore not measurable, as data continuously changes, and this data is only relevant from the participants’ subjective understanding. Their subjective “truth” of reality is assumed to control what they do, how they do it, and why. This is, because of the assumption of social construction, a dynamic process of human internal and external transformations by complex interrelated mechanisms, which can only be analysed in a holistic fashion. Behaviour of the participants is here believed to come from cognition of social processes, not universally applicable but controlled by action logic, although not predictable as reality is constantly changing (Gabrielsson & Paulsson, 2004), and then planning would be assumed to be impossible.

### 3.1.3 The Cognitive Understanding of the Two

What is the rhetoric of what you have just read about Positivism and Phenomenology? One could say that the Positivist wants to make things simple to understand, clarify. The Phenomenologist on the other hand claims that this is over-simplistic and leads to ‘disunderstanding’; hence complexity is a good thing. The downside of both is that uncertainty is ever present. In a provocative sense, Positivists ignore it while Phenomenologist probably never catches it! As with all extremes, the “truth” can probably be found somewhere in-between.

First, it is not enough only to ask a question of *if* something is and *what* it is, or how much, as this would only give a glimpse of one point in time. One could even argue that such a question could become irrelevant as soon as one asked it, as asking the question in itself is a social interaction, and hence is believed to reconstruct the reality of which one tries to

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4 Why call it ‘disunderstanding’ instead of misunderstanding? Simply because the information taken in is distorted, and then consciously dissolved, hence the *dis*- in front of understanding. Misunderstanding on the other hand is not conscious, that would be described as ignorance, and hence misunderstanding is a subconscious reaction. It could of course be that the quality of the information given is simply not understandable, it does not make any sense, to use Weick’s vocabulary. Example: Saying “The sun is black” when talking about the solar eclipse, does not make any sense regardless if one have any insight into the topic or not.
explain (Laukkanen, 1994). (This is further brought up regarding criticism of a bias nature of the study in the end of this chapter in 3.2.5.3 Interview Biases).

Second, if reality is constantly changing, then what does depict the logic behind our actions? It is here believed by us that as one can not completely reconstruct ones reality on a daily basis, there is a need of other principles to follow as guides. These must be constructed out of something, and the belief is that it is the past events of ones life that controls what future events one is able to understand and handle. Hence, the actions one commit today, are controlled by the actions one committed yesterday, and this functions as layers of understanding of one’s reality based on ones cognitive structure (remember the quote of Weick, 2001).

In conclusion, we thereby do not believe, that one is bound to ones self preconceptions and in the context of which one exists, but that there is an interplay between the two, and that both of these ends of the spectrum can be altered, hence there is a possibility of change, both inwards and outwards, or Systemically put, both downwards and upwards. In that sense it is recognised (or constructed actually) by us that both cognition and the context are restricted by the causality of the other. Why would one have to claim that behaviour is only depicted through adaption to the environment, or that the environment is only an enactment of the individuals´ behaviour? Who will prove us wrong if we say we believe it is probably a bit of both. Ironically one could then say: If you enact your own environment and also adapt to that environment, you really adapt in part to your own enactment.

So to tie these arguments of beliefs together and the example of research questions of how and why one took the bus, it can be explained as this: The relative fact that the bus service is available does depict in some sense why one chooses to take it. Although, it does not show the entire picture, as there might be reasons in one’s cognition of why one chooses that alternative over another or even create a new alternative to choose from. Although the authors recognise both parts of positivism and phenomenology, because of the thesis’ purpose to examine individuals’ cognition we obviously lean towards the latter of the extremes; how cognition could show perceptions; and why such would have effects if one look at similarities and differences between different individuals. As described in delimitations in chapter 1, the positivistic side of the outcome-effects are ignored to reach clarity, a disunderstanding of the complexity one might criticise in a reflective manner.

### 3.2 Choice of Approach

#### 3.2.1 Deductive or Inductive

The deductive approach applies already existing theory. Here one acquires facts from explanations and predictions (Alvesson & Sköldberg, 1994). This approach is less risky than the inductive one as it is the general rule that is always applied.

The question of if is in most aspects a quantitative research problem. It depicts that some pre-theorizing has been done, and inclines that one is taking a deductive route, where a hypothesis is tested to see if it is true (e.g. if X and Y, then Z). In this research such a hypothesis is very simple, claiming that companies strategize, and that they do this with a basis of the cognition of the strategists. Although a hypothesis is here established, and if should be measurable, how one collects data and the type of data collected, brings positivistic problems. The purpose is not only to establish if cognition affects strategy, as this is
but a logical need of an assumption, i.e. if cognition does not affect strategy, the questions of how and why simply becomes redundant.

As the quantitative research traditionally has had as its purpose to find general laws, it is questionable if research in individuals’ perceptions can be generalized to be used as future guidelines for practitioners. Weick (2001) even call generalization “shameless”.

What do these two differences imply for this thesis research and what implications do they bring? If investigating the cognition of individuals, and their effect on firm strategy, it is more likely that instead of concluding of a law, one will be able to give ideas for further research, but also to show practitioners if cognition is, or is not, a phenomenon a company needs to take into consideration regarding strategy.

An inductive approach indicates that one starts with empirical observations from which one draws general conclusions. It is through observations that one attains facts. What is weak with this approach is that it only covers the external relations, mechanical, while the underlying structure or situation, the internal relations, are not covered (Alvesson & Sköldberg, 1994).

Alvesson and Sköldberg (1994) suggest that there is another approach that is a combination of both induction and deduction which is abduction. Here the process of abduction starts with the empirical data, induction, to later on apply theories to these findings. What makes this approach different from the other two is that it does not just stick with one type of generalizing but instead combines them.

This thesis is a combination of both these approaches, abduction, as we were able to analyse our empirical findings with the help of theories. To understand why something is, it needs to be put in context, which is very large at the starting point of the empirical data collection. Why shows only from a holistic view. Hence, there is an ongoing loop between induction and deduction in this thesis, as understanding and meaning of empirical findings and detailed theory were combined in an abductional way.

The theories on which this thesis are based on were mainly collected through articles and books maintained through the library of our university of JIBS. Regarding the Strategy theories, this field were pretty well known by us from previous studies and papers constituted no particular problems. The theories of cognition on the other hand were harder to grasp. 1st we were not as familiar within this field of cognition as it is based on psychology, an area with did not master already. The 2nd aspect of collecting this theoretical material was that as many researchers within the field of both organisational and strategic cognition are post-modernists, they have a tendency to not conform to general concepts or phrasings, or words. This meant that we had to take a great deal of time during the commencement of working on this thesis to just try to grasp and find the correct search words. The finding of Gallén’s articles leads us in the right direction, of which we are now very grateful.

3.2.2 The Case Study Approach

There are two main criteria explained by Yin (2003, p. 13), that one has to attend to if one is to choose a case study approach:

1. It has to focus on “a contemporary phenomenon within its real-life context” and where there are no clear boundaries “between phenomenon and context”.
2. Its enquiry deals with more variables than can be measured and extracted through only data points, as it “relies on multiple sources of evidence” and is guided by previous theoretical propositions on which data collection and analysis are based.

Viewing cognitive structures of individuals as a denominator of strategy is neither a new thought, nor is cognition as such. But as strategy theories have moved on to describe processual activities, and cognition research has started to focus more and more on its relevance in collective appliances (See Tomicic, 1998), the combination of the two has so far to the authors understanding been built on theories no longer applied by specialists within the field of strategy. The cognitive research with relevance to strategy has been focusing mainly on an individual level of analysis where strategic theory has come from the planning schools (Laukkanen, 1994; see Gallén, 1997, 2006). In that sense, this thesis could be argued to be taking a contemporary approach, linking propositions from contemporary theories within both fields measuring variables beyond the scope of data points as the previous more quantitative research has been focused upon.

As this been discussed during the philosophical introduction of this chapter, the boundaries between context and cognitive phenomenon are hard to distinguish. As social beings are, in one degree or the other, trying to reach an equilibrium between these two, the cognitive structure of the individual and the environment of which it is both affecting and effected by, it is suggested by researchers (see Gabrielsson and Paulsson, (2004)) that this complexity should be taken into account. This thesis is also focusing on the phenomenon of cognitive effects on strategy. It was assumed by us that the boundaries in Yin’s first criteria are vague, but lay outside the level of analysis of this thesis as the variables needed to be examined for such a big scope is simply unrealistic to handle. In conclusion to this, we are aware that the holistic view is missing from this thesis, something already described in the delimitations in chapter one.

3.2.2.1 Unit of Analysis and Definition of the Case

Just as Yin (2003) describes the formulation of the research question to be of importance, the previous discussion around the question words of how and why follows Yin’s recommendation for a case study approach and the proposition of the strategist’s cognitive importance declared in the problem statement where the problem questions were established. This has guided the authors into the purpose of the investigation and lays as a ground for the unit of analysis and the definition of the case.

Before one clearly define what the case is, one needs to have established the unit of analysis (Yin, 2003). As the analysis was to be built up of two parts, the cognitive map of the individuals, and their applicability to strategy formulation and implementation according to Whittington (2001), these two parts need to be described separately; The latter as the definition of the case, the former as the units of analysis.

It can here be argued that each interview leading to a cognitive map is a separate case. But as they are both parts of a more holistic whole when compared to each other within the frame of strategy, they were seen by the authors to bear more similarities of embedded units. As they all come from the same company group they could therefore be argued to belong to the same case, as the distinction between them and the context of other groups (e.g. companies of the group) is present, although vague. As the purpose of the thesis is not to come up with generalizations regarding its findings applicability to other groups, companies and industries, we have found it necessary to define the cognitive structures of the different units as one case, framed by the strategic theory, possibly only applicable to that
particular group. The reason for this is that the results were not replicated in a different setting.

Therefore, this case is defined as a group of individuals within one company and industry context, built up on several embedded units of analysis by each individual, corresponding to Yin’s (p. 43, 2001) quadrant Type 2 “an embedded case study design”; Single case design, with embedded multiple units of analysis. The start- and end-point of the case is here hard to predict as it is believed to have the nature of an ongoing dynamical process, but as the creation of the cognitive maps are a standpoint, not followed up in the future, the end point would then be the completion of the same maps.

Justification of choosing Type 2 case is partly the research questions embedded units of cognition, but also its singularity of comparing this to strategy concepts built on one particular strategy model. Here, one would have to assume that one company follows the same documented strategic formulation, but as the understanding of this formulation by the individuals are propositioned to possibly differ according to their cognitive structure, it would make no sense to compare their cognitive maps with some other company’s strategy.

Hence, although it is not unlikely that another case-study would show the same patterns, but as it is believed us that the individuals’ cognitive structures are created within their social environment, in this case the context of their firm organisation, it would be surprising to find that their cognitive structures would span the entire spectrum across the strategy model. After all, the object of the purpose is to see how the cognitive maps of the individuals could display similarities and differences in strategic perception and try to explain why this has effects on strategy through the process of the analysis.

### 3.2.3 Data Collection

Beginners of qualitative research usually assume that doing qualitative research interviews is an easy process to do, but it is a complex process. The one thing that makes interviews flexible is that they allow the researcher to understand things from the interviewees’ point of view (Daymon & Holloway, 2002).

“Interviews, therefore, are an appropriate method to use when you wish to understand the constructs that interviewees use as a basis for their opinions and beliefs about a particular situation, product or issue…In qualitative student projects, dissertations and theses, the one-to-one interview is prevalent, either in a single encounter or in several meetings with individual participants.” (Daymon & Holloway, 2002, p. 168)

One-to-one interviews in a qualitative research can be carried out in three different ways; face-to-face, by telephone or online (Daymon & Holloway, 2002). Our interviews were conducted with the face-to-face method at Company X. Unstructured, semi-structured and structured interviews are the three types of interviews one can do in a qualitative research. Unstructured or semi-structured interviews are the most used types because they provide flexibility which is very important in this type of research (Daymon & Holloway, 2002). We used the semi-structured interviews seeing that one does not have to ask all the questions for they are there to be used as a guide.

Depending on the work load and time the interviewees have, the length of an interview can vary from 20 minutes to two hours (Daymon & Holloway, 2002). Daymon and Holloway (2002) give a word of warning to those that intend on conducting multiple interviews in one working day, as it is stressful and time consuming because there is not enough time be-
between interviews as one has to rush in between them. We know exactly what these authors are talking about as we found ourselves in the same situation as they did. We were scheduled to interview six people for a total amount of three hours, so the best way to utilise this time was to divide ourselves and have the interviews in two rooms. But as mentioned before we were not able to do a full interview with the sixth interviewee because of the interruptions. All interviews were recorded and notes were also made.

We did five interviews in the same company. The interviewees were both in the top and middle management plus one from the administrative staff. These five people were both male and female. To keep it simple, and the interviewees anonymous, we have referred to all of them as "she" throughout the analysis.

The company was chosen because of its steady growth figures and because of its presence in several different markets. The company wish to be anonymous and therefore we respect this. We will give some information about the company’s history and what activities and areas it is operating in. From now on we will call the company, *Company X*.

*Company X* is a family owned business that was found some years after World War II. It has been family owned during the whole time. One industry that *Company X* is active in is the metal industry where it among other things manufactures and sells cable-support systems. It has steadily increased its market share in this business area and has now around 30% of the market share. The company is active both in the Swedish and international market.

The interviewees were selected on the basis of having an impact on the day-to-day decisions that in one way or another could have affect on firm strategy. The interviews were held at the managers’ offices and followed a semi-structured dialogue, where the researchers steered the interview topics according to the selected concepts for the cognitive maps that were to be drawn. Open ended questions were asked to stimulate interviewees’ individual expressions, while closed questions were used to direct the conversation and keep it semi-structured around the concepts, and for clarification of concepts used by the interviewee.

The interview questions (seen in Appendix B) were initially based upon the interview questions for the pilot study (seen in Appendix C). These pilot questions were formulated in Swedish to later on be translated into English. The final interview questions were written in English, but translated into Swedish. The reason for this was that the interviews needed to be conducted in Swedish in order to avoid misinterpretation from both the interviewer and the interviewees, and to ease the flow of communication.

### 3.2.4 Data Analysis

Although we did six interviews at *Company X*, we were interrupted a couple of times during the interview with the sixth interviewee. Because of the interruptions we were not able to collect all data needed for analysing INT 6’s cognitive structure; however some information from INT 6 interview was used in some later parts of the analysis.

The data collected during interviews have gone through three steps of analysis. First the individuals cognitive maps were drawn as will be described below. After this, the information retrieved was analysed into the Whittington’s strategy model described earlier in chapter 2. Lastly, the combined individual maps of cognitive strategy and their strategic approaches were examined and analysed according to similarities and differences.
As all the cognitive maps were drawn, they were separately plotted according to the found concepts and their causal connectedness, onto the strategy model. Of this a pattern could be drawn and filled for each individual in the strategy model.

As the sample size of interviews conducted was very small (only five of them), one could here argue if this data collection and analysis actually is reliable, and proving the purpose of the thesis and its relevance to practitioners and future research. Reger (1990, p.85) states that this type of methodological tool of cognitive maps are “especially promising for the study of small groups of strategists’ cognitive maps [and that] it is idiocyncrasies [differences] rather than commonalities [similarities] that lead decision makers to choose different strategies.” But as this might still be an issue of reliability limitation it will therefore be addressed in the following heading of 3.2.5 Critique Addressed.

### 3.2.4.1 Cognitive Maps

The creation and analysis of the causal cognitive maps can be seen from two perspectives; *structure, and content* (Reger, 1990). The structure of the map refers to the centrality of the different concepts. In this thesis mainly evaluated as the degree of strategic understanding in the conceptual causality.

Cognitive maps have been used in research both as grounds for analysis by pre-made concepts for empirical data, as a tool during data collection, or been drawn after the analysis. Creating cognitive maps is a repetitive process to be able to show the intuitional parts of the participants mind. Cognitive maps can also be used when analysing a group of people (Hines, 2000).

“‘Cognitive map’ is a metaphor, and the analogy to a geographical map provides useful insights into what cognitive mapping involves. …The territory to be mapped involves organizationally relevant ‘mental relationships’ held by one or more individuals; and the cognitive map itself is ‘the representation on paper’ that models, often graphically, particular features of the chosen territory.” (Fletcher & Huff, 1990, p. 403)

The cognitive map shows how an individual make sense and understand the world she lives in, and how this will evolve over time. These frames of the individual are affected both by the individual herself, and her environment. The theory depicts that one can find causality between different concepts (Hines, 2000).

The body of a cognitive map is therefore simply described as *islands in the sea of the mind*. Miles and Huberman (1994, p.134) describe this as “nodes attached by links”. The causal links are the relationships between concepts. A cognitive map is therefore created in two steps. First, *concepts* are established on the base of the investigated domain (Tomicic, 1998). Second, causal links between these concepts are found by coding of the empirical data collected, in this case semi-structured interviews (Goodhew, Cammock & Hamilton, 2005).

“Cognitive mapping can also be thought of as a form of content analysis […] In cognitive mapping, it is the relationship between cognitive elements that is being studied. Cognitive maps allow the reader to move back and forth between an understanding of the whole and its reduction and analysis by parts. The ultimate benefit of the cognitive map, in our view, is that it encourages this holistic synthesis of an actor’s view of the world, and it is the emphasis on relationship that makes the mapping analogy particularly apt.” (Fletcher & Huff, 1990, p. 403-404)

There are some essential decisions that need to be taken upon once one has decided to use mapping as a method, such as the purpose of the map and what it will be used for.
“Cognitive maps, as artifacts of human reasoning, can be used to study virtually any question raised by those who are interested in human activities, and virtually every social science field, from anthropology to sociology, has pursued cognitive studies relevant to management. The question is not finding an appropriate subject for study, but focussing on the subjects for which cognitive maps provide the greatest insight. Our view is that mapping is often more labor-intensive and time-consuming than other research methods. It is thus most attractive as a method for studying topics that are intrinsically cognitive for explaining variance that is unexplained by other methods.” (Fletcher & Huff, 1990, p. 404)

3.2.4.1.1 Choice of Concepts

One interview with a participant from a different company was made before the concept selection process, and finalizing of the cognitive mapping theory. This was done as guidance for the coding that laid ground for the final research interview questions. This way of finding concepts are used by both Tomicic (1998) and Goodhew et al. (2005) and also correspond to Yin’s (2001) suggestions of doing a pilot study.

There are two ways of creating concepts (Goodhew et al., 2005; 126):

1. Ideographic: The concepts in the final map are taken from the interviewee’s own oral vocabulary and are not standardised or limited.

2. Nonomethic: Here the concepts are predetermined by the researcher.

We chose the latter approach as nonomethic is regarded more suitable for comparison between different maps (Laukkanen, 1994), and as perception of the interviewee was assumed to be “contained in the relationships between concepts rather than [just] in the concepts themselves” (Goodhew et al., 2005, p.126).

As there can not be too many concepts, one needs to focus on one particular domain (Tomicic, 1998). In this case this domain has been guided by Whittington’s (2001) four different strategy approaches of the strategists’ perception on Process and Outcome, as described in the theoretical frame of reference in chapter two. The concepts that have been guiding the interview can be viewed in Appendix D.

Why did we choose Whittington’s model and not a different one? Gallén (1997, 2006) for example of one contemporary research within the field, built her methodology on different theory. In her two papers she used Miles and Snow’s strategy types from 1978, and linked this to “Jungian psychological types” (Gallén, 2006, p.119, italics added) in a model of her own. The reader should not ignore the boxed character of Galen’s model. This gives an example of the cognitive structure on which she theorized, according to us.

As Gallén used qualitative data and then coded this in a quantitative form into MBTI types, we believe such a research approach does not show the interrelatedness between concepts of causality in a dynamic and processual socially constructed reality. As a reader, ask yourself one question: Do you believe that your cognitive structure can be analysed according to one personality type, regardless of the situational context of the analysis? E.g., do you think yourself that you behave the same way at home as you do at work? If not, do you think parts of the different behaviours can still be displayed in both situations? Brunninge (2005, p.92) here refers to this combined views between identity (labelled self-understanding) as the “Gestalt” of an individual, where the different views can not be fragmented, but has to be viewed as multiple identities within one Gestalt, and where the interrelatedness of them stays unresolved.
The problem with describing reality with such a model as Gallén’s, is esthetical in a very practical fashion, like a bar code on a product. The purpose of our thesis is not to clearly define one strategy, as it has been argued that we doubt that such a thing exists, but rather to show how a construct of perceptions regarding strategy of different individuals, and how these patterns are overlapping, and how this could display the dynamics regarding strategic outcome and process. Tomicic (1998) refers this to homogeneity and heterogeneity which we have simplified to similarities and differences.

Nevertheless, we believe Whittington’s model better displays our view on strategic perception, as there are no clear boundaries between the four different views on strategy and their relatedness to outcome and process. This is because the axles do not depict any distinct values. This also justify a more qualitative than quantitative approach as coding values into numbers gives a static view on cognitive strategic perceptions.

In connection to the above, the obvious question regarding cognition of individuals and its applicability to a collective constructed cognition is if it is both reliable and relevant. Based on Brunninge (2005) as mentioned above, one can not explicitly neglect one from the other, as they are parts of a whole in interplay. Therefore, looking at only individual maps make no sense if one believes that these are partly depicted by the adaption to the individuals’ context. In the same fashion, it would than be impossible to look only at a collective map, if this is also depicted by the enactment of the individuals within that context. So what is one to do?

Fletcher and Huff (1990) believe, based on other articles in the book “Mapping strategic thought”, that by combining several individual cognitive causal maps, one can find similarities and differences in perceptions, as Tomicic researched, and that this combined view minimize the bias in between them within each individual map as differences can be seen. The tricky thing of doing a combined construct of this sort is that you have to take decisions regarding the differences, how to treat them. Hence, which ones are important and which ones are not, both regarding their causality over each other and their value of relevance (Fletcher & Huff, 1990). In this sense, cognitive maps will, as many other forms of qualitative research, always suffer from the uncertainty of reliability created by the interpretations made by a cognitive constructed bias by the researcher. In short – there is a trade-off. Although, this issue has really already been dealt with during previous discussion regarding the level of analysis, and its conclusion problems according to Yin (2001).

Fletcher and Huff refer to previous research findings that:

“[M]uch more work on aggregation methods needs to be done if mapping techniques are to reach …potential for studies of strategic management. Analytical techniques that specify the degree of similarity between each individual’s map and an aggregate map would provide a measure of the strength or dominance of a ‘common’ map.” (Fletcher & Huff, 1990, p.406)

Here, they mostly refer to more macro level studies needed, as industry wisdom like Gallén’s, but also for example company culture and groupthink in similarity to Tomicic. Though, as was defined in the delimitations of this thesis, macro levels are not in focus, but rather assumed to be present. What this thesis does contribute in part is the link between a concurrent strategy model and both theory of cognition and methodology of using cognitive maps, but on a firm’s level of analysis. This is in respect somewhere in between traditional individual cognition within psychology, and social cognition in for examples industries.
All this said we therefore still believe Gallén’s research is contributional to theory in cognitive strategy, but that we are afraid that it creates a bias as her research result has similar limitations as ours, although on the different end of analyze-level. As the scope of any research can not be too great because of its complexity, we have succumbed to the fact, that rather through joint explorations on different levels, can we get a more holistic view on cognitive effects on reality. After all, how will one know what is, if one can not compare to what is it not? In that sense, also similarities define what it is.

The main problem of Gallén’s methodology is not affected relevance of its results, but with the use of slightly older models. If one is to describe the meaning and understanding of reality, also the physical visuality of the model(s) used need to express the cognition of the strategist. If strategizing is believed to be a dynamical process, then also the model must represent this as visually as possible, but at the same time be understandable. The fraction between clarity and complexity is ever present, and is here rather a choice of level, than just criticism to Gallén’s well established research results. Only combined will the parts make a whole. We also believe that because our sample is much smaller than Gallén’s there is no need for a quantitative study, as a smaller sample instead gives more richness and detail and in that way complement Gallén’s methodology.

3.2.4.1.2 Coding of Causality

The causal links in the cognitive maps were based upon the transcripts of the interviews and were figured as arrowed lines between the concepts. These depict that one concept has causality over the other in the direction of the arrow.

Because the words and sentences used by the interviewee lay as the foundation for the analysis of the transcripted interviews into cognitive maps it is very important that the interviewee are let to use their own vocabulary as much as possible. The researcher must interpret the meaning of the sentence. If the case is that no clear statements with a value of the causality link can be found, the link is regarded as neutral (Tomicic, 1998).

As this thesis were conducted on a lower introductory level of research in comparison to established strategic cognition research, we had to simplify the coding of causality into more neutral links between concepts, in similarity to the use of nonomethic pre-chosen concepts. That means that the causal links were not valued, but were analysed in regard for us to be able to find the structure and centrality in between concepts. Hence, the causal links in the individual maps can be regarded as neutral, in the simplification from both negative and positive.

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5 Here, one could of course criticize using a visual model at all, considering the boundaries that exist in particular matrix-models and the impact of bias of the researchers’ cognitive structures as we interpret the data to fit into the strategy model. We would like to argue though, that as this thesis research can be viewed as a comparison in many aspects to Gallén’s for example (level of analysis, quantitative/qualitative), we therefore find such use of a model as Whittington’s is still justifiable at this point in cognitive strategy research (Regarding the Level of Analysis from Industry to Firm: See for example Industry-level research, Schwenk (1984), Reger & Huff (1993) and Swan and Newell (1994); Firm/Industry-level research, (Smircich and Stubbart (1985)), Hellgren and Melin (1993) and Laukannen, (1994); Fim-level research, Mintzberg and Waters (1983) & Tomicic, (1998; 2001). Good compilations of cognitive research within the field can be found in Walsh (1995), but also Weick (2001). Note to point is, that all of these obviously start with the individual’s cognition, and that is of course an analytical level of its own, in this thesis regarded as a unit of analysis (Yin, 2001).
As both similarities and differences can be viewed as both positive and negative regarding a social cognitive understanding, we believed that also the individual cognitive maps should be more open regarding causal values. In a sense, we argued that regardless if the cause is positively perceived or not, it is still a part of the individuals’ cognitive structure, and therefore still lay as a ground for their cognitive decisions, especially from a social collective standpoint.

3.2.5 Critique Addressed

The complexity of method and theory as it has been described, stipulates that choices by the individual have to be made. As we all make these according to our cognitive biased structures, the researchers writing this thesis, are no different.

3.2.5.1 Units of analysis

Questions regarding the difference between Units of data collection, and Units of analysis (Yin, 2001) were one of those issues that were hard to clarify. In the most obvious sense, the interviewees were treated as units of data collection, but later on also turned into units of analysis. The problematic regarding this, if looking at Yin’s matrix of design contra data collection, is the mixed purpose of the case in between individual and organisation and its cross duality in between its conclusion parts.

As the first step was to analyse the embedded units of the individuals cognitive structures, one could argue according to Yin that the conclusions drawn there of were on an individual level. But as the case is the individual’s correlation to theory, it really becomes conclusions of an organisational level, hence the problem. The solution by Yin to these issues is to have multiple sources of data collection referring to each level of conclusion, something that was not seen as relevant for this particular case study, as it is a test to try to determine organisational strategy from individuals’ perspectives, something apparently not recommended by Yin.

This is a serious problem for this thesis. As in most cases, it is really a question of clarity contra complexity, where it is hard to combine research goals of several factors; simplicity, generalisation, and accuracy. Already in 1979 Weick stated that one can not manage to catch all three, as going for two of them automatically exclude the possibility of reaching the third. Weick exemplified this dilemma by putting in the three goals on a clock. Either the results end up in between, General and Accurate, Accurate and Simple, or in between Simple and General, hence the third remaining goal is unattainable.

3.2.5.2 Generalisation, Accuracy, and Simplicity

How does this then reflect our thesis results? First, it has never been in the thesis aim to conclude any generalisations, but rather to try to show if individuals’ cognition can have importance of the strategy Process and Outcome of the entire firm. Now, as only five interviews were made, it is obviously questionable if these could possibly depict the entire firm. We do not think so. The results can rather be viewed to end up somewhere in between Accurate and Simple in Weick’s methodology clock. Again, uncertainty is ever present. What is the real trade-of in between clarity and complexity? Is this not in fact uncertainty of how accurate a simplification can actually be?

To find the full answer to if a firm's collective strategy can be depicted from its members' strategic actions, one would have to interview every individual with strategic powers within
that firm. If one would do that what would then happen to the goal of finding Simple understandable results? We believe that this would rather depict a result somewhere in between General and Accurate, but again uncertainty will be present. Weick (1979) explains this as the variables for depicting causality between cause and effect will be too great, hence a misunderstanding, where questions are rather enlarged instead of shrunk. The third option is in some sense even worse; the results are easy to understand and generalize, but say nothing in context of a specific situation. So where should one go to search for “the truth”?

We believe that it is only through the combination of every researcher’s ambitions, and their different goals, that understanding can be made. It is therefore, even if we for example criticise Gallén’s choice of models and theory, not saying that the results that came of it are irrelevant, or inaccurate. Stating that would be saying that only our view is correct and saying that is close to hubris, something Weick clearly is warning us for.

In this sense, we are reaching the image of this thesis limitations and goals. The results we found can never be viewed upon as the “truth”, rather a piece of that, and should therefore be judged as such. One should remember that it is not at all unlikely that this research combined will show something greater than their individual parts. This idea is really based on Brunninge’s view on what ones identity is, talking about multiple parts interrelated and interacting. Brunninge (2005, p.92) states that “[t]heir totality is different from the sum of the parts”. If we are to understand reality, living with this uncertainty in between clarity and complexity of social interaction is unavoidable. To mentally deal with this dilemma we would like to quote Weick once again:

““To appreciate organisations and their environments as flows interrupted by constraints of one’s own making, is to take oneself a little less seriously, to find a little more leverage in human affairs on a slightly smaller scale, and to have a little less hubris and a little more fun.”” (Weick, 1964 cited in Weick, 2001, p. xi)

In that respect, we believe this thesis is still providing a small part of understanding but “on a slightly smaller scale” somewhere in between simplicity and accuracy.

### 3.2.5.3 Interview Biases

Problems that might occur when using interviews as data collection is that what the participants say and what they in reality do differs somewhat (Daymon & Holloway, 2002). Artkinson and Silverman (1997) call this method of data collection for ‘the rhetoric of interviewing’, as it helps the interviewers to gain full access of the interviewees’ beliefs (cited in Daymon & Holloway, 2002). Other difficulties that do occur during interviews are that at times participants do adjust their answers to please the interviewer, consciously or unconsciously.

As was explained earlier, a socially constructed reality can be viewed as a longitudinal process where ones cognitive structure change as new information is objected and subjected, then what actually happens during the interview?

As new information undoubtedly brings forward by the interviewers questions, these questions are then interpreted by the interviewee as they are declared. According to cognitive theory, the interviewee’s cognitive structure might actually alter in real-time while listening to the question preparing the answer. It is not unrealistic to believe that the answer based on the cognition of the concepts asked about actually alters as the answer is given. One could here compare between the processes of strategy formulation and implementation,
hence the purpose of this thesis. The reason for this is, according to Evans (1987) and Lord (1991), that an individual’s memory is not linear, and the questions are stimulus- and association-dependent (cited in Laukkanen, 1994). Basically, the answer would be different before the question is asked compared to after it is asked!

Because of the cognitive construction and its biased frame, the question might not be understood by the interviewee as it was understood by the interviewer. In fact, one will not get the answer to the question one asks, but only the answer to the subjective perception of it! This question is an entirely philosophical question that infinitely loops itself in layers of its own subjective perception of reality.

### 3.2.5.4 Reliability and Validity

According to Daymon and Holloway (2002) in order to confirm a study’s quality and its worth, a researcher usually relates to concepts of reliability and validity. These two concepts are measurements of objectivity in a quantitative study while they are measurements of subjectivity in a qualitative study as it influenced the researcher’s own values and research orientations.

In a quantitative study reliability is that one can rely on the tool used, for example a questionnaire, to produce the same result when used by other researchers for their studies, while in a qualitative study the researcher herself is the tool (Daymon & Holloway, 2002). The researcher’s study can later on be used by other researchers but it will not generate the same result and this is because the conclusions one ends up with are affected by one's own characteristics and background.

In order to attain some measure of reliability in a qualitative study one has to set up an audit trail or a ‘decision trail’ (Daymon & Holloway, 2002). This is done by collecting and recording the data, methods and decisions that were made along the process of the research. The audit trail helps other researchers to see which are processes one used so that they can pursue the same, it is useful for the readers as they able to comprehend which decisions were taken and why, and it emphasizes the quality of the study. As mentioned before, the interviews were recorded and we took notes during and after interviews.

Validity is “the credibility of description, conclusion, explanation, interpretation, or other sort of account.”(Maxwell, 1996:87, cited in Daymon & Holloway, 2002, p. 90)

According to Daymon and Holloway (2002) there are three characteristics of validity; namely internal validity, generalizability and relevance. Internal validity deals with the validity of the findings and results of the study to see if they are ‘true’ and if they indeed measure up to the purpose of the study and the participants involved. The researcher can go on by revealing the findings to participants so the one can get their opinion on what has been written about them. This helps the researcher so she can compare her interpretation with the participants’ to see if they share the same view on the findings or not.

Generalizability is also known as external validity. Generalizability is usually thought of being used in quantitative studies such as populations because it has its origin in this type of research. Many researchers have found that there are many problems with applying generalizability in qualitative studies but they are also aware of the desirability to relate their theoretical ideas to a wider context. This type of generalizability is known as ‘theory-based generalization’ (Daymon and Holloway, 2002).
Relevance is another aspect of validity and implies that the study of interest must have an important effect on both the researcher and the one that reads it. The study must be useful for both parties. Relevance suggests that any study that a researcher carries out should end up with some kind of solution to the problem of investigation (Hammersley, 1998, cited in Daymon and Holloway, 2002).

Obviously one has the ethics of being objective to both theory and empirical data, and the analysis one does, but this in itself could be argued to be a subjected interpretation of one’s own cognitive structure, and thereby one has then created a ‘disunderstanding’ of one’s own capability to be actually objective. In short, one could say that every researcher creates a reality where they are objective, and where complexity thereby is turned into clarity, false or not, but who is to judge on that?

Nevertheless, as this is an infinite philosophical discussion that would possibly drive any researcher insane, we will hereby leave it to the reader to be as humble as possible in their criticism. Weick (2001) states that one needs to take oneself less seriously and have more fun, and considering he has been thinking (constructed) these issues for more than forty professional years, we take his suggestion as both reliable and valid, as he is still around to talk about it.

3.3 Research Approach Summary

To summarise this third chapter of methodology, the reason for us leaning towards phenomenology and not positivism was that the purpose of this thesis was to examine individuals’ cognition and the likely enactment of the firm strategy. The reason for not taking positivism into consideration is that the macro environment is not the focus of this study. The explanations for choosing Whittington’s model over the other ones has been given, as we believe that they lean more towards positivism than phenomenology. Whittington’s model presents our perception better than the other models on cognition, to compare between similarities and differences in strategic perceptions.

As mentioned before, we had planned to make six interviews but due to interruptions during the sixth interview, we were not able to analyse her cognitive structure but the info we were able to gather from her was used in some parts of the analysis. The interviews were semi-structured and it gives the researcher an opportunity to have as a guide of the interview at the same time as it enables the chance for developing questions during the interview. All interviews were recorded and notes were taken as well.
4 Data Presentation and Analysis

In this section of the thesis we will present our empirical data collected from the interviews with five participants from a single-case company. This data is analyzed in conjunction with the presentation of the same, and will follow in an inverse order compared to the theoretical frame work. That is;

- First, we will present each interviewee where their cognitive maps will be analysed, and shown, and in respect to this, concepts from their cognitive structures (e.g. maps) will be plotted into Whittington’s strategy model;

- Second, these patterns of individual strategic cognition will then be analysed according to their similarities and differences of individual strategic understanding. The individuals’ strategic understanding will be combined into the Whittington model and displayed visually.

4.1 The Cognition of the Strategists

4.1.1 Cognitive Map and Structure of INT 1

The cognitive map of INT 1 can be viewed below in Figure 4-1 Cognitive map of INT 1. As one can clearly see, many different concepts were found in the empirical data. INT 1 gave a slight impression to be unstructured. This can be described by the rather round shape of the entire map, and the concept’s tendencies to have causality loops and cross relations.

INT 1 did not give clear structured answers, as if she had not fully thought about these issues before. This does not however mean that she was unable to see or express causality, but rather that she did not seem to be sure of them. In similarity to the other interviews, as will be displayed below, a certain pattern, or grouping can be recognised. During the interview with INT 1 a great amount of information was given in regard to INT 1’s idea of what strategy is and what kind of thoughts she has on the company. According to INT 1 strategy is something “concrete and determined”. Her view on the company’s current strategy and strategic process is “long-term planning and rules”. Although concepts loop, there is both a rather clear top-down centrality and environmental influences that affect the internal concepts, and this can be seen in her cognitive map above.
The owner’s influence is the start of the map, which is believed to have impact on both plans and culture, and the centrality of a profitable company. INT 1 sees the owner of the company as the key influencer of strategy formulation since he is the one and only having ownership in the company. The interviewee does not feel that she is involved in the strategic process and therefore has no insight of the process of the strategy implementation. However INT 1 believes that there would be no problems for her to give suggestions on strategy. Once again she pointed out that her position in the company is not of strategic importance.

As described above, INT 1 believes that the company has a hierarchical structure but at the same time she does not find it difficult to communicate with others along the different levels.

What INT 1 values highly in the company is the economic stability and therefore she feels secure both in the company and outside “the walls”. The financial stability leads to a sense of comfort regarding the employees, their jobs and the well being of the company in the future. For this person Company X is equal to safetyness and she believes that this might be a part of the company’s strategy.

INT 1 believes that the environment has a great impact on the company and that it is important to know who the competitors are in order to maintain the position on the market. She goes on by saying that “you always have to be on your guard and never relax” and she believes the company has the same view on competitors.

As will be seen throughout the analysis, INT 1 seem a bit confused regarding which Outcome, Profit or Plural, that has the greatest affect, hence the loop.

### 4.1.1.1 Analysis of Strategic Understanding

When analysing the interview of INT 1 it is obvious that she is more of the Classical approach than the other approaches as can be seen on the right in Figure 4-2 Strategic Approach of INT 1. Just as the Classical approach states she also believes that there is a clear top-down approach in the company and this is due to there being only one owner with 100 per cent ownership. The structure of the company being hierarchical, most pressure comes from above and no strategic decisions are made without the owner’s approval. The owner is in charge of strategy formulation and the operational managers are in charge of strategy implementation, and that is maybe one of the reasons that INT 1 does not have a view on the process of strategy implementation.

Hart and the Classicists believe that it is through rational long-term planning that the organisation is able to reach its profit orientated goals. This is in aligning with INT 1’s view on the company’s current strategy, that it is by the rules and long-term strategies that the company can achieve its desired goals.

![Figure 4-2 Strategic Approach of INT 1](image-url)
Even though INT 1 is more of a Classicist, one can tell that she has other qualities that match with the other approaches. As pointed out before it is the owner that decides upon the company’s strategy. INT 1 also mentioned that even though it is the owner formulating strategy, the environment has a great affect on strategy as well. The company has to adapt to the market that it is acting in, in order to survive and differentiate itself from the other competitors and be able to keep its market position, making her an Evolutionist as well.

INT 1 fits in the Systemic approach as well because she believes that the company’s culture is of great importance. From when she started at Company X, she feels that the company’s spirit has improved making the company more secure; both financially and how the company is being managed. These qualities are valued high among the employees according to her. The sense of comfort is what is embedded in the company’s culture and can also be seen as part of the company’s strategy.

To sum up, we believe that INT 1 is more a Classicist and this is because of her views on the company’s strategy and structure. Nevertheless she has other qualities and beliefs that fit in both the Evolutionary and Systemic approaches.

4.1.2 Cognitive Map and Structure of INT 2

In the Figure 4-3 Cognitive map of INT 2 below concept centrality and causal links are easier to see than in INT 1. The entire map is clearer and shows more thought through causalities.

According to INT 2 strategy is the same as “good products, selling a lot and forecasting”. She believes that it is important with long-term planning and that the strategic process should be done carefully and not hasty in order to reach the desired goals. This goal is according to her to sell quality products, have long lasting relationship with customers and at the same time to make profit. Here, the environmental factors are clearly the start of the cognitive map.

The customers are the key to success and she says “without good customers, you have nothing” and therefore the pressure on her comes primarily from customers and secondarily from other things such as the budget.

But the long-term plans are affected in a split between the environment and the internal social demands. This is because the relationship with co-workers is highly valued by INT 2, and so are her duties in the company.

INT 2’s perception is that the company shares the same goals with her. She sees herself as a piece in the strategy. The relationship to managers is close and her belief is that she can give her opinion to managers and it will be taken seriously.

Therefore she feels that it is possible for her to influence the company strategy and the im-
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implementation of the strategy. According to INT 2 the reason for this is that she has a close contact to the market and the customers, and therefore she knows what has to be changed in the strategy to gain new customers and keep the existing ones.

In this way, INT 2 shows cognition of external pressures on internal processes, which in turn has causality over profit. A slight loop could be argued here, although not visualised in the map. INT 2 understands that profit is needed to maintain the other concepts affecting it. Thereby outcome and process are looped into each other.

INT 2 first said that the firm has a hierarchical structure but as the interview proceeded she started to change her mind; she said “maybe it is not hierarchical after all”. INT 2 explained that layers of managers exist, but that the feeling of a flat organization may be due to the possibility to go directly to top managers.

In this sense, we can see that there is no clear hierarchical top-down perception by INT 2. The map is rather round in this sense, and the causalties between concepts are rather controlled by the environment. Also the internal need of the individuals in the organisation has a greater impact on strategic perception than a management hierarchical structure.

The relationship with co-workers is highly valued by INT 2, and so are her duties in the company. Another thing of great value for her is that she is able to sell quality products and gain knowledge from her field of work. These are the reasons why she enjoys working at Company X according to herself. INT 2's perception of the company culture is to be honest, hard working and being simple. She continues by saying that the simplicity of the products should imbue the whole organization.

The process of taking small decisions for profit-maximisation is expressed by INT 2 to be dependent on the internal culture and closeness between individuals in their social engagement. As the working climate is very important for INT 2, the concept of internal RBV is present as a determinant for profit. For her, the culture of simplicity seems to be the base on which environmental demands can be met and opportunities fulfilled and does thus have an impact on the entire structure of the map. Environmental demands are met with internal capacity in RBV to reach a profit outcome. On the side, culture is affecting this and also shows in the pluralistic outcome concept on the lower left of the map.

Although INT 2 showed greater tendencies to extract thought into vocabulary expressions than INT 1, also the rational behind them were clearer both regarding what cause and effect INT 2 had understanding of and also INT 2’s limitation to affect these concepts. Hence, a wider perspective on the concepts was expressed by INT 2 than INT 1. (INT 2 for example showed interest in our strategy of how to actually put together the entire thesis, and of course in particular how the data from the interviews were going to be used and analysed – something that to us shows her interest in the bigger issues. No other interviewee asked such questions).

4.1.2.1 Analysis of Strategic Understanding

When looking at INT 2's answers we can clearly see that she focuses on the company products. This focus on the company's resources we see indicate a lean towards the Processual approach in Whittington’s generic view on strategy, as been seen in the central concept of Internal RBV in the cognitive map.
Her view of the strategist, as shown on the right in Figure 4-4 Strategic Approach of INT 2, was as mentioned before a piece in the strategy, this interpretation of a strategist we see as a Processual approach. The reason is that in the Processual approach everyone brings their objectives to the game of strategy, and INT 2 believes that all persons are important to the strategy. This has previously been displayed in the concept of individuals on the right of the cognitive map. This is further shown by INT2's perception she sees her ability to influence and change the strategy because of her daily work, again in similarity to Whittington’s Processual approach.

Other things of the Processual approach found in INT 2’s cognitive map is that her view of the strategic outcome is not just profit, but also selling good and qualitative products, here we see that she has a pluralistic view of the outcome of the company strategy and is based on the concept of Internal RBV.

As one can see from above INT 2 values her work and the ability to learn from her work. The job gives her the opportunity to learn and be better at what she does, which could be summed by gaining knowledge. Knowledge and competence is emphasized in the Processual approach.

We can also see the similarity with the three other approaches in INT 2. She speaks a lot about the customers and the importance of them. She said “without good customers, you have nothing”, e.g. the environment, the customers decide on how successful one can be. Whittington’s Evolutionary approach has the same vision that it is the market that sets your strategy and that you have to act upon it.

INT 2’s view on the culture is that everything, all the way from the top down to the products should be summed by simplicity. Since her view on the strategy and in some content on the company culture is the same this indicates then that she has some thoughts that are linked with the Systemic approach. Her view on the strategy outcome is pluralistic as mentioned earlier which we can find in the Systemic approach as well.

As a summary we believe that INT 2 is somewhat near the Whittington’s Processual approach but that she also crosses the border to both the Systemic and the Evolutionary approach. It is difficult to find anything indicating a Classical approach besides the fact that she believes in long-term planning when it comes to strategy. Although this is an important concept in INT 2’s perception it is more an effect than a cause as one can see in her cognitive map.
4.1.3 Cognitive Map and Structure of INT 3

The cognitive map of INT 3, shown in Figure 4-5 Cognitive map of INT 3 below, is maybe the clearest of all five maps. Here one can clearly see a top-down approach of both company structure and thought of Outcome and Process. The causal links, and concepts, are well expressed and explained. They are in similarity to INT 2, also fewer and less looped than INT 1. We believe that the structure of INT 2’s cognitive map shows that she has a clearer perception on strategy than INT 1.

According to INT 3 strategy is all about being quick and simple. She believes that the company follows this strategy through its long-term planning and strategic processes. In Company X, it is the owners will and desire that is the core of the organization’s strategy. In her view on the current strategy it is vital for the company to differentiate itself from competitors and be in different markets. “The things we do, we want to do them properly so that we are perceived as a trustworthy company and deliver quality products.”

Although the top down chain is clear in her cognitive map, INT 3 realizes and expresses the need to also include both external causes of the market, but also internal needs of the organisation. Even if the midline of concepts seem to be valued higher than the other two ‘groups’ of concepts, they are expressed as necessary to think about regarding the possibility of managing the main concepts.

To her, the goal of the company is to have a successful change of generation, to deliver products that are associated with a “quick and simple” principle, but at the same time are of high quality. INT 3 finds the structure of the organization difficult to define but she wishes it to be on a flat level. This would therefore simplify the communication flow in the company.

INT 3 feels that she and the company must show results because this is what is expected of them from above. She believes that this can be reached by hard-work and company’s culture which she describes as “fast”.

Teamwork and co-workers is highly valued by INT 3 in the company as they are the ones that build up the organization. To her the environment has a great affect on the company’s strategy and she believes that one has to adapt to the market one is acting in otherwise there is no chance for survival. Internal development is an important issue for both the company and the employees, as it gives them a chance to grow and be able to change positions in the organization. It is also very important that the employees feel that they have the freedom to speak their mind.

Regarding both the previous fragmentation, and the centrality and cause between the two different Outcome perspectives of Plural and Profit, it is believed by us that there was a
Slight tension in between what INT 3 expressed, and seemed to want to express. It was both during and after the interview perceived by us that INT 3 more answered what was expected of her than showing her true personal thoughts. For example, she used the expression “we delegate” in a way that sounded rather rehearsed.

This could of course be argued that the understanding of INT 3 has the view that the owner of the company is the start of the Process of which the company strategize, and possible is that the structural politics of that is so apparent and influential that she feels unable to think in any other order. Regardless, this needs to be taken into account when analysing INT 3’s strategic thoughts.

4.1.3.1 Analysis of Strategic Understanding

When analysing INT 3, one could tell that she is both as Classicistic as Systemic. Her strategic cognition can be viewed on the right in Figure 4-6 Strategic Approach of INT 3. She defined strategy in the like of the Classical approach, that it is through rational long-term planning that the top managers are able to formulate the desired goals. The owner is the one that makes all the strategic decisions, the one that approves them before being implemented. No strategic decision is made without him and this goes with Whittington’s top-down approach, the same view as INT 1.

The cultural rules and the social systems that the company is acting in are very important, the same as Whittington stresses in the Systemic approach. Teamwork is very essential and appreciated in the company as she stressed it. In order to perform better and help build up the company, good co-workers are the key for success.

INT 3 is also an Evolutionist as she points out how much effect the environment has on the company’s strategy and performance. She mentions that one has to adjust to the market one is operating in or else Company X will not last for long on the market. The environment definitely has a great affect on Company X. Since the company has different areas that it is acting in, each area has its own strategy that is very influenced by the environment.

What also makes her a Processualist is that profit is not the only outcome that is expected. Selling qualitative products and delivering what is promised is also vital for the company. As mentioned above, it is important and also part of the strategy to sell “quick and simple” products. The focus on internal development is also very important, not only for the employees but for the company as well.

To sum it up, we feel that INT 3 leans mostly to both the Classical and Systemic approaches. But her views on the environment and internal development link her to the Evolutionary and Processual approaches as well.
4.1.4 Cognitive Map and Structure of INT 4

In the cognitive map seen below in Figure 4-7 Cognitive map of INT 4 a very similar structure to INT 3’s cognitive map of the concept content and centrality appears. The top-down thought is ever present. This is expressed by INT 4 as she sees Company X as hierarchical structured, and is aware of who is in charge but does not see it as a problem because she has the possibility of communicating with the top managers.

Remarkable in the causality flow is here the placement of the different focus on Outcome between Plural and Profit. Here the Plural concept is more centralized and the profit concept is ordered according to that. Now, remembering previous discussion of INT 3’s reliability one might wonder if not both INT 3’s and INT 4’s map should be the same.

The above view on a pluralistic outcome could partly be described by the social working environment and that the co-workers are of great importance for her because she believes this will help the company to reach its goals. According to INT 4, the goals of the company and hers are the same; it is to grow and make profit. So to her it is also important that the profit is being reinvested in the company. Important to her is therefore both goals to be both a good supplier and at the same time a good employer.

This social centrality could be explained by INT 4’s focus on the internal importance of the Social concept as compared to INT 3 who only shows this causality to be of a less important aspect, something one needs to take into account. For INT 4 this is something central of how the Process is viewed and therefore has causality over other concepts. This is showed by that she feels there is an informal way in the company; not all decisions are made in meetings but can as well be made during a coffee break.

The overall impression of INT 4 is the closeness she shows towards to other individuals within the firm, and its effects on the concept centrality of her cognitive map. This she declares as she feels that the pressure from the floor is much higher than the pressure from above as they are the ones dealing with the products, so the workers must believe in the products and if not, they should announce the weaknesses of it, because this will benefit both the workers, managers and the company.

Here, INT 4 describes strategy as “a way of thinking, it is long-term planning and how one wants the product to be”, and a strategist is the one who guides and structures along the way to the goal. In that way she also says that the company’s spirit “is within the walls”. Also the feeling of se-
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security and everything being in order, orderliness (ordning och reda) is part of the company’s culture.

Here one can see the causality between the culture and the long-term plans to make products that are feasible to sell and. INT 4 expresses this to be important because of the market situation they are in at the moment. The company has to strive for shorter delivery time, which will make them a good supplier and competitor.

This expresses the market pressure on differentiating products and its effects on both internal RBV and internal development in the cognitive map. In this line she feels that she has the opportunity to grow because her role give her freedom but also responsibility. This can be seen as internal development.

Again, the environment is important and understood as having cause over the everyday actions, but its importance is less obvious. One could simply say that the smaller amount of concepts in the maps show higher holistic understanding. Although this might seem strange at first, the answer is that the empirical data given during the interview with INT 4 seem more thought through, in particular compared to INT 1, just as it was for INT 2 and 3. Although the interviewee’s answers were perceived by us to be honest and personal, they also had a tendency to split between the concepts, as will be seen in the analysis.

4.1.4.1 Analysis of Strategic Understanding

INT 4’s view on strategy could be summed up as long-term planning displayed below on the right in Figure 4-8 Strategic Approach of INT 4. This indicates that she falls into the Classical approach but as one looks at her perception of the company goals, which are both making profit and being a good supplier. Taking this in consideration she then leans more towards the Systemic and Processual approaches as the strategic outcome of these approaches are pluralistic. This was shown in the cognitive map, where the pluralistic goal concept is more central than the profit goal concept.

Her great belief in the company’s culture and the social bonds in the organization, which she defines as informal, give us the idea of that her thoughts lean more and more towards Whittington’s Systemic approach. But we can also see the similarities with the Processual approach regarding the importance of internal development. She emphasizes that she has the opportunity to grow, which can be seen as internal development. This was displayed both by the top of the Culture concept in the map, but also by the centrality of the social concept. The internal RBV development concept was shown to have causality of the previous in INT 4’s perception.

INT 4 has some tendencies towards the Whittington’s Classical approach since she sees the company’s structure as hierarchical and that she recognizes this structure. Her idea of the strategy gives us also a clue that points her towards the Classical approach; it is the idea of having a long-term plan for the strategy. Both of these things were shown by the entire structure of the cognitive map from top to bottom.

Figure 4-8 Strategic Approach of INT 4
Whittington’s Processual approach fits well into INT 4’s idea of that the product is important and that the knowledge of the product by floor workers is important too. The knowledge about the products, the actual products and the outcome which are profitable and having a job in the future are interlinked. The social activities are also linked here and this in the form of communication between workers and managers.

We feel that INT 4’s strategic cognitive structure is a little bit more outspread than the others, this does not necessary mean that we failed to analyse her but rather that she has different ways of seeing things, hence her cognitive structure is believed to be greater than some of the other interviewees’. We can not clearly say which of the four approaches that ‘suits’ her best but rather say that she is probably somewhere in the middle of them. As people and their surrounding evolve, one gains experience and maybe a more diversified way of looking at situations can be seen in the cognitive map because of it.

### 4.1.5 Cognitive Map and Structure of INT 5

The most complicated of all maps can be seen in Figure 4-9 Cognitive map of INT 5 below. Here, neither straight causalities or straight loops or centrality of concepts are obvious. Similarities of the cognitive map in between INT 1 and 5 are not because of the same reasons though as will be explained hereafter.

Also in the cognitive structure of INT 5 can we see the prevalent top down thoughts, but these concepts’ centrality and importance seem less to INT 5. Overall, the map is more dynamic than especially INT 3 and 4, and shows more as layers than a clear line. This we see as INT 5 describes the structure of the company as being flat, where a lot is delegated down to each individual. She continues by saying that they have no supervisors but have some rules that have to be followed. In that line her perception on the process of strategy formulation is that “the owner’s spirit floats in everything and everywhere. In my opinion, we have a flat organisation and since we are a family owned company, ideas can come from the lowest levels and quickly to the CEO who then passes them on to the owner.”

Here we can understand that the top-down concepts is a clear cause of the culture which in turn effect both social situation of how people work in the company, and in particular how this is shown through routines on the top of the map where the social environment is depicted by that “The company wants coworkers that are flexible. There exists a quick response in this small company. The owner’s spirit about long-term planning is well spread across every individual in the company.”

This in turn affects the need of the concept of long-term planning, as she describes Company X’s current strategy as “a long-term planning, both
when it comes to entering new markets and with new products.

Also the causalities between different concepts are more interrelated, showing causalities in both directions between concepts. This is regarding the above described by INT 4 as she expresses that the owner’s power, will and influence is very strong in the company and that no strategic decisions are made without his approval. Again, the top down concepts is present showing a layer. In this sense INT 5 describes a strategist as “someone who is always thinking one step ahead in the organisation”.

An example of this is when she wanted to make some changes in the company a couple of years ago and she was faced with opposition and this can be seen as a generation question. She stated that one has to follow the rules and visions of the company or one might as well quit. She believes that a person is shaped according to the organisation that she works in and that is why she says that she is definitely a different person today than she was when she started working at Company X.

Again, this shows why both the Plural and Profit Outcome are present. This time they are both more central to each other and the causality could be viewed either as more important or better understood (something that is hard to clarify, and therefore will be discussed in the end of this analysis chapter). INT 5 describes this by saying that company’s goals are to both “earn money and make profit and survive in the long run, but at the same time create job opportunities.”

Here, even though the subject of education is not brought up often during meetings, the company does support everyone who wishes it and also internal development, but she also mentions that many co-workers are happy with their position. This can therefore be seen as Internal RBV having cause of the Plural outcome but not so much the other way around.

She says that the environment has a great effect on the company and its strategies, and that they have to adapt to the environment and change strategies but on lower level and that the long-term planning is always there. In this way INT 5 does recognise the environment as an important concept but only as regards to its effects on profit, which is rather seen as dependent on internal factors. In that sense, INT 5 expresses a divide between the top of the map and the bottom and expresses this as less important because she believes it is important to “Stay in the current markets (geographically) and not moving production to countries with low salaries and to even preserve personnel and not in the least depression reduce the number of workers but to survive in the long run.”

Again, the environment, the concepts in the bottom of the map, makes demands on the company’s product differentiation with causality over the profit. Remarkable here is that this is clearly expressed as a need to keep the Pluralistic outcome. She expresses this thought by saying that she highly values the stability in the company, its safety and the long-term planning. But she does feel that the company is going through a change in generation.

Comparison regarding to INT 4, INT 5 is also perceived by us to be more thought through but maybe even more than INT 4. Although the content of concepts are greater than INT 4, this is partly believed by us to be because of a divide in between what the interviewee would have wanted to answer to our questions, and what she actually seemed willing to answer. A slight fraction and irritation over what was accepted to answer and the will therefore to be fully honest and personal was noticed during the interview. This could be argued to be a reason for the increased concepts used by INT 5, wanting to please all camps, or the above mentioned perception of a generation shift.
4.1.5.1 Analysis of Strategic Understanding

When analysing INT 5 we could see that she had some views that easily linked her to the Classical approach. She described a strategist as someone who is always thinking one step ahead in the company and similar to the Classical approach the strategist makes rational long-term planning as can also been shown in the top of the map. She explained the company’s current strategy as being long-term planning and that this view is shared by everyone in the company. There is definitely a top-down approach in the company since no strategic decisions are made without the owner’s approval and there is no direct communication with the owner, meaning that one’s idea has to go through the CEO before reaching him.

She stressed that the environment has an effect on the company as well as on its strategies, making her an Evolutionist shown in the bottom of the cognitive map. As there are many changes taking place on the daily market one has to adapt to the environment and change its strategies in order to keep its position, stay competitive and survive, something that is shown by the centrality of the Profit Concept in the map. Even though Company X is a family owned business and the owner is the one that decides upon which strategies to follow, he has to go with the flow on the market so that the company does not lack behind its competitors.

INT 5 has other qualities or views that connect her to the Processual approach as can be seen in Figure 4-10 Strategic Approach of INT 5 on the right. Internal development is important and it can be accomplished through education as knowledge is one of the most important resources a company can own. As Whittington mentions knowledge is a resource that is gained through experience or by learning and is very valuable because it is hard for competitors to imitate and it can not easily be traded. This is vital because in order for a company to succeed externally one has to succeed internally first. This also shows in the cognitive map as a clear cause of a plural outcome in the concept Internal / RBV.

She fits in the Systemic approach as she points out the importance of feeling safe and stable in the company. She also mentioned that it was part of the company’s current strategy for employees to feel safe. She is a pluralist as she stresses that profit is not the only outcome expected by the company, but also to survive in the long run and create job opportunities for its employees. This is shown in the map as the social, Culture and routine concept influence the long-term planning and pluralistic goals.
4.2 Comparison of Strategic Perceptions

The strategic range based on all five interviews can be seen in Figure 4-11 Similarities & Differences in Strategic Perceptions on the right. Not surprisingly, they all seem to overlap each other towards the centre, which could be argued by the collective understanding of the entire firm, and will therefore first be analysed, before we try to see what the differences are.

In the figure above we can clearly see that the interviewees’ strategic approaches are concentrated to the centre of the figure which is explained by the similarities of their perception. Then the spread in the figure shows the differences and diversity of the interviewees’ perception of firm strategy. As can been seen below we noticed more differences than similarities among the interviewees.

The difference here could be argued to be a reflection of both individual personality, but also the differences of working conditions having different types of individual strategies in their daily activities. A part of this could be argued to come from the particular industry wisdom such as specialized professions bring. One could of course also argue here that as the overall strategy was expressed as deliberately emergent, this shows through the spread of the individual structures, leaning towards a freedom of personal decision making.

4.2.1 Similarities in Strategic Perception

The approach that all five individuals seemed to share was the Classical approach. They described the company’s current strategy as a long-term planning to achieve the desired goals. According to all interviewees the one that formulates strategy in the company is the owner, so no strategic decisions are made without him or in disrespect to his long-term vision of a stable and safe company. This is also reflected in the interviewees’ cognitive maps as they all have the long-term perceptions on strategy. One can also see the combination of pluralistic and profit-maximization goals in their cognitive maps. This can be interpret as the owners vision reflected in the employees about a safe and stable company.

In the same sense they are Evolutionists because they believe that the market has a major roll on the company and its strategy. No company can survive for long in a market without adapting to its requirements.

They all highly value their co-workers and that the company gives the opportunity to grow and a sense of safety and comfort. This in turn reflects a rather pluralistic view on strategy, although they all seem to recognise the earlier mentioned vision of a profitable and financially safe company. Here one could argue that the Outcome of profit-maximisation is the means by which the goal of the Pluralistic safetyness for the employees is established. All
interviewees state that it lays in the owners visional “corner stone” to try not to fire staff according to market fluctuation. This in turn is heading towards a more Systemic approach.

Taken all of this into account, one could then argue that these visionary corner stones of long-term, simple and safe solutions are in the culture of the company, although almost none of them use this particular term. An ever repeating phrase is that “the way of thinking in the firm is within the walls”. This visually shows as the main office looks just as it did when it was once built, with its furnishing and architecture remained from the 70’s as the firm’s symbolic proof of the owner’s original entrepreneurial strategy. Considering research by Weick, we here see this very practical symbol, as a way for the owner to structure the company, in a very clear fashion, hence the expression within the walls.

On top of this, all interviewees speak highly of the social climate in the company where the flatness of the organisation is shown by the quick and short route of ideas and where discussions can take place on an informal basis, all the way from the bottom, up to the highest point of the owner. All of this taken into account reflects a more systemic view on the company as a whole, and the way and form in which strategizing is done.

4.2.2 Differences in Strategic Perception

After analysing all five interviewees we found that not all, individually or together, could be categorised under one specific approach. The reason for this could be that they all are at different levels and positions in the company, and there also is a hint towards a difference in age and number of years working in the company. We think that it is good that they are spread among these approaches because that means that their different thinking and views contribute to the company and that is what makes it successful. In similarity to this, Hart and Banbury (1994, p.251) found that “firms with high process capability – the simultaneous use of multiple strategy-making process modes – outperform single-mode or less process-capable organisations.” In other words, the more diversity there is of strategic cognition and its effect on firm strategy, the higher the probability\(^6\) of success.

One thing that one could both notice during the interviews, and as can be seen in the spread of strategic perception, is the vague split into a move away from a Classic approach towards a more Processual approach. This could be explained by the swift between generations, where older employees express more of the Classical variables, while the younger employees with a higher spread of past experiences from other working areas express a need for future strategies to be more Processual.

This is argued by the younger employees to be more corresponding to their view on how individuals of today look upon themselves in a modern society and workplace, where freedom of both speech and decisions are pushed down in the organisation to increase speed of action and change even further. In fact, some of the interviewed participants state that this change of the firm collective strategy structure has actually not been fast enough according to their perception, but that the firm culture is hindering the progress of the company.

While the participants who are both older and been in Company X longer (some who have only been working in Company X) show a higher tendency towards the Classical approach, while one participant who has a different professional background shows a clear shift to-

\(^6\) Hart and Banbury’s research is mainly quantitative
wards the right of the Whittington model. The other two who are both younger and have been in the company for a shorter period with previous experiences from other companies and industries, show a clear shift towards the more Processual approach, and even with a tendency to expand their structures including more approaches.

As this finding of a generation shift was not considered a particular focus of the thesis, and became apparent first during the analysis of the empirical finding, we are not able to fully analyze this concurrent issue, and it will therefore be brought up later under the heading “Conclusion – Suggested Further Research”.
5 Conclusion

It was the aim of this thesis to investigate how an individual’s perception and understanding of its strategic reality could be examined according to theory of strategic cognition and depicted by drawing cognitive maps.

It was found that the individuals had very different strategic cognitions of not only their understanding of strategy but also how this was shown by the concepts’ centrality and structure throughout the five different maps. At the same way we also found similarities in the cognitive maps.

One conclusion that we can draw from the cognitive maps is that some of them are clearer than others and we believe this is due to the individuals’ different understanding of firm strategy.

5.1 Similarities in Strategic Perception

Another part of the purpose was to investigate Similarities. We found some clear similarities among these interviewees. They all had the perception that it was safe to work for Company X and also that they all emphasized the importance of co-workers.

As this has been compared to both visionary and umbrella strategizing and their benefits in changing environments, it is positive to see that the CEO has managed to clearly maintain the original long-term vision formulated by the company owner. In the same way, it is positive to see how this affects the emergent strategizing in the strategy Process.

The interviewees all have a similar perception on long-term planning, and a combination of profit and pluralistic goals as a firm strategy and in this way we can conclude that they follow the visions of the company owner.

5.2 Differences in Strategic Perception

Furthermore we also wanted to see what differences one could find. Some of the younger interviewees show a tendency of irritation regarding differences in strategic perception. We actually believe this irritation to be greater than put forward during the interviews. As it has been analysed, this seemed to show coherence in three of the individual maps, that all show tendencies to a more Processual approach. Also a greater spread of strategic cognition has been displayed which we believe is because of the perception of the Systemic approach still being remained as concluded about similarities above.

To make a final conclusion, we found that all the interviewed in Company X seem to step away from the Classical approach. This could be due to the generation shift in the company. Because the interviewees’ strategic perceptions are spread from the deliberate to the emergent side on Whittington’s graph (2001), we believe that this also could be an effect of the generation shift.

As we have seen, almost all interviewees seem to base their daily activities on their subjective view on the company’s strategy and that differences in strategic perception and understanding have effect regardless if the owner or CEO recognises them fully. This is why we would like to warn practitioners not to underestimate the cognitive importance of different individuals.
5.3 Practitioner Relevance

All in all, we believe that the analysis has shown that the use of cognition research can be used as a tool to investigate the strategic perception of firm individuals. Through this we believe we have found that it is important not to only investigate how a firm’s strategy is described by top managers but also how strategic perception can actually differ in a great way if one asks other members in the organisational structure.

The interviewees in Company X have shown different perceptions when relating to strategy. This implies that every person is unique and has its own interpretation of the surrounding and the strategic instructions given to them at work. Therefore, it is important for managers and strategic decision makers that they understand and take this under consideration when delegating and injecting new strategies into a company.

We would therefore like to suggest, in accordance to Hines (2000), that companies themselves could use this methodology to enhance an understanding of their own strategic organisation.

5.4 Suggested Further Research

Regarding the second part of the aim of the thesis, to clarify for researchers the use of a cognitive view in strategic research the methodology of cognitive maps has shown its applicability.

Therefore, we would like to suggest that further research could use the results of our thesis as a proposition for the following research extensions:

- Extended Case-study with more Units of Analysis

  Because we based our thesis on very few interviewees, although spread within the company structure, it would significantly improve our findings if we had been able to get a richer response through an increased sample. The diversity might both have increased as declined, something we can only speculate about. Therefore our first suggestion of further research would be to include more participants within one case.

- Singular Case-study towards Multiple Case-studies.

  In respect to previous research within strategic cognition and its main focus on the industry level, we believe that a comparison of different cases, both in the same and in different industries, could show to be beneficial for the understanding of practical strategizing according to the individuals’ strategic cognition. In this sense our findings might be proven on a more holistic and macro perspective. It is also possible that such a research could also complement previous industry level research, and combined create another level of collective researcher cognition.

- Cognitive Effects on Longitudinal Shifts

  As it has been found through this thesis that strategic cognitive diversity not only has effects on the Process of strategizing but also the entire firm strategy Outcome, we believe that individuals’ cognition has also a great effect on culture. Because this was not in the focus of this thesis, it would be interesting to see, especially in a lon-
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gitudinal study of a cognitive generation shift, how such changes in strategic cognition affect the entire firm in the long-run.

- Personified Interviewee Participation

Another, although more far-fetched area of future research, could be not only to delimit the interviews to the professional part of the individuals but also include a greater perspective regarding their personality including their private life. Obviously, this makes demand also on increased tact and objectivity both during interviews and during the analysis.

The argument for such an extension would be that it is believed by for example Brunninge (2005, p92), that it is not only some parts of an individual’s identity, or cognition, that depicts who they are and how they function, but that the identity-parts “totality is different from the sum of the parts.” Hence, one could therefore argue, that also the private cognition has an impact on the professional one, something that was found during the analysis in this thesis, showing that personal demands on the company in respect to the company’s demands on the individual also alter their strategic cognition.

5.5 A Thesis Summary – What We Have Understood

We would like to remind you of the cognitive example from chapter 1.

“Exemplified one could ironically say that; what someone says, what you hear them say, and what you understand of it, are different things. Unfortunately, it is also believed that this cognitive structure then controls how you yourself tell the same thing to someone else.”

If there is any wisdom in this thesis, this must be it. Be careful in your judgment of not only what other people say, but also how this explains who they are. Have you really understood them? Are you being fair or following your own bias? And should you really claim that what you have learned about them is the “truth”, and that you are fully entitled to tell that as a “truth” for others to believe?

If we have learned anything during our thesis process, it must be that if we do not now answer no to all of these questions, we really understood nothing…
6 References


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## Appendices

### A. The Four Perspectives on Strategy

Table 0-1 The four perspectives on strategy (Whittington, 2001)

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<tr>
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<th>Processual</th>
<th>Evolutionary</th>
<th>Systemic</th>
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<td>Efficient</td>
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<td>Survival</td>
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B. Final Interview Questions

- Process
  1. How would you describe the words “Strategy”, “Strategizing” and “Strategist”? 
  2. How would you describe the current strategy? 
  3. What affect does the environment have on the company’s strategy? Does it have any influence on strategy formulation and to what extent? 
  5. How is the process of strategy implementation to you? 
  6. Do you feel that the company’s strategy has changed since you started? If yes, for better or worse? 
  7. Is there anything in the current strategy that you would like to change? If yes—what and would you have any power to affect that change? 
  8. How would you describe the vision for you and the company in the future? 

- Outcome 
  9. What do you think is more important, personal success or company success? In what way does the company facilitate for you to reach success? 
  10. Do you think that your company puts an effort on internal development in the company? In what way? 
  11. What are the goals of the company? 
  12. What do you value highest in your company? 
  13. What is your view on the market’s development? 
  14. What is your view on competitors and what is the difference between your view and the company’s view on competitors? 
  15. How important do you think it is for the company that the employees get an opportunity to grow? Can you give an example? Would you say that it is part of the company’s strategy? Why/why not? 

- Structure 
  16. How do you perceive structure in the company? 
  17. How much power do you have in the company? Do you feel that you contribute a lot to the company, or that the company contributes a lot to you? 
  18. Do you feel like you can affect the company’s strategy? 
  19. From where in the company do feel more pressure/demands? From the upper level or lower level? 
  20. Do you think that there is a clear company culture in the company? If yes, how would you describe it? If no, why not? How would you describe the communication between decision makers within the company? Is it formal or informal?
C. Pilot Study Interview Questions

1. How would you describe the company’s strategy?
2. How do you perceive strategy formulation in the company? Your own perception on the process of strategy formulation.
3. What do you value highest in your company?
4. What is your view on the market’s development?
5. How much time do you feel there is to think and analyse about how your production corresponds to the company’s goal?
6. How would you describe the word "flexible", from the company’s point of view?
7. How do you perceive the structure of the company, flat or hierarchical?
8. What is your view on the company’s structure? Flat or hierarchical?
9. What is the company’s view on competitors?
10. How would you describe the budget process in the company, do you have control over the budget?
11. Which asset/assets is/are strategically important in the company?
12. How many decisions are made formal or informal, in meetings etc.?
13. Have you had an opportunity to discuss questions on strategy, maybe a day or a weekend?
14. Does the company have a definite profile when recruiting?
15. Which criteria are important when hiring new co-workers? Give an explanation. Which former experiences with new co-workers would you value high?
16. Which strategy do you think that the Company should choose for the future?
17. How would you describe the company’s current strategy?
18. Is there anything in the current strategy that you would like to change? If yes-what and would you have any power to affect that change?
19. How often are there new strategic directives in the company?
20. Is there something that you or the company are/is doing to counteract a possible downwards trend?
21. When making decisions, do you feel that they are based on routines and experiences, or do you feel that it is important to do thorough investigations of the subject in question first?
22. How do feel that the time plan is between, problem/decision and between decision and measure? Give an example on how this process takes place?
23. Do you feel that the company’s strategy has changed since you started? If yes, for better or worse?
24. How would you describe competitiveness within the company? Do you think that it is positive/negative, and why?
25. How important do you think it is for the company that the employees get an opportunity to grow? Can you give an example? Would you say that it is part of the company’s strategy? Why/why not?
26. How would you describe career opportunities within the company? How would this be acted upon?
27. Do you think that there is a clear company culture in the company? If yes, how would you describe it? If no, why not?
28. Do you feel that there is a certain way of thinking within the company that can be classified as the “right one”? How would you describe/value it?
29. Which qualities among your co-workers would you like to point out are the most significant? How do think that these affect your strategic decisions? Does it mean special problems/possibilities? (Give an example)
30. How would you describe the communication between decision makers within the company? Is it formal or informal?
31. Are there predefined principles within the company that all employees have to understand/follow? Give some examples?
32. Do you feel like you can have an effect on the company’s strategy?
33. Do you think that your personal goals and the company’s goals are the same?
34. Your formal and informal position in the company, do they differ from each other, in what way then?
35. From where in the company do feel more pressure/demands? From the upper level or lower level?
36. How much power do you have in the company?

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37. Do you feel that you contribute a lot to the company, or that the company contributes a lot to you?
38. What do you think is more important, personal success or company success? In what way does the company facilitate for you to reach success?
39. What is your view on competitors and what is the difference between your view and the company’s view on competitors?
40. What do you think is more important, to reach the determined goals or keep the budget?
41. How do you perceive the relationship between co-workers?
42. Is there any difference when you are at work and when you meet in your free time?
43. Which opportunities do you feel there are for you to object to previous decisions?
44. Why do you think the company has hired you? Which qualities do you think you have that are meritorious for the company? Which qualities do you wish you had? Do you feel that the company gives you the opportunity to evolve them? What do you think your co-workers view on your authorities is?
D. Cognitive Map Concepts

Concepts of the four approaches

Classical
1. It is through long-term planning that the top managers decide upon strategies.
2. The outcome of strategy is profit-maximization
3. The focus of this approach in internal, the plans – one has to use resources effectively in order to reach the desired goals.
4. Top-down approach – the top managers formulate the strategy and the operational managers are in charge for implementation.

Evolutionary
1. It is the environment that one is acting in that decides the strategies.
2. The outcome of strategy is profit-maximization
3. The focus here is external, the market – the market will choose the best performers.
4. The key for success in this approach is differentiation

Processual
1. Individuals in the firm bring their own objectives and cognitive biases to the organisation.
2. The outcome of strategy is plural, not just profit.
3. The focus here is internal, internal development – RBV (Resource Based View).
4. Strategy makers should follow the existing rules and routines in the organization

Systemic
1. The goals of strategy and how they are acted upon depend on which social systems they are in.
2. The outcome of strategy here is also plural, not just profit.
3. The focus here is external, societies.