

# **Gordon Institute of Business Science**

University of Pretoria

## **Insights into the use of strategic thinking and influence during strategy formulation within a group setting**

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## Abstract

This research explores the way in which managers come together in groups to form innovative strategies. This was achieved by investigating managers' usage of strategic thinking and influence through behavioural observation and thereafter subjecting the data to a qualitative thematic content analysis. Subsequently this study provides a deeper understanding of the 'five-element view' of strategic thinking as well as proposes a set of collaborative influence tactics that may be used in accessing group level strategic thinking. Finally the synthesis of these insights are presented in an exploratory model describing a component-based view of group level strategic thinking for the development of innovative strategies. The study conclusions provide both theoretical and practical contributions to the existing understandings of strategic thinking, influence and strategy development.

## Keywords

Strategic thinking; Innovation; Influence tactics; Strategic planning; Manager

## Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

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9 November 2015

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# 1 INTRODUCTION TO RESEARCH PROBLEM

## 1.1 DESCRIPTION OF THE PROBLEM AND BACKGROUND

In the fierce environment, organisations constantly explore new sources of competitive advantage and realize the pursuit of continuous innovation is essential (Kuratko, Hornsby, & Covin, 2014b). Corbett, Covin, O'Connor and Tucci (2013) as well as Zahra (2015) elucidate the importance of corporate entrepreneurship (CE) as a means of such continuous innovation. CE expands beyond continuous innovation; Zahra, Randerson and Fayolle (2013) offer that the interplay between CE and strategy formulations is essential to keep organisational capability current. As the result of these, organizations increasingly turn to corporate entrepreneurship and innovation (CE&I) as a viable strategy (Kuratko, Covin, & Hornsby, 2014a). CE&I is seen as an important means of innovation by both scholars (Zahra, 2015) and by business (Kuratko et al., 2014b).

The role of managers is critical in accessing the potential advantages promised by CE&I, (Zahra, 2015). Kuratko (2014a) proposes that communication and engagement between every level within the organisation is necessary to coordinate their specific roles in the strategy development process. Research suggest the role of management is to work together to propose and interpret entrepreneurial opportunities that may lead to increased organisational efficacy in either existing or new business ventures for the organisation (Hornsby, Kuratko, Shepherd, & Bott, 2009). Teece (2010) argues that effective strategy is essential in ensuring the commercial viability and sustained advantage of an enterprise, managers' strategic thinking capability in formulating viable strategy as a group affects how an organization marshal its resources to compete in diverse and challenging environments (Barney, 1991; Porter, 1991).

While CE&I may be a feasible approach for gaining and sustaining improved market performance, the process by which the strategy is formulated is not without its challenges (Kuratko et al., 2014a). Traditional strategic planning processes have in the past stifled the development of creative and innovative processes (Liedtka, 1998). The effective coordination of managerial roles is a critical issue in the successful implementation of such innovative processes, with managers playing a central role in the process through communication and influence throughout the organisation (Kuratko et al., 2014a; Lechner & Floyd, 2012). Liedtka (1998) explores the use of strategic thinking as a means of addressing these implementation issues. The importance of strategic thinking to the innovative ambitions of organisations is shown to be instrumental in leveraging firm resources and competencies in order to participate in increasingly challenging markets.

In addition, managers have been shown to engage in group-influence activities as a method of influencing scarce resource allocations for strategic initiatives (Lechner (2012). Lechner's (2012) argument for group influence activities at management level taken in conjunction with Zahra's (2015) view of innovative strategy as a method to unlock new growth in existing business or develop new capabilities develops the idea that group influence activities are necessary for the formulation of successful CE&I strategy. Furthermore, research suggests influence is one of the central determinants of managerial effectiveness (Falbe & Yukl, 1992) and an essential component in the CE&I strategy development process (Sathe, 2003). Fu & Yukl (2000) focused on the perceived efficacy of influence tactics as well as building on the idea that managers need to utilise influence tactics to gain acceptance for their policies and ideas and to encourage others to implement their decisions.

## 1.2 PURPOSE OF RESEARCH

A means of leveraging and developing a firm's capabilities and resources specifically in the sphere of CE and innovation is the process of strategic thinking (Zahra & Nambisan, 2012). Strategic thinking at an individual level is a critical element in the formulation and development of organizational strategy (Benito-Ostolaza & Sanchis-Llopis, 2014; Liedtka, 1998; Moon, 2013). However, successful strategy formulation requires more than individual level strategic thinking - it necessitates managers and other workers coming together in groups to be actively involved in the firm's strategic decisions (Benito-Ostolaza & Sanchis-Llopis, 2014; Whittington, 1996). Lechner (2012) shows the importance of manager's ability to influence groups in the formulation of strategy. This argument is supported by the earlier work of Falbe and Yukl (1992) demonstrating the importance of manager's ability to use influence to develop organisational support during this formulation process. Critically in Lechner's & Floyds (2012) opinion managers that fail to use influence tactics may be unsuccessful in acquiring the organisational support for their strategic initiatives. Falbe and Yukl (1992) demonstrate that the effectiveness of influence lies in the correct combination of individual influence tactics. This suggests that in order for a manager or employee to successfully influence the strategy formulation process, he/she must know how to think strategically (Liedtka, 1998) as well as have an understanding of the influence tactics that would yield the most effective outcome (Falbe & Yukl, 1992; Lechner & Floyd, 2012).

The role of managers is central to CE&I. Managers must harbour the ability to strategically think and influence others enabling them to change the existing organisational dynamics (Zahra & Nambisan, 2012). This raises the questions - do managers think and behave in a congruent manner in accordance to how they perceive themselves? How do they use influence tactics under such conditions? As such, this research aims to explore managers' strategic thinking capabilities as well as their use of influence tactics in the strategy formulation process. This study shall attempt to investigate how individuals deploy their strategic thinking and influence tactics when engaging in the development of such innovative strategies within the group context under time constraints.

### **1.3 RESEARCH AIMS**

This research has observed how managers in organisations apply strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of CE&I strategy. The existing theory base reveals that while many organisations seek to develop CE&I strategies as a source of organisational renewal and competitive advantage (Corbett et al., 2013; Kuratko et al., 2014b; Zahra, 2015) the implementation process is a challenging one (Kuratko et al., 2014a). A potential solution to this problem lies in the proper coordination of managerial roles within the organisation to increase dialog and the permeation of innovative CE&I ideas (Kuratko et al., 2014a).

### **1.4 SCOPE OF THIS STUDY**

The aim of this research is the exploration of the way in which managers' use strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy. While there may be multiple factors influencing the way in which groups create innovative strategy (Corbett et al., 2013), the scope of this research is limited to the exploration of the uses of strategic thinking and influence tactics in the development of innovative strategy. As such this research was limited to a group of managers based in South Africa, with some level of postgraduate business education.

### **1.5 SIGNIFICANCE OF THIS RESEARCH**

It is essential for organisations to embrace continuous innovation in the form of CE&I (Corbett et al., 2013) in order to remain competitive in the current global business environment (Kuratko et al., 2014b). As such managers applying strategic thinking practices (Liedtka, 1998; Moon, 2013) are shown to influence the success of entrepreneurial activities within the organisation (Zahra & Nambisan, 2012). Furthermore the role of influence is central to a managers ability to gain acceptance for innovative initiatives (Lechner & Floyd, 2012) such as CE&I activities (Corbett et al., 2013). Clearly the implications for business are present, particularly in understanding the skills and practices managers can

adopt in order to become more successful in pursuing entrepreneurial initiative within the organisation.

Furthermore from a theoretical standpoint this study aims to add to the existing literature base by addressing gaps and areas of future research as identified by scholars. With regard to the subject of strategic thinking, future research is proposed in the field of strategic planning and manager training (Benito-Ostolaza & Sanchis-Llopis, 2014) as well as the impact of organisational behavioural factors on strategic thinking (Moon, 2013). While citing proposing areas for future research Lechner and Floyd (2012) suggest further research into the role of influence in strategic renewal initiatives, in this instance that of CE&I (Corbett et al., 2013). Empirical research probing the role of managerial influence tactics on the formulation of strategy has been severely lacking. Despite the importance of innovative strategy formulation, studies combining how individual think and influence others strategically for the development of innovative strategies remain scarce. The proposed research intends to address the lack of existing research concerning the role of influence in the process of strategic renewal, the organisational ability to acquire new capabilities and attract resources for new initiatives (Lechner & Floyd, 2012). The findings may be of practical value to organisations as it may elucidate practical activities that may lead to greater success in the development of innovative strategies as a path way to continued sustainability of their business. This study is of scholarly significance because it aims to address a gap in the literature regarding the role of manager's use of strategic thinking (Benito-Ostolaza & Sanchis-Llopis, 2014; Liedtka, 1998; Zahra & Nambisan, 2012) and influence tactics (Yukl, 2013) in the development of innovative strategy. Moreover, this research has been able to offer insights concerning the congruence between managers' perceptions of the effectiveness of their influence tactics and their actual effectiveness through a combination of structured observation and semi-structured interviews, (Fu & Yukl, 2000). Clearly the role of managers is crucial in the development of innovative strategies, it is envisaged that the findings of research will add to significant value to both the literature base as well as practically enable leaders to gain insight into these critical leadership behaviours.

## **1.6 CONCLUSION**

The proposed research may offer value to both the scholarly study of innovation, corporate entrepreneurship and strategy while addressing practical business challenges and providing insight into the development of innovation based initiatives focussed on increased competitiveness.

## **2 THEORY AND LITERATURE REVIEW**

### **2.1 INTRODUCTION**

This chapter outlines the major concepts utilised in this research. Firstly, the importance of corporate entrepreneurship and innovation has been delineated, followed by the nature and purpose of strategic thinking. Secondly this chapter deals with the way in which managers and specialists obtain support and resources for CE&I initiatives by using influence tactics. Finally the chapter concludes by describing the role of self-perception for managers as they attempt to use these skills in the development of CE&I initiatives.

### **2.2 CORPORATE ENTREPRENEURSHIP AND INNOVATION (CE&I)**

Corporate Entrepreneurship (CE) is a manner in which established corporations seek to renew themselves and facilitate their sustained viability (Corbett et al., 2013). CE enables organisations to generate new business (Sathe, 2003) in the challenging global marketplace (Kuratko et al., 2014b). While Sathe (2003) views CE as merely a tool for organisations to develop new business, more recent research has emphasised CE as an important means of stimulating innovation and the development of new capabilities (Zahra, 2015)

The argument has been made that CE is more than just a way of stimulating innovation within organisations; it is in fact a significant form of corporate innovation (Corbett et al., 2013; Kuratko et al., 2014b). In order to reinforce this argument consideration must be given to the question what is innovation? O'Sullivan & Dooley (2008) view innovation as the process of making changes of varying sizes (both radical and incremental) to an organisations products, processes, and services. They have shown such changes lead to enhanced customer value, something new for the organisation and a contribution to the organisations knowledge. Baregheh, Rowley and Sambrook (2009) demonstrate innovation to be a multi-stage process allowing organisations to transform ideas into new/improved products, services, or processes, giving rise to new way in which to compete and distinguish themselves from competitors. While both definitions cover significant common ground, the definition offered by Baregheh

et al (2009) introduces the multi-stage process nature of innovation as well as its instrumentality as a source of competitive advantage. This multi-stage nature taken in conjunction with the views of management theorists on CE (Kuratko et al., 2014b) and its direct linkage with innovation lead to the conclusion that CE and Innovation (CE&I) are inextricably linked in an organisational context.

This research presents the argument that CE&I are critical initiatives that allow organisations to compete in the constantly changing unbounded competitive area in the global business environment. Furthermore the interplay between strategic thinking and strategic influence with these entrepreneurial activities can be seen as a source of on-going innovation and competitive advantage (Lechner & Floyd, 2012; Zahra & Nambisan, 2012).

### **2.3 STRATEGIC THINKING**

Defining strategic thinking has proved to be a complex task (Bonn, 2001; Moon, 2013), with many management theorists using the term strategic thinking as an all-encompassing phrase used to summarize any form of thinking on strategy (Liedtka, 1998). On consideration of the topic Mintzberg (1994) offered that strategic thinking is actually a process of synthesis dependant on intuition and creativity, ultimately leading to a more integrated view of the organisations business. Providing support for the argument that strategic thinking is not merely a description of a person's thought on strategy, but rather a complex and specific activity (Bonn, 2001; Liedtka, 1998). More recently this argument has further developed the definition of strategic thinking as "a way of solving strategic problems that combine a rational and convergent approach with a creative and divergent through process to find alternative ways of competing and providing customer value" (Moon, 2013). Strategic thinking enables managers to make strategic decisions in complex and unclear competitive environments. Thus the complex nature of strategic thinking becomes evident; its role in organisations is critical especially for organisations that require their managers to pursue entrepreneurial and innovative activities in order to maintain the competitive edge of the organisation (Zahra & Nambisan, 2012).

This research embraces strategic thinking as a discrete activity that largely occurs at an individual level (Bonn, 2001; Liedtka, 1998; Moon, 2013). What remains to

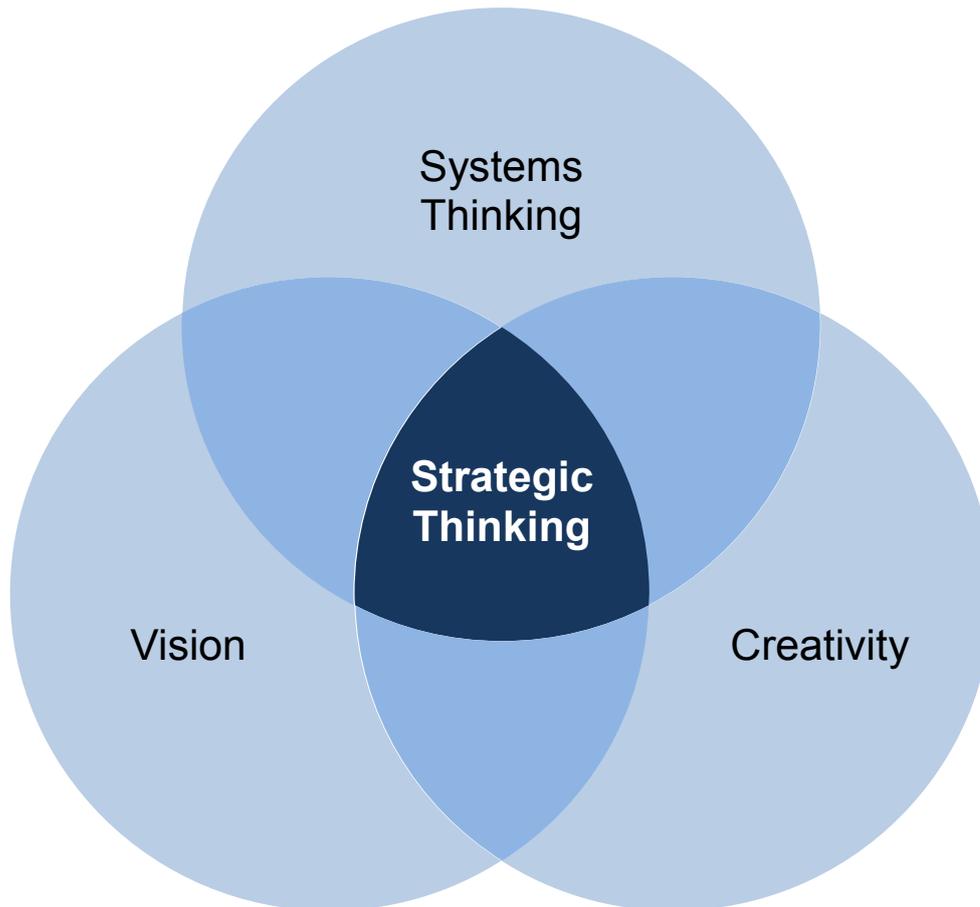
be determined is a manner in which to assess the individual components or activities that coalesce into the larger activity of strategic thinking at a group level.

Existing literature suggests two distinct views of strategic thinking. The initial model proposed by Liedtka (1998) suggests five key components that engender strategic thinking at an individual level, namely: a systems perspective, intent focus, hypothesis driven, intelligent opportunism and finally thinking in time (figure 1).



**Figure 1: Elements of strategic thinking (Liedtka, 1998)**

Subsequent research suggests a simplified model of strategic thinking (figure 2) consisting of only three distinct elements, a systems perspective, vision and creativity (Bonn, 2005; Moon, 2013).



**Figure 2:** *Elements of strategic thinking (Bonn, 2005)*

Both views support the argument that strategic thinking is a discrete activity that arises as a result of a number of separate elements present at the same time during the process of thought (Bonn, 2005; Liedtka, 1998; Moon, 2013). The model proposed by Liedtka (1998) deconstructs the activity of strategic thinking into a greater number of discrete elements, however her research falls short of taking into account the manner in which strategic thinking can be applied at a group level. To this end Bonn (2005) suggests that for organisations to benefit from strategic thinking, the framework must take into considerations not only the individual strategic thinker, but also the group dynamics at play as well as the specific organisational context. Similarly moon (2013) introduces the additional element of market oriented thinking with the aim of providing an organisational view of strategic thinking.

Subsequently making the argument that it is critical to consider the effects of group dynamics and the way in which individual strategic thinkers contribute to the overall level of strategic thinking within a group situation as proposed by Bonn

(2005). However, both Bonn and Moon's (2013) models (2005) while considering the group level interactions, are in the view of this research simplistic as they disappoint in offering managers an insight into the individual behaviours they can adopt in pursuit of group level strategic thinking. In contrast Liedtka's model (1998) offers a more granular view of the elements of strategic thinking, offering in the view of this research a more complete basis for analysis. Therefore this research proposes the use of the five-element model (Liedtka, 1998) as a means of delineating the individual strategic thinking elements based on the more discrete nature of the individual elements.

Furthermore in the discussion below of the five elements of strategic thinking (Liedtka, 1998), the argument has been made that while they precede the work of Bonn (2005) and Moon (2013) they are the basis upon which the later theories have been built and as such are treated as seminal. Thus this research adopts the five-element view of strategic thinking as the basis for this exploratory study of strategic thinking.

### **2.3.1 A SYSTEMS PERSPECTIVE**

Both aforementioned theories of strategic thinking embrace the concept of a systems perspective as a critical antecedent to the ability of an individual to think strategically (Bonn, 2005; Liedtka, 1998; Moon, 2013). The importance of systems thinking is critical for individuals to form a complete view of all the relevant interdependencies within a set environment, while at the same time enabling a variety of differing perspectives to surface (Senge, Lichtenstein, Kaeufer, Bradbury, & Carroll, 2007). These different perspectives enable an individual to create an integrated view of an entire organisation fostering an understanding of underlying drivers of numerous different business conditions (Moon, 2013).

Thus Liedtka (1998), Bonn (2005) and Moon (2013) agree that it is critical that an individual be able to understand a raft of different internal and external factors and the manner in which they interact and affect the greater nature and position of their organisation. As such this research has embraced a systems thinking perspective as a critical component of the larger activity of strategic thinking.

### **2.3.2 INTENT FOCUSED**

While the importance of a systems approach has been shown, it is also crucial for the strategic thinker to remain focussed on the task at hand. The ability to shape and re-shape ones focus is critical to maintain and control energy levels in order to achieve their strategic goals and objectives without distraction irrespective of the time it takes to complete those goals (Liedtka, 1998). While not explicit in the three-element model, this research has made the argument that the element of vision, specifically the individual's ability to provide focus and direction (Bonn, 2005) is essentially describing the same basic trait as Liedtka's element of intent focus. As such, for the purposes of creating a more granular understanding of strategic thinking this research accepts the element of intent focus, while not disregarding the potential overlap with the larger element of vision.

### **2.3.3 INTELLIGENT OPPORTUNISM**

While "intent focus" creates the impression that in order to think strategically an individual must remain focussed only on the task at hand and resist all distraction until the task is complete, this is not entirely correct (Liedtka, 1998). The role of intelligent opportunism is to keep the individual open to the possibility of alternate strategies, essentially keeping the paths open and preventing the fixation on a single strategy or course of action doggedly in spite of existence of other potentially successful strategies (Liedtka, 1998). Similarly the concept of creativity as put forward in the three-element model outlines the importance of an individual's ability to develop novel solutions to existing problems while still ensuring their relevance to the organisation, essentially it is the ability to draw connections to things that traditionally would not have been connected to form a solution to an existing problem (Bonn, 2005). Moon (2013) too embraces the value of creativity as a means combining existing ideas in original ways to make the best use of existing information as a means of driving organisations competitiveness. Clearly there is consensus amongst management theorists that it is critical to embrace creativity in one way or another as an element of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013). However the definition offered by Liedtka (1998) of intelligent opportunism, encompasses creativity while also

explicitly showing the importance of strategic dissonance; the possibility of numerous strategic options existing at the same time and the importance of intelligent choices between the various options.

#### **2.3.4 THINKING IN TIME**

Thinking in time should not be confused with the physical time it takes an individual to think strategically. This component essentially encompasses the individual's ability to create links between the past present and future, harnessing the institutional memories as a means to direct the organisation into the new and uncertain future (Liedtka, 1998). Neither Bonn(2005) nor Moon (2013) address the element of thinking in time directly, however they do consider the holistic view of the enterprise under the element of systems thinking incorporating an element of time.

#### **2.3.5 HYPOTHESIS DRIVEN**

A hypothesis driven approach is the final of Liedtka's (1998) elements of strategic thinking. This approach allows individuals to adopt a more scientific approach to problem solving and strategy formulation. Combining both analytical and creative questions resulting in the construction of various scenarios or what-if situations (Liedtka, 2014). This approach enables individuals to form creative questions, and then search for data to support their assertions (Liedtka, 1998).

This element is another that shares a degree of overlap with the element of creativity from the three-factor view. However this research argues that while creativity is critical in finding solutions to strategic challenges (Bonn, 2005; Moon, 2013), the catchall phrase of "creativity" fails to encapsulate the systematic process of formulating explicit enquiries and creating an institutional environment that supports constructive strategic dialog (Liedtka, 2000). This research has taken cognisance of the element of creativity, but proposes a view that embraces a further degree of granularity arguing that creativity may be a larger theme made up of smaller yet critically important sub components.

Combining the above components in a single individual creates a true strategic thinker with a holistic view, an individual who can see both the minutiae of the organisational and functional details, while concurrently embracing the firm's

position relative to the world at large (Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013). This strategic thinker is able to link the history with the past, formulating all-inclusive strategies that embrace the future while leveraging the organisational memories and remaining open to new possibilities (Liedtka, 1998).

Established research has suggested that strategic thinking is a competency that can be developed (Benito-Ostolaza & Sanchis-Llopis, 2014) at an individual level. Liedtka (1998), Bonn (2005) and Moon (2013) provide insight into a very practical component based view of strategic thinking as a means of understanding how it can be institutionalised. Institutionalizing strategic thinking among a firm's employees may potentially unlock a formidable additional source of competitive advantage (Moon, 2013). However the nature of a strategic thinker is that of a learner rather than a knower, suggesting strategic thinking is a result of a developmental process. As such we must investigate how the strategic planning process may be leveraged to enhance the strategic thinking capability of the entire organization (Liedtka, 1998).

While a managers ability to think strategically remains fundamental to the firm's ability to innovate (Zahra & Nambisan, 2012) and out think its competitors (Benito-Ostolaza & Sanchis-Llopis, 2014; Moon, 2013) it is imperative that he/she is communicating these ideas throughout the organisation in order to transform the firms business (Zahra & Nambisan, 2012). It has been suggested that creating groups of strategic thinking individual will not necessarily grant an organisation access to the sum total of all the individual strategic thinking insights, in order to get the best from the group it is critical to consider the interplay among them as well as the organisational environment in which the group operates (Bonn, 2005; Moon, 2013).

The importance of the interplay and group dynamics have been identified as an area through which group level strategic thinking may be accessed (Zahra & Nambisan, 2012). Although both organisational and group dynamics have some effect on the ability of a group to think strategically (Bonn, 2005), this research fulfils its aims by narrowing its focus to the specific group level dynamics. As such it aims to assess individual's use of influence tactics as a means of understanding the group dynamic component of group level strategic thinking.

## 2.4 INFLUENCE TACTICS

Influence tactics are those tactics used by individuals and groups in order to obtain resources and approval or support for proposals (Lechner & Floyd, 2012; C. C. Lewis & Ryan, 2014; Yukl, 2013). An employee's ability to use influence in order to obtain support from co-workers over whom they have no formal authority, as well as influencing senior management in order to gain access to scarce resources is a critical determinant of his/her effectiveness (Falbe & Yukl, 1992; Lechner & Floyd, 2012; C. C. Lewis & Ryan, 2014). Furthermore a manager's ability to influence the decision making environment encompassing the way innovative initiatives may play a large role in obtaining resources for such and initiative (Lechner & Floyd, 2012). The ability of a manager to use influence is fundamental. However the argument that follows, draws attention to an employee's ability to combine and time the use of different influence tactics.

Existing literature provides many models of influence such as the three group influence tactics put forward by Lechner and Floyd (2012), and the proactive influence tactics put forward by Falbe and Yukl (1992) as well as Fu and Yukl (2000) and later developed further into the eleven discrete proactive influence tactics by Yukl (2013). These influence tactics have been shown to be instrumental in obtaining resources and support for explorative or innovative undertakings (Lechner & Floyd, 2012).

While influence tactics have been shown to be effective (Fu & Yukl, 2000; Lechner & Floyd, 2012), research has underscored the importance of many other factors present in determining the influence tactics at play in a given context (Shrivastava, 2007). One such factor is age, a curvilinear relationship exists between employee age and their impetus to use influence tactics. Essentially an employee's motivation to use influence tactics is low at the beginning of their careers, followed by a rise in motivation toward the middle, and a tapering off toward the end (C. C. Lewis & Ryan, 2014). Additionally the role of gender has been shown to have an influence on the amount, frequency and outcomes of the use of influence tactics (Smith et al., 2013). As such this study has focused on the proactive influence tactics as described by Yukl (2013) and Falbe (1992) as a basis. Below the individual influence tactics have been expanded in detail, in

conjunction with the researcher's propositions as to their relevance in the context of this study.

#### **2.4.1 INSPIRATIONAL APPEALS**

The influence tactic of inspirational appeal typically involves an agent arousing enthusiasm (Barbuto Jr, Fritz, Matkin, & Marx, 2007) in a target when putting forward ideas. In such situations the agent aims to focus on the targets values, ideals and aspirations as a means of building the targets own confidence in his ability to do a certain task or support the agent's original idea or proposal (Falbe & Yukl, 1992). This tactic has been shown to be primarily effective in downward influence situations (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013), typically observed in leader-follower relationships.

#### **2.4.2 CONSULTATION**

Consultation as an influence tactic can be observed as an agent using a target as a sounding board or platform to offer new ideas. Essentially the agent is willing to modify their position in order to diffuse the targets apprehension or incorporate their suggestions in order to win larger acceptance for their own agenda (Yukl, 2013). This tactic, is seen a predominantly collaborative, and has been shown to be necessary in the development of informal coalitions in non-hierarchical environments to pursue innovative strategic initiatives (Lechner & Floyd, 2012). Furthermore this tactic is shown to be most effective in lateral influence situations (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) similar to those that this research has aimed to observe.

#### **2.4.3 PERSONAL APPEALS**

As the participants of this research have been selected from a relatively small group, there was likelihood that certain participants may in fact already have pre-existing relationships. When agents rely on their relationships with a target, specifically relying on loyalty and/or friendship in order to get preferential treatment or support for an idea they are said to be using the tactic of personal

appeal (Falbe & Yukl, 1992). This research has been conducted in such a manner as to be cognizant of the presence of this sort of tactic in its findings.

#### **2.4.4 EXCHANGE**

Exchange tactics involve an agent's offer of reward or the promise of reciprocal benefit in exchange for support of their idea or proposition. This reward or benefit can be implicit or explicit, tangible or even a potential future benefit or reward (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

#### **2.4.5 INGRATIATION**

When an agent attempts the use of ingratiation, they typically aim to influence the targets mood for the better or create a favourable perception of themselves in the eyes of the target. This is done prior to a suggestion or idea being presented; the central idea is that the targets positive perception or good mood may aid the success of the agent's plea or proposal (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

#### **2.4.6 RATIONAL PERSUASION**

In the case of rational persuasion the agent tends to put forward factual and data driven evidence to support his assertions or ideas in order to gain the support of the target. In the past evidence has been provided that shows rational persuasion to be most effective when the agent and target share a common objective (Falbe & Yukl, 1992). Essentially this type of appeal proposes a logical argument that is used by the agent as a means of proving the rationality of their argument (Seifert & Yukl, 2010). However when an individual has attempted rational persuasion it is critical to understand that central tenant of this tactic is that of rationality. Thus it has been critical to discount arguments that are presented in an illogical fashion without any basis in actual fact or logic (Blair, 2012). In the case of influence appeals that rely on factual arguments grounded in rationality they have been shown to reduce ambiguities and perceptions of risk in innovative initiatives (Lechner, 2012). Furthermore rational persuasion is the only influence tactic with proven efficacy in upward, downward and lateral influence situations (Robbins & Judge, 2013).

### **2.4.7 LEGITIMATING**

In a similar vein to rational persuasion, agents attempting to legitimate themselves or their appeals also tend to produce facts to support their arguments or positions. However these facts usually aim to support the agent's authority or support consistency with organizational norms (Barbuto Jr et al., 2007), procedures and rules as a means of building legitimacy for themselves and thus their arguments or propositions (Yukl, 2013). Typically this tactic has been demonstrated to be effective in lateral influence attempts (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

### **2.4.8 COALITION**

When it comes to the use of coalition, agent's attempts to gain the support or validation from the target to achieve their own objective. The agent forms coalitions with targets, added weight to their position, in the hope that the increased number of supporters will aid them in achieving success (Falbe & Yukl, 1992). While Lechner (2012) discusses the importance of coalitions in the development of innovative initiatives, the spirit of his use of the term coalition is that of a collaborative rather than a self-serving approach. As such this research considers the element of consultation to be congruent with this collaborative approach.

### **2.4.9 PRESSURE**

When an agent uses tactics such as demands, repeated checking and prompts (Barbuto Jr et al., 2007) or even threats in order to coerce a target to support their appeal or follow through on their suggestion they are said to be using the tactic of pressure (Falbe & Yukl, 1992). The success of pressure as a tactic to in upward appeals is unlikely to be successful (Falbe & Yukl, 1992). However as this research has focused on non-hierarchical groups there may be some more frequent or pronounced use of pressure by participants.

## **2.5 SELF-PERCEPTION AND CONGRUENCE**

How an employee perceives his or her effectiveness in the ability to undertake an initiative can have an effect on the future success or failure of that initiative

(Robbins & Judge, 2013). Furthermore Bandura (1997) offered that people are able to motivate themselves to achieve better results if they believe they can achieve their goals based on their perception of their own ability to perform those tasks. As shown in the previous sections in the case of both strategic thinking and proactive influence tactics research has shown that an employee will be more effective if they are able to apply these skills within their organisations (Falbe & Yukl, 1992; Lechner & Floyd, 2012; Liedtka, 1998; Moon, 2013). Taken in conjunction with Bandura's (2012) views with regard to self-efficacy, the argument is made that a managers perceptions of how he/she applies both influence tactics and strategic thinking, could in fact affect the level of success he or she achieves while using such tactics.

## **2.6 CONCLUSION OF LITERATURE REVIEW**

In summation this systematic review of the existing literature has provided the theoretical basis for this research. Exploring the existing thinking on strategic thinking (Bonn, 2001; Liedtka, 1998; Moon, 2013), in order to establish the most suitable interpretation of this activity through which to understand the behaviours and perceptions of managers when applying this activity to the process of innovative strategy development (Zahra & Nambisan, 2012). This interpretation is held to be that of Liedtka's (1998) five-element model, specifically due to its granular approach to defining the individual elements of strategic thinking. This model is used in conjunction with established theories on group-level strategic thinking (Bonn, 2005; Moon, 2013) with the aim of providing an exploratory understanding of the nature of group level strategic thinking in the development of innovative initiatives.

Subsequently this review of the literature develops the idea that managers attempting to access group-level strategic thinking need to develop a method of communicating their thoughts to a broader group (Zahra & Nambisan, 2012). This communication is suggested through the use of influence tactics (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013). These tactics are shown to develop informal coalitions within groups increasing the efficacy of group level innovative strategy development (Lechner, 2012). These innovative strategies are crucial in accessing sustained competitive advantage in the rapidly changing

competitive landscape of modern business (Kuratko et al., 2014a; Lechner & Floyd, 2012; Zahra & Nambisan, 2012).

Finally this review draws on the study of self-efficacy to provide insight in the importance of congruence between thoughts and actions as a driver of manager efficacy (Bandura, 2012). This provides a basis for the understanding of the way in which managers actually perceive their use of strategic thinking and influence tactics in the development of innovative strategy.

### **3 RESEARCH QUESTIONS**

#### **3.1 PROBLEM STATEMENT**

The purpose of this research is to elucidate the use of strategic thinking and influence tactics by business leaders in the development of innovative strategy as outlined throughout Chapter 1. Furthermore the discussion of the theory base

and relevant literature in Chapter 2 exposes various gaps that this research aims to explore. Specifically exploring the way in which strategic thinking is accessed and harnessed at group level in the development of innovative strategy.

In order to address the central question laid out above the researcher identified four key questions that would aid in further developing the literature base as well as providing key insights to business in the area of strategy development.

### **3.1.1 RESEARCH QUESTION 1**

How do managers use strategic thinking in groups to develop innovative strategy?

*Strategic thinking is more than a catchall term used to describe an individual's thinking about strategy. It consists of five discrete elements as laid out in Chapter 2.3. This question aims to assess how managers actually use these elements during a group strategy formulation exercise.*

### **3.1.2 RESEARCH QUESTION 2**

How do managers use influence tactics in groups to develop innovative strategy?

*This question seeks to uncover the way in which managers use influence tactics specifically, how they use these tactics to influence others to accept their points of view during group strategy formulation. These influence tactics are broken down into 9 specific tactics as discussed in Chapter 2.*

### **3.1.3 RESEARCH QUESTION 3**

How do managers perceive their use of strategic thinking and influence tactics?

*This question seeks to understand the interaction of individual level strategic thinking and influence tactics as a means with which group level strategic thinking may be accessed. The argument put forward in Chapter 2 makes it clear that in order for group level strategic thinking to occur some level of group dynamic is involved. This question seeks to address the proposition*

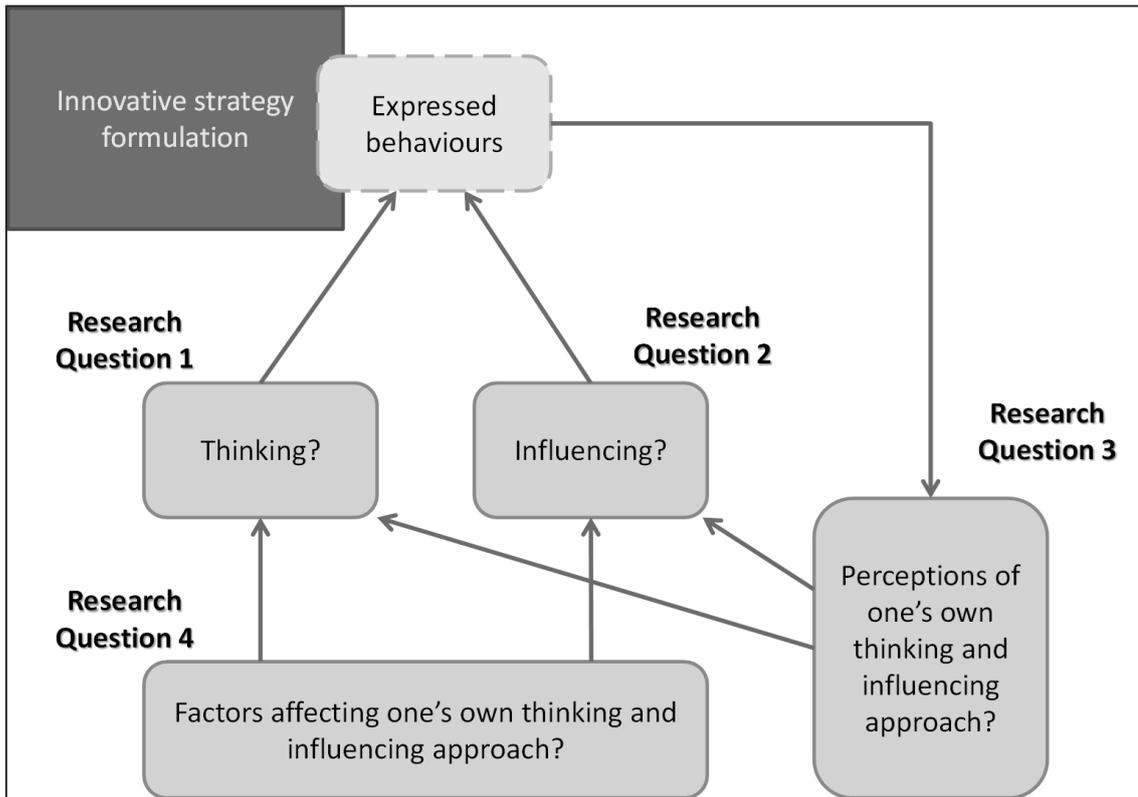
*that influence tactics are a conduit through which group strategic thinking may be accessed.*

#### **3.1.4 RESEARCH QUESTION 4**

What other factors assists managers in applying strategic thinking and influence tactics in group based innovative strategy formulation?

*This question, combines both the observation of the researcher as well the perceptions of participants in order to understand what other factors managers believe would assist them in accessing group level strategic thinking.*

## **3.2 SCHEMATIC DIAGRAM OF THE RESEARCH QUESTIONS**



### 3.3 CONCLUSION

In conclusion by providing answers to the four above mention questions, this research aims to provide an exploratory understanding of group level strategic thinking as a means of developing innovative business strategy.

## **4 RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

This chapter outlines the methodological approach that has been employed to complete this research. Chapter 2 employed a review of existing theory and literature with the object of providing a theoretical basis for the research questions. The following chapter aims to elucidate the methodology that has been employed to research the questions outlined in Chapter 3. This study employs a qualitative methodological approach consisting of two types of data collection techniques; behavioural observation combined with post observation semi-structured interview questions.

This chapter provides a review of the qualitative tools and techniques that have been applied to the collected data in order to answer the research questions put forward in Chapter 3. Additionally a discussion of the data collection method and interpretation will follow, concluding by delineating the limitations of the study as well as the relevant issues of objectivity, validity and reliability.

### **4.2 RESEARCH DESIGN**

This chapter describes the design, philosophy, and methodology of this research as well as outlining the data collection and analysis process. Finally this chapter concludes with a discussion of the limitations of this research. As the nature of the topic calls for exploratory research into the understanding of group level strategic thinking and influence, the researcher considered the use a qualitative exploratory methodology to be best suited to the topic.

In order to answer the research questions proposed in chapter 3, a qualitative interpretation has been followed to distil the insights obtained through the data collection and analysis process. This was done by way of structured behavioural observation research design (Gravetter & Forzano, 2009; Zikmund, 2003) followed by a series semi-structured interview questions (P. Lewis & Saunders, 2012).

Behavioural observation is the scientific process of directly observing and systematically recording the behaviours of participants without interacting with the subjects concerned (Gravetter & Forzano, 2009; Zikmund, 2003). In order to validate the data obtained through observations, participants were asked semi-structured questions following the observational exercise. Lewis and Saunders (2012), describe semi-structured interviews as a method of data collection in which specific themes are explored using a few fixed questions, posed in varying order based on the interviewer's judgement of their appropriateness for the participant.

As this research aims to delve deeper into the role of the influence tactics and strategic thinking in the development of innovative initiatives a qualitative approach is best suited to develop rich and complex understanding and meaning from relatively unexplored concepts (Ritchie, Lewis, Nicholls, & Ormston, 2013). The advantage of a qualitative approach for this sort of research resides largely in the ability of such research to study the interrelationship between behaviour and content in its natural context. This approach is adept at providing open-ended data that include descriptions of both behaviour and responses to interview questions (Whitley, 2003). As such the proposed design aims to follow a combination of inductive and deductive approaches in order to gain a close understanding of the research context, while retaining a degree of flexibility as the research develops while maintaining a close link to the existing theory base (P. Lewis & Saunders, 2012).

### **4.3 POPULATION, SAMPLE AND UNIT OF ANALYSIS**

#### **4.3.1 POPULATION**

The population to be studied according to Zikmund (2003) is a complete group of people that share a set of characteristics. In the case of this research the population can be defined as South African business professionals in management roles, who have received some level of accredited post-graduate business education. Determining the size of the entire population proved challenging, as a complete listing of all business professionals at management level within South Africa was not available.

### **4.3.2 SAMPLING TECHNIQUE**

The sampling technique used in this research was that of homogenous purposive judgement sampling. This technique was particularly useful in this research as it allowed the researcher to use his judgement in order for the selection of a group of participants that were best suited to assist in answering the research questions (P. Lewis & Saunders, 2012). Furthermore the use of judgement sampling enabled the researcher to outline a set of qualifying criteria (section 4.3.4) that were used to ensure the selected participants had the appropriate characteristics necessary to fully explore the topic of this research (Zikmund, 2003). As this research aimed to obtain a general understanding of managers' use of strategic thinking and influence in strategy formulation, it was unnecessary to limit the sample participants to a single industry or business. Thus the researcher was able to leverage social networks to recruit participants that met the qualifying criteria.

### **4.3.3 SAMPLE SIZE**

As this research follows a qualitative design, the key factor in determining sample size is that relevant depth and saturation of the information collected have been achieved. As such there is no prescriptive minimum sample size within a qualitative study (Fossey, Harvey, McDermott, & Davidson, 2002). As such the researcher recruited groups of five participants until such time he felt confident he had achieved data saturation. In this research the saturation point was reached after data from four groups was collected, thus this research consisted of 20 participants.

### **4.3.4 SAMPLING CRITERIA**

Participants selected for this research met the following criteria

- Business manager
- Holds a post graduate management qualification
- Works in South Africa

Great care was taken in both the scheduling and structure of the various groups that participated in this study. In order to ensure gender diversity within the

various groups care was taken to ensure groups consisted of both male and female participants in order to avoid gender bias within the study.

#### **4.3.5 UNIT OF ANALYSIS**

The unit of analysis is the group.

#### **4.4 DATA COLLECTION PROCEDURE**

Scientific observation has been described as the systematic process of recording the behavioural patterns of subjects, objects and events in real time as they occur. This method is considered effective in gaining information about human behaviour or action as well as verbal behaviour (Zikmund, 2003). In line with Zikmund (2003) the participants in this study were given an assignment (Appendix A) that simulates the formulation of an innovative strategy in order for the researcher to observe their use of strategic thinking (Bonn, 2005; Liedtka, 1998) and their use of proactive influence tactics (Yukl, 2013) under controlled circumstances.

During this exercise the researcher imposed a strict time limit of 30 minutes. However in order to simulate the real world element of pressure, during the exercise the researcher informed the participants that the allotted time would be reduced. This time reduction occurred at the 20-minute mark; participants were informed that they only had a further five minutes to complete the exercise. This was seen as a viable way to add an external stressor to the groups.

The researcher conducted these observed exercises at the Gordon Institute of Business Science on four separate occasions in order to achieve data saturation in line with Fossey et al (2002). Each data collection session consisted of a strategy formulation exercise in which a group of 5 individuals with at least one year of postgraduate level business education collaborating to formulate a strategy for a fictitious fast food company. Each session was video recorded as advocated by Lewis and Saunders (2012). The setup of the room was done in such a way as to allow capture of all participants within the frame and can be seen in figure 3. Strategy formulation sessions were audio recorded in addition to video recorded in order to provide a safe guard against loss of data should the video recording equipment fail.



**Figure 3:** video recording setup

In order to validate the data collection process, post-observation semi-structured interviews (P. Lewis & Saunders, 2012) were used as a means of creating complementary data (Whitley, 2003). These interviews served as a means of gaining insight into the participants' perceptions of their usage of strategic thinking and influence tactics during the study. The semi-structured interviews were recorded in an audio format with two separate recording devices in order to ensure data integrity (P. Lewis & Saunders, 2012).

#### **4.5 DATA ANALYSIS AND INTERPRETATION**

Qualitative data can take multiple forms (P. Lewis & Saunders, 2012), in this study the behavioural observation data has taken the form of video footage, while the semi-structured interview data has taken the form of audio recordings. Ultimately both the audio and video recordings were reduced to text through transcription by the researcher. However when dealing with the data two separate methods of analysis was used in order to best match the type of analysis with the data. For the observed strategy formulation exercise the researcher followed a method as prescribed by Tang and Leifer (1991) in their work on the observation of group design activity, while the data collected from the semi-structured interviews was analysed in a manner consistent with the thematic content

analysis method as set out by Braun and Clarke (2006). Both methods will be discussed in greater detail in the following sections.

#### **4.5.1 OBSERVATIONAL METHODOLOGY**

This method embraces both ethnographic and interaction analysis, these methods stem from the fields of sociology and anthropology. As such this method is regarded as being appropriate for the investigation of human interaction within groups (Tang & Leifer, 1991). Furthermore behavioural observation provides a systematic basis with which the researcher was able to analyse the behaviour of the participants in a scientific and detailed manner in order to create a detailed understanding (Zikmund, 2003) of the group level interaction. In order to apply this method Tang and Leifer (1991) suggest a three-step process, this process is outlined below along with a description of the actions taken by the researcher during the analysis process in order to comply with this methodological approach.

##### **4.5.1.1 BECOMING FAMILIAR WITH THE DATA**

In order to extract detailed generalizable observations from the video recorded data the researcher took due care and transcribed the recordings himself as a means of developing an acceptable degree of familiarity with the data (Tang & Leifer, 1991). After transcription of the video recordings, the recording of each session was viewed while referring to the transcription in order to further develop familiarity with the data being analysed. However it must be noted that while this method is very thorough, it was not entirely effective at discerning the more subtle non-verbal cues present within the data, as such the researcher recruited the assistance of a specialist in the field of strategy formulation to independently view the video recorded data in order to bring a differing viewpoint to the observation (Tang & Leifer, 1991). During this process the researcher spent between 2 and 4 hours per session transcribing, and a further 2 to 4 hours reviewing the footage to build familiarity.

#### **4.5.1.2 REPRESENTATION OF THE ACTIVITY FOR ANALYSIS**

With video recorded data it is critical to create a systematic method from which observations can be reliably made and generalised. It is possible to do this analysis with the aid of various pieces of software (Tang & Leifer, 1991). However as this research was in pursuit of a Master's in Business Administration and the researcher had a limited budget and scope the use of such software was impractical. Thus the researcher followed a manual approach in the spirit of that proposed by Tang and Leifer (Tang & Leifer, 1991) in which a rubric was prepared that laid out the various elements of strategic thinking and influence tactics as outlined in the review of the established literature in Chapter 2 (Appendix B). This rubric outlined the individual elements as well as a description thereof in order to assist both the researcher and the independent observer to have a reliable and consistent basis for assessment of the data. Observation frequencies were recorded for each of the elements of strategic thinking and each influence tactic with the aid of a spreadsheet template (Appendix C)

#### **4.5.1.3 ABSTRACTING OBSERVATIONS FROM THE DATA**

The aim of this analysis was to uncover generalizable insights about group based strategic thinking and the use of influence tactics from the video recorded data (Tang & Leifer, 1991). The nature of this research is largely inductive, thus certain theoretical frameworks have served to identify the broad topic, however the nature of the analysis aims to surface insights in a 'bottom up' manner in order to provide new insights to the existing literature (P. Lewis & Saunders, 2012). As such while the rubric mentioned in section 4.5.1.2 outlined the existing elements, the analysis of the data as not limited to only the theoretical propositions. It also aimed to surface and collect, specific patterns and instances of activity as well as comparing and contrasting them over the various groups. The primary advantage of this approach is that the observations gained from the data are narrowly linked to the empirical data (Tang & Leifer, 1991).

#### **4.5.2 THEMATIC CONTENT ANALYSIS**

As discussed earlier this research has generated two subsets of data within the entire body of data, the first observational set has been dealt with in the preceding

section. The second data set consists of responses by all 20 participants to a set of semi-structured interview questions. As the interview questions (Appendix D) were largely driven by the theory identified within Chapter 2 this data set will be analysed in a manner consistent with a deductive approach to qualitative research (P. Lewis & Saunders, 2012). As the overarching aim of this research is to provide exploratory insights into the use of strategic thinking and influence tactics at group level it necessitated a method that would develop a rich, detailed and complex account of the data (Braun & Clarke, 2006). In order to achieve this outcome the researcher applied the method of thematic content analysis, specifically the six phase method as advocated by Braun and Clarke (2006). The six phases are laid out in the following subsections and include a detailed account of the actions taken by the researcher to comply with this methodological approach.

#### **4.5.2.1 FAMILIARIZING YOURSELF WITH THE DATA**

A common theme in dealing with qualitative data is that of immersion, such that the researcher was able to develop a deeper understanding of the data collected through the semi-structured interviews (Fossey et al., 2002; P. Lewis & Saunders, 2012). As a means of developing familiarity with the data Braun and Clarke (2006) advocate a similar method to that of Tang and Leifer (1991), they argue that while time consuming the process of transcription is more than the simple reduction of spoken words to a written format, it may be a process where meaning is created. In accordance with this methodology the researcher made the decision to transcribe all the participant interviews himself rather than relying on an external service. Furthermore the transcriptions were all checked back to the original audio recording to ensure accuracy (Braun & Clarke, 2006).

#### **4.5.2.2 GENERATING INITIAL CODES**

In order to generate meaningful insights from the collected data it was essential to generate codes as a means of categorising the collected data, however as this section of the data was dealt with deductively, the codes were largely informed by the literature (P. Lewis & Saunders, 2012). This methodology calls for codes being reduced to the most basic element that can be accessed in a meaningful manner to understand the overall topic (Braun & Clarke, 2006). In order to

embrace the deductive nature of this approach (P. Lewis & Saunders, 2012), the codes were developed from the literature and encompass all five elements of strategic thinking (Liedtka, 1998), nine discrete influence tactics (Yukl, 2013) and such general codes that arose repeatedly that had not been dealt with in the literature review in chapter 2. An example of the coding sheet can be seen in Appendix E. The researcher took due care to work through the entire data set giving equal attention to each participants comments in order to elucidate themes from the entire data set (Braun & Clarke, 2006).

#### **4.5.2.3 SEARCHING FOR THEMES**

During this phase of the process the researcher refocused his attention on broader overall themes rather than the lower level codes within them (Braun & Clarke, 2006). The method suggested by Braun and Clarke (2006) suggests a visual representation of the themes in the form of a table or mind map as a means of identifying them. However the deductive nature of this method largely imposed themes from the literature (P. Lewis & Saunders, 2012), thus there was minimal need to identify new themes. Nonetheless the method was applied as a means of ensuring any new themes were identified and thus not excluded from this research.

#### **4.5.2.4 REVIEWING THEMES**

This phase of the thematic content analysis involves a two level approach. During the first level the researcher reviewed the themes at the level of the coded extract to ensure they were congruent with the overall theme (Braun & Clarke, 2006). This involved re-reading the coded extracts and considering their relevance to the overall theme as imposed by the literature discussed in Chapter 2. During this process new themes were uncovered that could not be linked to the original theory base. Despite the researcher following a deductive approach, his decision not to disregard data that did not fit in with the codes implied by the literature has resulted in a mix of deductive and inductive reasoning ultimately resulting in a more complete exploration of the data (P. Lewis & Saunders, 2012).

#### **4.5.2.5 DEFINING AND NAMING THEMES**

Once a complete and consistent thematic map was created as described in the prior sections the researcher began the task of distilling the essence of each

theme in order to clarify exactly what aspect of the data the particular theme represented (Braun & Clarke, 2006). Further to clearly define the nature of each theme the researcher returned to the literature basis as a means of confirming that the themes presented accurately reflected those discussed in the literature, as well as ensuring that newly developed themes were in fact external to the existing theory base.

#### **4.5.2.6 PRODUCING THE REPORT**

In accordance with the prescribed method the researcher wrote up the results of the analysis once he had a complete and comprehensive set of themes in order to present not merely a description of the data but a comprehensive argument (Braun & Clarke, 2006) that serves to answer the research questions set out in chapter 3. For the purposes of this research the aforementioned report takes the form of chapters 5 and 6.

#### **4.5.3 CONCLUSION OF DATA ANALYSIS**

The data analysis methodology aimed to best deal with the two types of data collected during this study, specifically behavioural observation (Gravetter & Forzano, 2009; Zikmund, 2003) and semi-structured interview questions (P. Lewis & Saunders, 2012; Zikmund, 2003). This was done through the methods outlined in the previous sections with the aim of understanding the way in which strategic thinking and influence tactics interact in group strategy formulation as well as assessing the congruence between the behaviour and thinking of the participants in order to identify patterns that may assist in the construction of a theory (P. Lewis & Saunders, 2012).

#### **4.6 VALIDITY, RELIABILITY AND OBJECTIVITY**

Shenton (2004) offers that naturalists generally cannot address the trustworthiness of qualitative work in the same way as positivists. As such he advocates the use of Guba's (1981) four constructs of; (1) credibility, (2) transferability, (3) dependability and (4) confirmability, in order to conform to the criteria used by positivist researchers. In order to address the credibility of this research, it can be argued that the adoption of recognised, well established research methods (Guba, 1981), such as the combination of structured

behavioural observation (Gravetter & Forzano, 2009) and semi-structured interviews as well as purposive judgement sampling (P. Lewis & Saunders, 2012) have fulfilled this requirement. In the case of transferability the results of a qualitative study need to be understood in the context in which the work was carried out, if one is to assess whether the findings are true in other settings similar studies using the same methods should be conducted in those settings (Shenton, 2004). The construct of dependability has been addressed through the thorough description of the processes used within this study so as to create a prototype model with which other researchers may be able to repeat the study (Shenton, 2004). Finally in addressing the confirmability construct, the recruitment of an independent expert to verify the observations made by the researcher serves as a means of minimizing the effect of the researchers own perceptions leading to bias within the study (Shenton, 2004).

#### **4.7 LIMITATIONS OF RESEARCH**

Saunders and Lewis (2012) recognise a number of limitation to qualitative research, a number of which are applicable to this study. Qualitative research remains inherently explorative and preliminary, as such it serves as a source of initial research, requiring subsequent quantitative research in order to add dependability to its results. Furthermore qualitative research is a largely subjective process that may result in bias results due to the researchers individual perceptions (P. Lewis & Saunders, 2012).

Progressing to the research design, the limitations of both behavioural observation as well as the use of semi-structured interviews will be described hereunder. In the case of behavioural observation, the observer may add subjectivity to the recording resulting in observer bias. Furthermore the observation in an artificial environment could potentially lead to a contrived observation, essentially increasing the frequency of particular behavioural patterns (Zikmund, 2003). Regarding the use of semi-structured interviews, it is not possible for the researcher to prepare all the questions to be asked and the order in which to ask them in advance. As such there exists a degree of difficulty in conducting such interviews (P. Lewis & Saunders, 2012). Furthermore should

the participant not wish to have to conversation recording, the researcher will need to take notes while conducting the interview, thus increasing the risk of transcription error (P. Lewis & Saunders, 2012).

#### **4.8 ETHICAL CONSIDERATIONS**

This study has collected data through two separate primary collection methods; (1) structured observation and (2) semi-structured interviews, the ethical considerations of each shall be dealt with separately in so far as is practicable (P. Lewis & Saunders, 2012). Only participants who signed both the general consent and consent to video and audio recording forms (Appendix F) have been included in this study. Prior to the data collection, every participant was given an information sheet containing the details regarding the aim and purpose of the study, the contact information for the researcher, the method by which data will be gathered as well as a statement entitling the participant to refuse to answer any question or withdraw themselves from the study at any point. Additionally, participants have been reassured of the confidentiality of the research data and the protection of their anonymity.

Participants have been made aware that their participation is completely voluntary (P. Lewis & Saunders, 2012; Whitley, 2003), and free from any form of coercion (P. Lewis & Saunders, 2012). In light of this, each participant was given a general consent form, which they signed in order to confirm their agreement to participate in this study. The researcher further acknowledges his ethical obligation not to report and research finding that may be harmful to the participants of the study (P. Lewis & Saunders, 2012). Finally a summary of the results of this research has been made available to participants on their request.

## 5 RESULTS

### 5.1 INTRODUCTION

Chapter 5 reports the results of the analysis of data gathered through observation of four group strategy formulation exercises and subsequent semi-structured interview questions posed to all participants. A key objective of this research was to create an exploratory understanding of the interrelationship of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) as they relate to a group's ability to formulate innovative strategies for corporate renewal.

This chapter is organised such that it provides demographic background and detail on the various participants in this study, followed by a discussion of the results of this research. The results of the observational exercise and semi-structured interview as dealt with separately under the sections 5.3.1 to 5.3.3 and 5.4.1 to 5.4.2. Research Questions 1 and 2 will be addressed by observation. Question 3 will be presented by participant's own reflection. This is owing to the fact that it is not possible for the researcher to observe how participants perceive their use of strategic thinking and influence tactics. Participants' perceptions can only be evaluated during the self-reflection process. Question 4 will draw on insights from observation and participants' reflections in order to give complete insight into this question.

	Observations	Reflections
<b>Research question 1</b> How do managers use strategic thinking in groups to develop innovative strategy?	✓ Section 5.3.1	x
<b>Research question 2</b> How do managers use influence tactics in groups to develop innovative strategy?	✓ Section 5.3.2	x
<b>Research question 3</b> How do managers perceive their use of strategic thinking and influence tactics?	x	✓ Section 5.4.1
<b>Research question 4</b> What other factors assists managers in applying strategic thinking and influence tactics in group based innovative strategy formulation?	✓ Section 5.3.3	✓ Section 5.4.2

**Table 1:** Presentation of results

Finally the chapter concludes with a discussion of the results of both methods and the manner in which they integrate into a combined view of the group strategic thinking and influence tactics observed during this study.

## 5.2 DEMOGRAPHIC BACKGROUND OF PARTICIPANTS

This section provides detail on the background of the various participants in this research. In accordance with the ethical considerations laid out in section 4.8 the demographic data presented below in Table 1 is sufficiently general that it may illustrate that the participants met the qualifying criteria in section 4.3.4 while still protecting their anonymity.

Participant	Sex	Race	Educational background	Management level
1	Male	White	MBA (2 <sup>nd</sup> year)	Middle
2	Female	Black	MBA (2 <sup>nd</sup> year)	Middle
3	Male	White	MBA (1 <sup>st</sup> year)	Senior
4	Female	Indian	MBA (2 <sup>nd</sup> year)	Senior
5	Male	White	MBA (2 <sup>nd</sup> year)	Middle
6	Male	Indian	MBA (2 <sup>nd</sup> year)	Senior
7	Female	White	MBA (2 <sup>nd</sup> year)	Senior
8	Male	Indian	MBA (2 <sup>nd</sup> year)	Senior
9	Male	Indian	MBA (2 <sup>nd</sup> year)	Junior
10	Male	White	PDM, MBA (1 <sup>st</sup> year)	Junior
11	Female	White	MBA (2 <sup>nd</sup> year)	Middle
12	Male	White	PDM	Senior
13	Female	White	MBA (2 <sup>nd</sup> year)	Middle
14	Female	White	PhD, PDM	Junior
15	Male	White	MBA (2 <sup>nd</sup> year)	Senior
16	Male	White	MBA (2 <sup>nd</sup> year)	Senior
17	Male	White	MBA (2 <sup>nd</sup> year)	Middle
18	Male	White	MBA (2 <sup>nd</sup> year)	Middle
19	Male	White	MBA (2 <sup>nd</sup> year)	Middle
20	Female	Black	MBA (2 <sup>nd</sup> year)	Senior

**Table 2:** Participant demographics

Owing to the tight time constraints, it was challenging to get hold of 20 volunteers to participate in this research. Despite this 13 of the 20 participants were male, the research ensure that each focus group consist of at least one female. The element of race was captured purely as a means of understanding if a participant's cultural background in any way came to bear on this research. In this study the majority of participants were white (14 out of 20), followed by Indian (4 out of 20) and finally black participants made up the smallest group within this

research (2 out of 20). Despite this every effort was made to create as diverse groups as time and volunteer's schedules would allow.

All participants met the criteria regarding postgraduate management education, with all but two being enrolled in an MBA programme at a South African university. The criteria regarding management level was met by all participants, however as a mean of confirmation all participants were asked to provide the level of management at which they employed, they were given the choice of junior (3 out of 20), middle (8 out of 20), and senior level (9 out of 20) by the researcher and thus this criteria reflects the participants own interpretation of their position within their organisation.

As mentioned in chapter 4 each data collection session occurred on a separate date and consisted of a single group of five participants. Thus each group was both observed and interviewed on the same day, thus each participants unique identifier is a combination of the group that that were in shown by the prefix G and the number of group based on chronological its chronological order, followed by the suffix P and the number of the participant (Gx.Px) based on their position around the table (clockwise) during the strategy formulation exercise.

### **5.3 OBSERVATIONS**

The following section aims to delineate the observations made during the strategy formulation exercise and report the results for each research question proposed in Chapter 3.

#### **5.3.1 OBSERVATIONS FOR RESEARCH QUESTION 1**

*How do managers use strategic thinking in groups to develop innovative strategy?*

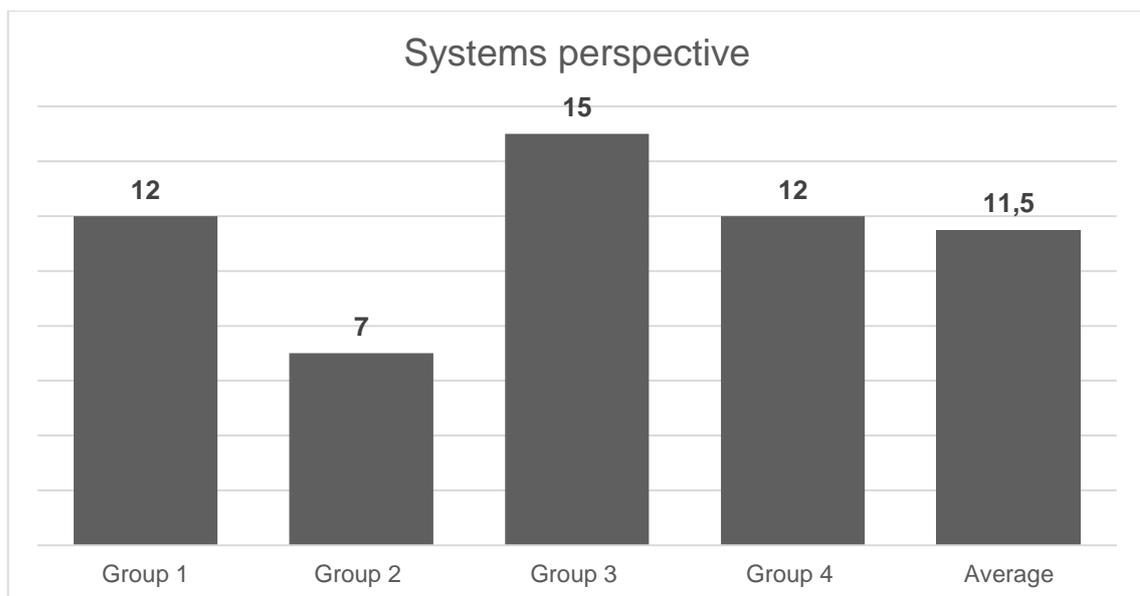
The underlying goal of this research question is to gain an understanding of how managers use the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) during a strategy formulation session. The key observations made during the strategy formulation exercise bring about a number of critical insights. Primarily both the researcher and the external advisor noted that while all the elements of strategic thinking were present during the group activity, only three

of the 20 participants across all four groups appeared to possess all five elements.

It was clear that within the groups different participants possessed and even favoured several of the elements but certainly no participant was adept at using all of the elements they possessed with equal proficiency. Certain participants relied heavily on a single element showing remarkable ability to fully explore that element, while at the concurrently being either unaware of or unable to use the other elements. The specific results relative to each individual element of strategic thinking will be laid out in the sections to follow. (Perhaps in case the examiner forgets what you wrote, just briefly mention how “frequency” is measured?)

### 5.3.1.1 A SYSTEMS PERSPECTIVE

The presence of a systems perspective (Bonn, 2005; Liedtka, 1998) was noted in all four groups. In three of the four groups at least one participant did not at any stage, either by their actions or comments, use the element of a systems perspective during the exercise. In order to provide context, figure 4 below provides a graphic representation of the frequency of use of the element of systems perspective across all groups, as well as providing an average thereof.



**Figure 4:** *Systems perspective observation frequency*

Of all the groups that participated in this research, Group 3 exhibited the highest frequency of use of the element of systems thinking. This was driven by two participants accounting for five uses of this element (G3.P3, G3.P5). Participant G3.P5 suggested the use of a strategic framework in order to give adequate attention to both internal and external elements of the business environment, this action allowed the team to further embrace a systems perspective during the exercise. In contrast Group 2 exhibited the lowest frequency of use of this element. In Group 2 participant G2.P2 suggested the use of a strategic framework, however the rest of the group overruled this participant and the group continued on without adopting the suggested approach.

Furthermore the total number of observations of the element of a systems perspective was observed a total of 46 times across all groups. Thus the element of a systems perspective (Bonn, 2005; Liedtka, 1998) was ranked second in terms of frequency of observation in this research.

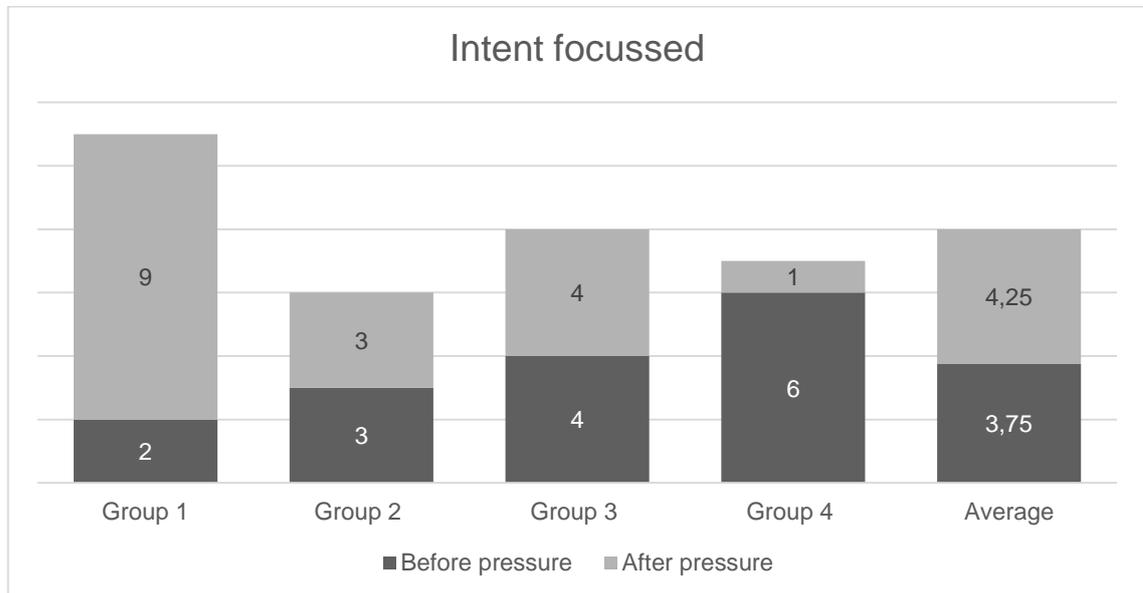
#### **5.3.1.2 INTENT FOCUSED**

The element of intent focus (Liedtka, 1998) was observed across all groups with 18 out of 20 participants displaying behaviour congruent with this element (participants G4.P3 and G4.P5 were not observed using the element of intent focus). Of particular interest was the difference observed after the researcher introduced time pressure into the exercise. The number of observations of the element of intent focus (Liedtka, 1998) increased drastically post the introduction of time pressure, with all groups showing a marked increase in the level of intent focus (15 observations prior to the time pressure and a further 17 after the time pressure).

Figure 5 below illustrates the breakdown of observations at a group level across all four participating groups. The results in Groups 2 and 3 show a consistent doubling of the observed level of intent focus in both groups, while Group 1 illustrates the dramatic increase in the level of intent focus (Liedtka, 1998) after the introduction of time pressure. Only Group 4 demonstrated a marginal increase in focus after the introduction of time pressure.

Thus the element of intent focus appears to present in all groups, however the degree to which the groups remained focussed on the development of their

innovative strategies varied widely with the level of pressure present in their environments. With all but one group showing at a minimum a doubling of the observable focus on their task.



**Figure 5:** *Intent focus observation frequency*

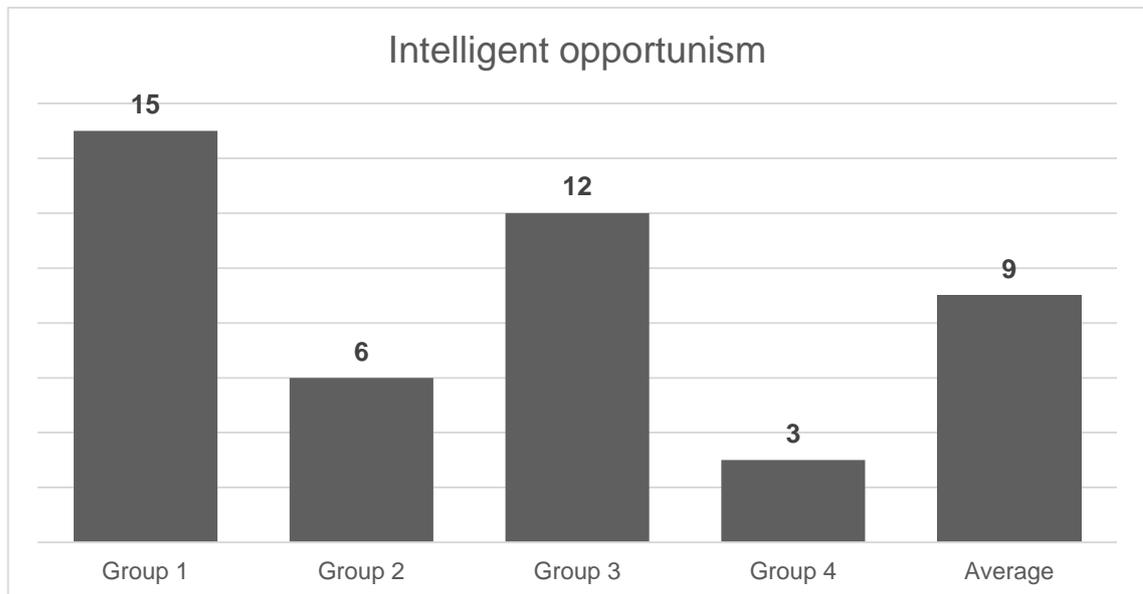
Over the duration of the observed exercise this element was observed 32 times across all 4 participating groups. As such this element was the least frequently observed of the five elements of strategic thinking as discussed in the review of the literature in Chapter 2.

### 5.3.1.3 INTELLIGENT OPPORTUNISM

During the observed exercise the researcher observed the element of intelligent opportunism (Liedtka, 1998) in all of the participating groups. The number of observations varied widely across all groups, as shown in figure 6 below, with group one exhibiting the greatest usage of this element of strategic thinking (Liedtka, 1998; Moon, 2013).

Participants G1.P1 and G1.P5 made up more than 50% of the observations in Group 1 each using the element 4 times throughout the exercise. In contrast the group with the lowest number of observations was Group 4, with all uses of the element of intelligent opportunism by two participants (G4.P1; G4.P5).

Relative to the other five elements of strategic thinking the element of intelligent opportunism was observed a total of 36 times across all groups during the exercise. Thus this element ranks fourth out of the five observed elements. Of all 20 participants in this research 15 were observed demonstrating the element of intelligent opportunism at least once during the exercise.

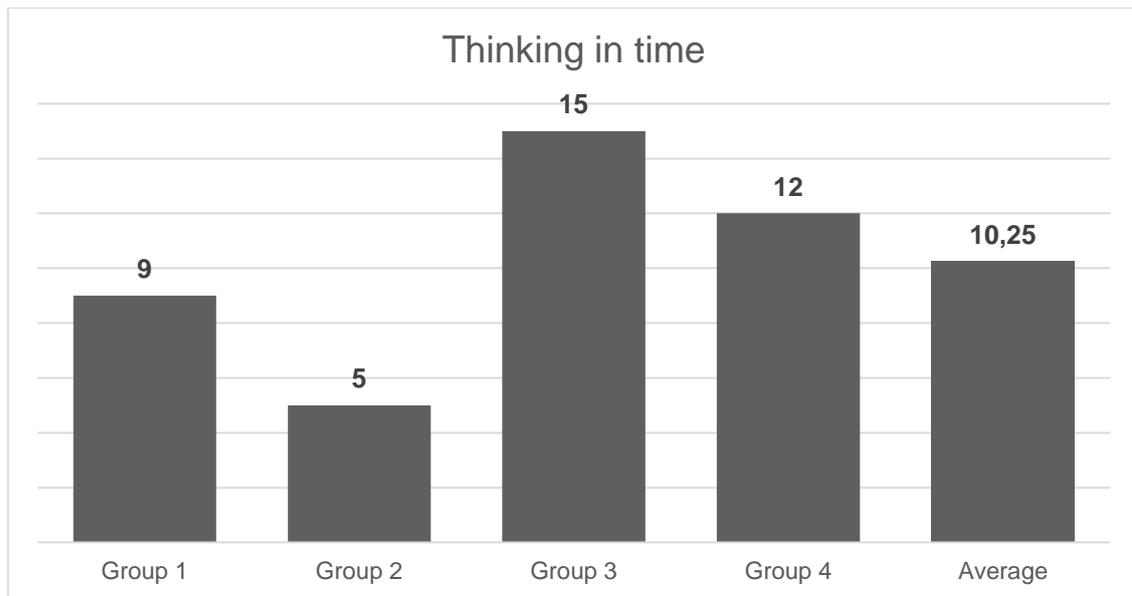


**Figure 6:** *Intelligent opportunism observation frequency*

#### 5.3.1.4 THINKING IN TIME

During the observed exercise the strategic thinking element of thinking in time (Liedtka, 1998) was present in all participating groups. On a participant level, 19 out of the 20 participants were observed using this element at least once during the exercise. Notable by exception was G2.P2 who at no point during the exercise considered the history or the present while contributing to the group discussion.

Figure 7 below provides an illustration of the various frequencies of observation of this strategic thinking element (Liedtka, 1998; Moon, 2013) over the duration of the group exercise. Furthermore it provides the average observation per group. The researcher observed that in both Group 1 and Group 2 this element was observed the least of all the five elements of strategic thinking. Despite the nature of the exercise neither group was particularly interested in linking the history of the organisation in the exercise to the proposed future strategy.



**Figure 7:** *Thinking in time observation frequency*

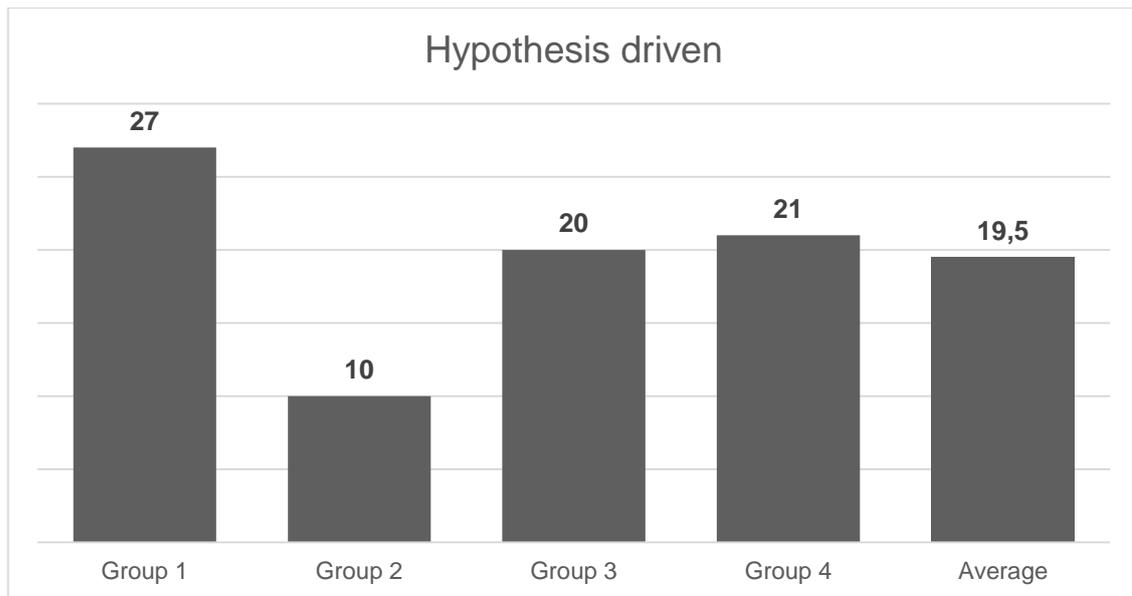
Overall despite being the least frequently observed element in the first two groups, this element remains prominent in terms of overall observation across all groups, ranking third of the five elements.

### 5.3.1.5 HYPOTHESIS DRIVEN

Over the course of the observations of all groups it became clear to the researcher that the participants in this research by far favoured or utilised a hypothesis driven approach (Liedtka, 1998) while attempting to create an innovative strategy during the exercise.

As demonstrated by figure 8, all four participating groups were observed using the element of a hypothesis driven approach (Liedtka, 1998) to developing strategy, Group 1 clearly showing the highest number of occurrences followed by Group 4, Group 3 and Group 1 with the lowest level of observance.

At participant level all but one participant was observed using this element of strategic thinking. The exception was participant G2.P1 who during the exercise preferred to support the other participant's arguments by linking the hypotheses proposed by others to his overall systems perspective of the organisation, while never actually proposing a hypothesis.



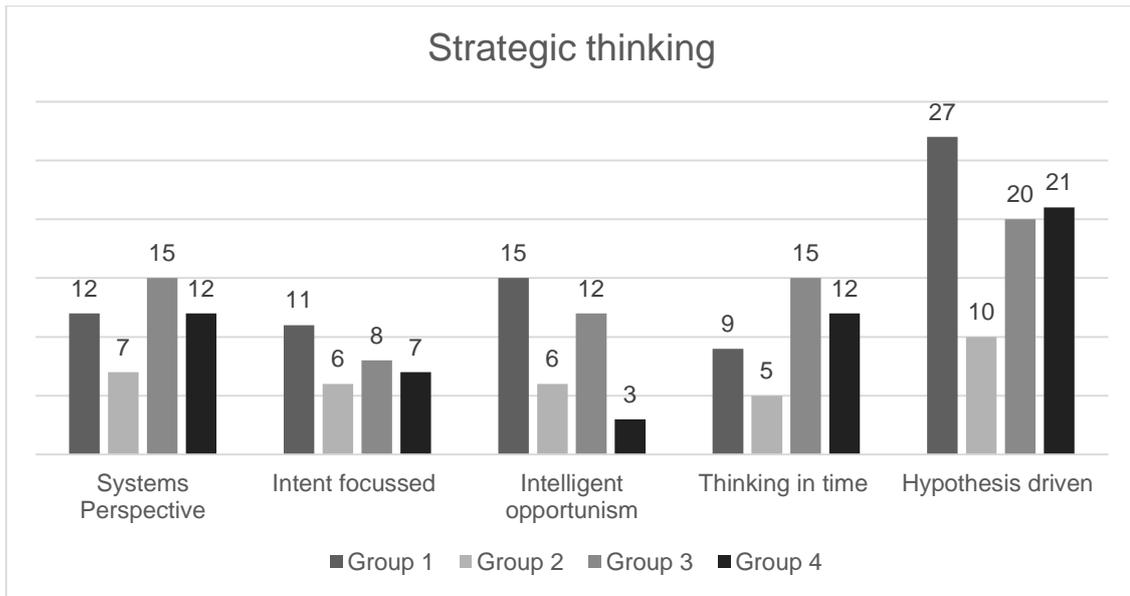
**Figure 8:** *hypothesis driven observation frequency*

Despite the overall high level of observation of this element of strategic thinking (Liedtka, 1998; Moon, 2013), the research, after numerous reviews of the data, noted that while participants seemed to generate a vast number of hypotheses during the exercise, they tended to be nested hypotheses. The term nested-hypothesis in this sense is intended to describe the process by which the first overall hypothesis suggested by a participant is taken by the group as the grounding statement or basis of their approach. Throughout the exercise subsequent hypotheses offered by the participants within the various groups, were largely derivatives of the initial hypothesis. As such while many hypotheses were offered within each group, the overall level of creativity toward to the creation of innovative strategy was distinctly limited.

### 5.3.1.6 GENERAL OBSERVATIONS

While each of the individual factors has been discussed in detail in the preceding sections, the researcher made a number of general observations over the course of the study.

Each element of strategic thinking and the number of observed instances has been laid out per group below in figure 9. As is clearly evident the observations made regarding the prevalence of the element of a hypothesis driven approach (Liedtka, 1998) hold true for each participating group. However as mentioned previously this approach led to a lack of creativity in the group strategy.



**Figure 9:** *Strategic thinking group comparison*

As such the research demonstrated that each group possessed all five elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013). Yet each group utilised the elements in markedly different ways. At a participant interaction level this research clearly demonstrated that a participant’s ability to access all five elements of strategic thinking was in fact the exception rather than the rule. Three of the 20 participants (G3.P3, G3.P4, and G4.P1) demonstrated all five elements of strategic thinking prior to introduction of time pressure. Subsequent to the introduction of time pressure the element of intent focussed (Liedtka, 1998) showed a drastic increase as discussed in section 5.3.1.2. This led to a further 7 participants (G1.P1, G1.P2, G1.P4, G1.P5, G2.P3, G3.P3 and G3.P5) demonstrating all five elements of strategic thinking.

Critically this research demonstrated that there was no particular structure or sequence used in applying the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) to the development of an innovative strategy. All participants used the different elements in a largely ad hoc fashion. However participants that showed a proclivity for a particular element tended to default to that element rather than employ a different element to assist them in collaborating with the group.

This research demonstrated that while participants are able to access and utilise several elements of strategic thinking, they tend to be anchored in a particular

element that they apply as a general manner of problem solving. In essence participants tend to approach problems of this type with a very limited set of strategic thinking tools.

As this research was focussed on the way in which managers use these elements of strategic thinking inherently, it is outside the scope of this research to make any pronouncement on the ability of participants to access these elements in a more complete and systematic fashion if they were briefed on their existence beforehand.

### **5.3.2 OBSERVATIONS FOR RESEARCH QUESTION 2**

*How do managers use influence tactics in groups to develop innovative strategy?*

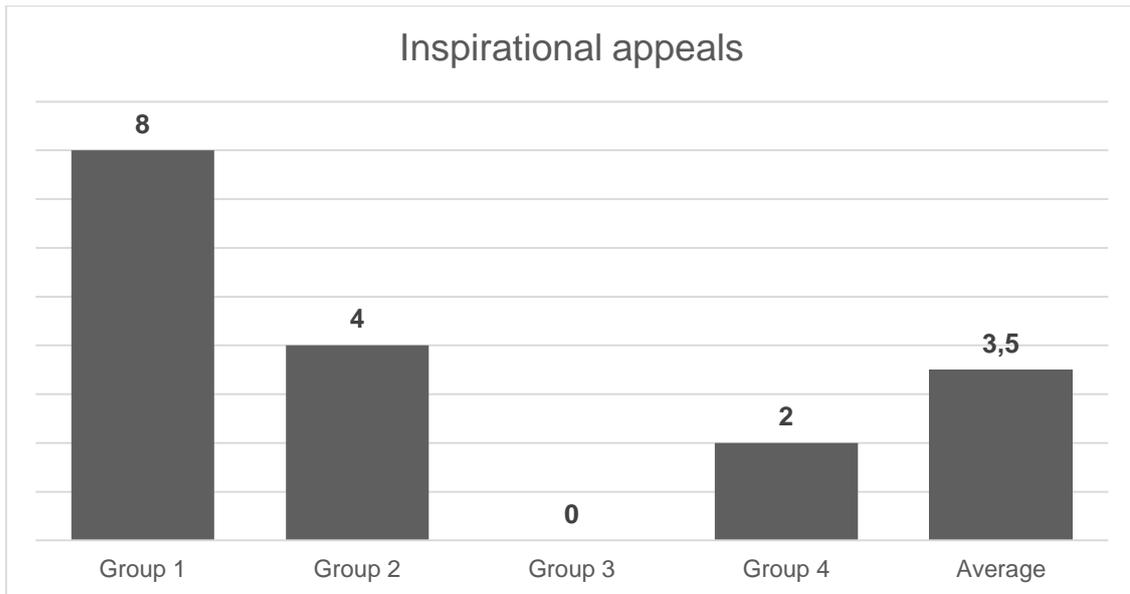
The central aim of this research is to provide an exploratory insight into the way in which managers use the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy.

In this section this research deals with the observations made specifically around the participating groups use of influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in isolation prior to combining the observations from this section and section 5.3.1 to form a holistic understanding of the confluence of both strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy.

The results of the observational exercise regarding each of the nine discrete influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) discussed in Chapter 2 are dealt with individually in the following sections.

#### **5.3.2.1 INSPIRATIONAL APPEALS**

During the observed innovative strategy formulation exercise the influence tactic of inspirational appeal (Falbe & Yukl, 1992; Yukl, 2013) was observed in three of the four groups of participants as shown in figure 10 below.



**Figure 10:** *Inspirational appeals observation frequency*

The average occurrence of this influence tactic was three and a half times per group leading to this tactic occurring at the lowest frequency of all other influence tactics that occurred during the study.

As such it ranks in 7<sup>th</sup> position amongst the other factors this research aimed to observe. Furthermore it is the only observed tactic that wasn't present in each group. Specifically as can be seen in figure 10, the frequency of observation within Group 3 was nil. Within the scope of this research the influence tactic of inspirational appeal (Falbe & Yukl, 1992; Yukl, 2013) was the least popular of the tactics used by participants in this study.

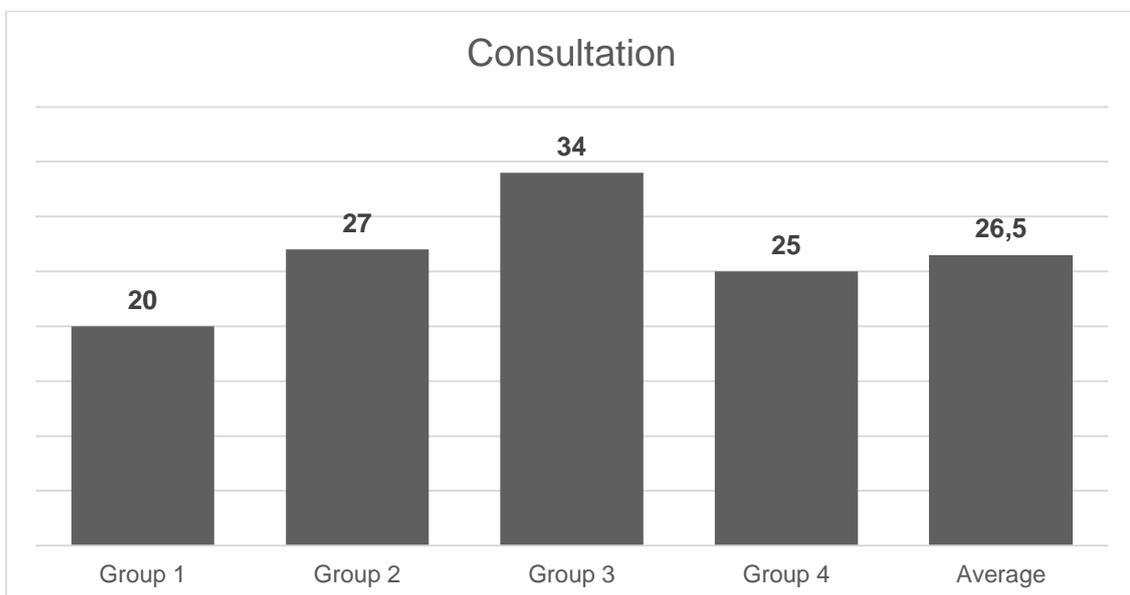
At participant level this tactic was used by a maximum of two participants in any of the three groups where it was observed. In Group 1 the comparatively larger amount of observations (8) compared to the average (3.5) can largely be attributed to a single participant (G1.P3) who accounted for 7 of the 8 measured occurrences. In the instances where this tactic was observed, it was largely as a result of the participant trying to put forward an opinion contrary to the general view of the group without significant evidence to support their point of view.

### 5.3.2.2 CONSULTATION

Of all the influence tactics (Falbe & Yukl, 1992; Yukl, 2013) present in the study the element of consultation was clearly the most frequently observed ranking first of the nine tactics examined. Many participants appeared to be most comfortable

consulting with their fellow participants in order to create shared understanding of the problems and proposed solutions they discussed as a group. Figure 11 shows that this tactic was observed in all the participating groups. Group 3 showed the most widespread use of this tactic. During the review of the recorded exercises it was apparent that group 3 had adopted a far more collaborative approach than any of the other groups. In contrast to the other groups, many of the consultation occurrences in Group 3 consisted of three or more participants, whereas the other groups tended to consult in pairs.

At individual participant level, this tactic was used by all but one participant G1.P3, as mentioned in the previous section this particular participant favoured the use of inspirational appeals and was observed to be very rigid in their ideas preferring to try to convince others to adopt a similar approach rather than seek a compromised solution. During the observation this tactic was often coupled with another tactic in order to drive the underlying message the participant was attempting to convey. Typically this was in conjunction with the tactics of rational persuasion, coalition and lastly personal appeals (Falbe & Yukl, 1992; Yukl, 2013).



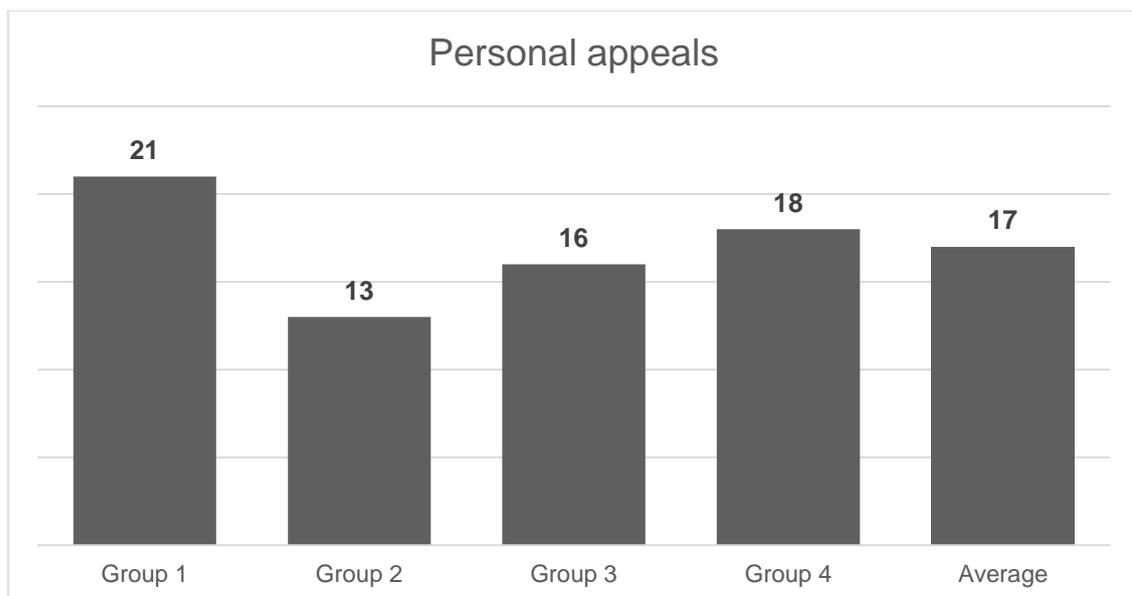
**Figure 11:** Consultation observation frequency

### 5.3.2.3 PERSONAL APPEALS

Ranking second overall of the influence tactics observed in this study personal appeal. This tactic often presented in conjunction with the tactic of consultation (Falbe & Yukl, 1992; Yukl, 2013). This element was used when a participant had minimal facts available to support their argument, however they did have personal experience and that led them to their conclusion.

This tactic was used by the participant as a means of legitimising their argument to the group. Following that, they tended to consult with other participants to create a shared view that could later be presented to the group by both participants jointly in order to gain larger acceptance.

This tactic was present in all four participating groups with an average occurrence of 17 times per group as shown below in figure 12.



**Figure 12:** *Personal appeals observation frequency*

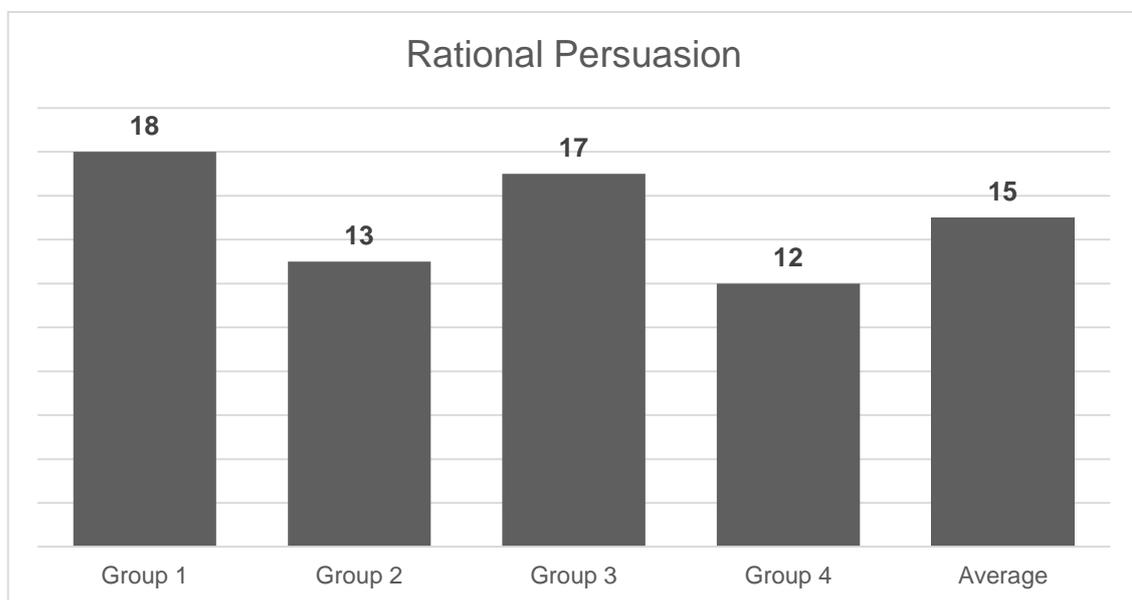
At participant level this tactic was used by four of every five participants in each group. Despite not being as widely used as the tactic of consultation, the use of personal appeal (Falbe & Yukl, 1992; Yukl, 2013) was shown through the review of the data to be very widespread nonetheless.

### 5.3.2.4 EXCHANGE AND INGRATIATION

The influence tactics of exchange and ingratiation were not observed in any of the groups or participants that took part in this research.

### 5.3.2.5 RATIONAL PERSUASION

Rational persuasion (Falbe & Yukl, 1992; Yukl, 2013) was the third most frequently observed influence tactic within this study. A total of 60 observations across the four participating groups, as demonstrated in figure 13, were recorded in this study. On average the participant groups used rational persuasion 15 times over the course of the observed exercise.



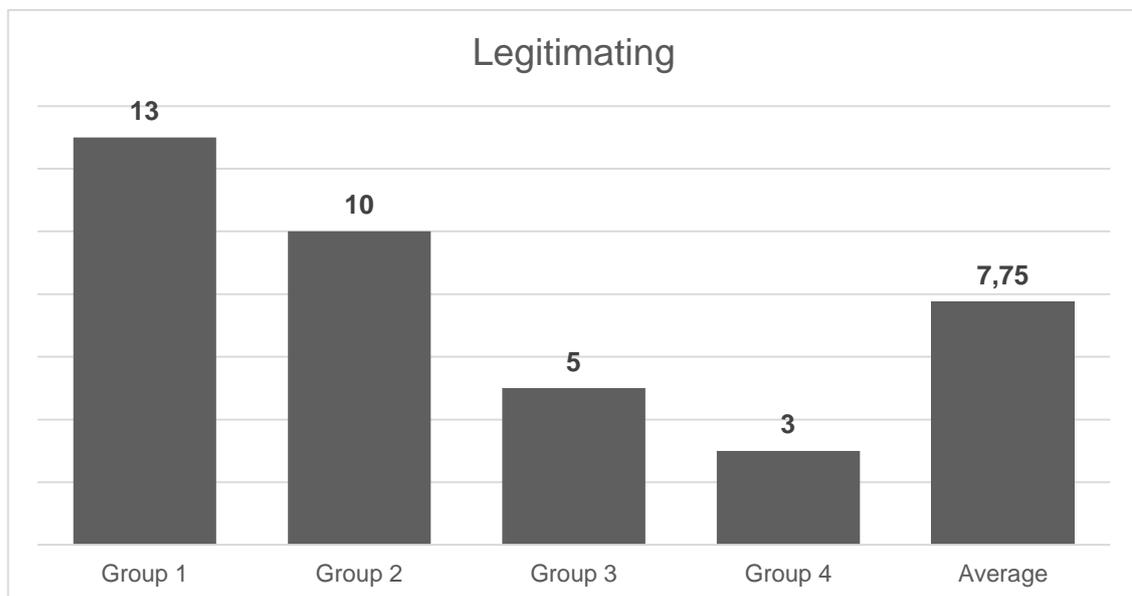
**Figure 13:** *Rational persuasion observation frequency*

Predominately this tactic was used by participants aiming to re-enforce their argument with some form of factual evidence, either using the provided case study or some substantiated real world fact as evidence to support their assertions. Interestingly this element did not occur in isolation, it was typically used in conjunction with inspirational appeals, personal appeals or consultation as a means of adding a more legitimacy to a participant's viewpoint. At a participant level, 18 of the 20 participants used rational persuasion at least once during the observed exercise. In Groups 2 and 3 all participants were observed using this tactic to some degree in creating an innovative strategy as required by the provided case study.

### 5.3.2.6 LEGITIMATING

During the course of the study the tactic of legitimating (Falbe & Yukl, 1992; Yukl, 2013) was observed a total of 31 times. Figure 14 below presents the frequency of these observations for each participating group as well as the average frequency of observation per group. This research demonstrated the element of legitimating to be ranked sixth of the seven tactics actually observed during the study.

This tactic was seldom used in conjunction with other influence tactics, with the exception of personal appeals. Individual participant tended to use the tactic of legitimating in order to develop himself or herself as an authority on a subject or particular area of relevance to the solution of the case study. This occurred in a self-serving rather than collaborative fashion; as such the participant using this tactic would position themselves as experts on a particular topic. Subsequently the participant relied heavily on the tactic of personal appeal to put forward their opinions.



**Figure 14:** *Legitimating observation frequency*

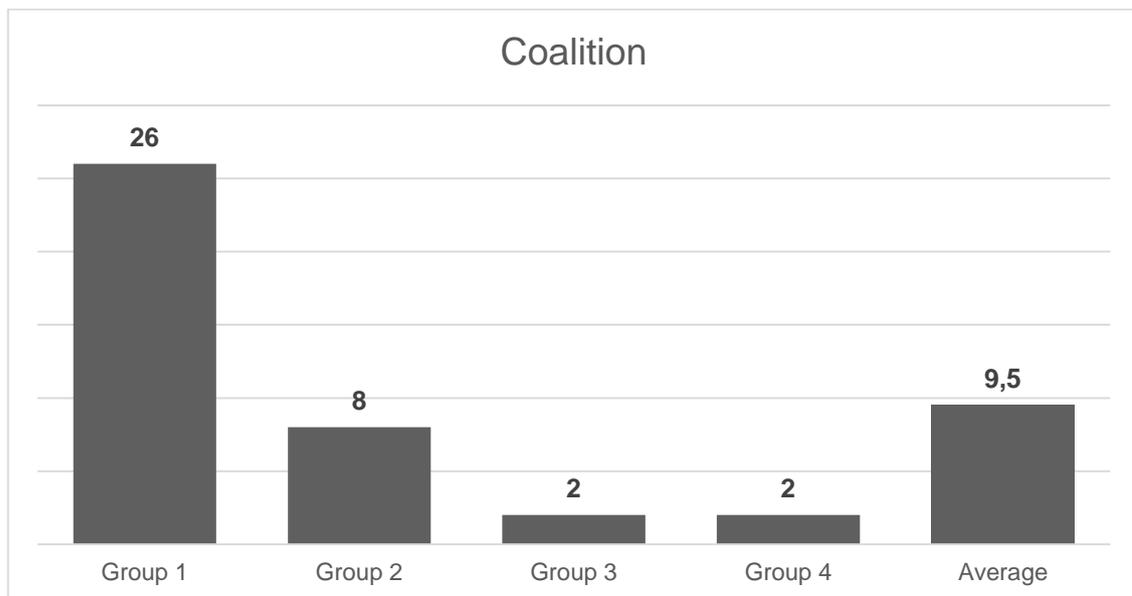
For example participant G1.P3 exhibited the most frequent use of personal appeals (7 times), and was among those participants with the maximum recorded use of legitimating (6 times). Contrary to the other tactics legitimating was the only tactic that was used at a particular point in the exercise consistently by all

participants to re-enforce their authority on a particular issue. In all observed groups this occurred within the first ten minutes of the exercise.

### 5.3.2.7 COALITION

Coalition, although similar to consultation (Falbe & Yukl, 1992; Yukl, 2013), was observed as a separate tactic as stipulated in the discussion of existing literature in Chapter 2.

During the observed exercise this tactic was observed a total of 35 times across all participating groups, as shown in figure 15 below. While this number of observations ranks the tactic of coalition as fifth out of the seven observed tactics within this study, it is important to note that this is significantly driven by the frequency of use by the participants in Group 1.



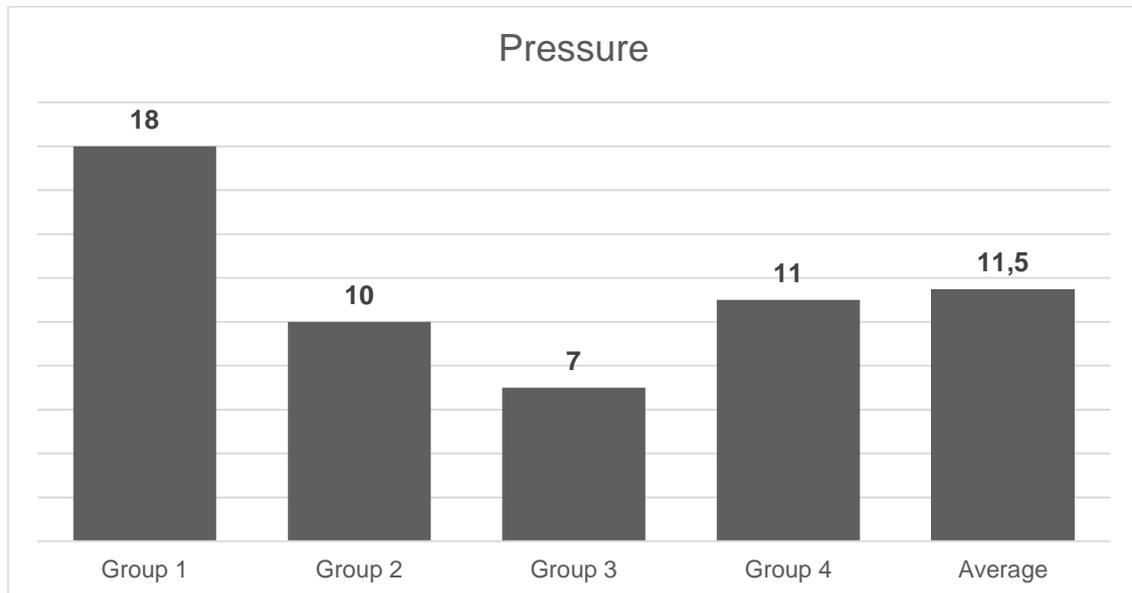
**Figure 15:** *Coalition observation frequency*

As figure 15 shows the average frequency of occurrence of this tactic was 9.5 times, this average is largely a function of the 26 uses of this tactic by group 1 alone indicating that this tactic may not be as prevalent in all groups.

### 5.3.2.8 PRESSURE

The use of pressure as an influence tactic (Falbe & Yukl, 1992; Yukl, 2013) was observed a total of 46 times during this study and occurred on average 11.5 times per group as shown in figure 16 below. Overall this frequency of observation ranks the tactic of pressure fourth out of the seven observed tactics in this study.

Despite this tactic ranking in the top four it must be noted that at an individual participant level it was used by far fewer participants than any other tactic. A total of 10 participants were observed using the tactic of pressure during the exercise.



**Figure 16:** *Pressure observation frequency*

Further to the point in each group the research uncovered a single participant in each group used the tactic of pressure predominantly. In Group 1 participant G1.P4 used pressure a total of 12 times, doubling the frequency of the only other participant using this tactic (G1.P3, 6 times). Similarly Groups 3 and 4 showed a single participant being the primary user of this tactic (G3.P3 5 times and G4.P2 9 times respectively).

During the observation time pressure was introduced during the exercise as a manner of understanding the way in which participants adapted their usage of influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in order to develop an innovative strategy.

The tactic of pressure was the only tactic that saw a marked increase post the introduction of the time constraint. The increase in usage was largely attributed to participants other than the primary pressure user identified prior to the introduction of the additional time constraint.

In other words, those participants that started the exercise using pressure as a primary tactic (G1.P4, G2.P2, G3.P3 and G4.P2) were not seen as using more

pressure post the time constraint, the increases usage was attributable to other participants in the group. This research suggests that the participants adopting the tactic of pressure post the time constraint were doing so in response to the additional stress introduced by limiting the time to complete the task at hand.

### **5.3.3 OBSERVATIONS FOR RESEARCH QUESTION 4**

*What other factors assists managers in applying strategic thinking and influence tactics in group based innovative strategy formulation?*

During the observational portion of this research a number of additional insights were developed that may potentially assist manager in applying the elements of strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013). The resultant insights are presented in detail under the broad themes of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) below.

#### **5.3.3.1 STRATEGIC THINKING**

Over the duration of the observed exercise it became clear that not all participants possessed or applied all five elements of strategic thinking (Liedtka, 1998) as noted in section 5.3.1. Furthermore the participants that did inherently apply all five elements of strategic thinking prior to the introduction of time pressure (G3.P3, G3.P4, and G4.P1) did so on an ad hoc basis. That is to say those participants failed to show any consistent application of all five elements to each problem they faced. Rather those participants demonstrated a proclivity for a single primary tactic and utilised the remaining tactics in what would appear to be an arbitrary fashion. In addition participants G3.P3, G3.P4 and G4.P1 all were observed to be clear leaders of the discussion and debate within their separate groups.

After the first 20 minutes of the allotted 30 minutes for the observed exercise, participants were notified that the time limit for the exercise would be reduced by five minutes, leaving them only five additional minutes to complete the exercise. This supplementary pressure proved to be pivotal as it enabled a further seven

participants (G1.P1, G1.P2, G1.P4, G1.P5, G2.P3, G3.P3 and G3.P5) to access all five elements of strategic thinking. At this stage the dynamic within Groups 1, 2 and 3 changed with a notable increase in the level of focus (as discussed in 5.3.2.1) and collaboration amongst the participants. The single exception occurred in Group 4, where only a single participant applied all five elements of strategic thinking (G4.P1) regardless of the time pressure. No notable change in group dynamics were observed in Group 4 at all subsequent to the time reduction.

Interestingly three of the groups either used or attempted to use strategic frameworks with the aim of guiding their thinking. Group 2 attempted to use the TOPAC-G framework (Raina, 2015) participant G2.P2 suggested the framework. However the suggestion failed to gain significant traction and was not adopted by the group. Despite this, the suggestion of using a framework appeared to give the participants a more focussed and systematic approach to developing their strategy.

In Group 3 participant G3.P5 suggested the use of Osterwalder's Business Model Canvas (2010) framework. The group leading to a far more customer centric and holistic strategy formulation process subsequently applied it. Group 4 followed a similar approach with participant G4.P1 advocating the use McCarthy's Four P's (1960) as a means of creating a more complete strategy.

Overall the use of a framework was observed to increase the engagement of all the participants within the groups that chose to utilise one. Leading to a greater frequency of use of strategic thinking elements by all group members. Despite the more comprehensive approach, the groups that applied a strategic framework did so at the expense of the creativity. In contrast Group 1 eschewed the use of a framework and consequently proposed a strategy that was far less constrained as well as being generally more creative.

In summation this research identified three factors that may assist managers in applying the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) to the formulation of innovative strategy. Firstly not all managers are either aware or able to utilise all five elements of strategic thinking inherently. Secondly the addition of an external stressor such as an element of time pressure was observed to increase the overall degree of focus within most groups allowing

participants to access a greater number of strategic thinking elements. Finally the use of some form of structured framework aided participants in applying a greater number of strategic thinking elements, if at the expense of creativity.

### **5.3.3.2 INFLUENCE TACTICS**

In order to explore the potential factors that may assist managers in applying influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy it was necessary to understand the way in which these tactics are used. In contrast to the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013), this research takes the position that it is not necessarily best for a manager to use all the tactics all the time. Based on the observation it appeared that it was more critical for a participant to know when to use a particular tactic in order to best propose their perspective on the ideal solution. It became clear that each participant favoured a particular tactic or combination of tactics as a means of gaining acceptance for their proposals. While all participants used at least two influence tactics, the average usage per participant was five tactics, suggesting that participants may be aware of multiple tactics but choose to use those that suit their style of argument best.

While participants may be aware of multiple influence tactics inherently, they may not be aware of the correct timing and most effective manner in which to use these tactics. Thus the observations of factors that may assist managers apply influence tactics in the development of innovative strategy are an awareness of all influence tactics and the knowledge of when to apply different tactics to be more effective.

These observations suggest that in order to fully explore the interrelationship between strategic thinking and influence tactics it is necessary to understand how managers actually perceive themselves using these tools in the formulation of innovative strategy. Observed behaviours may give insight into the outward results of a participants thought process, but a participants thoughts are largely unobservable. Thus the following section uses the method of semi structured interview questions to gain a more complete understanding of these tools from the participant's perspective.

## 5.4 REFLECTIONS

The previous section (5.3) dealt with the results delivered through the observational portion of this research. This section focuses on the results of the semi-structured interview questions that were performed after the completion of the observational exercise. The observational section provided results based on the observable behaviour and interaction of the participants to this study. The following reflections section provides a deeper exploration into the perceptions of the participants as they took part in this study. These insights were gained through the use of thematic content analysis (Braun & Clarke, 2006) and as such will be present with the aid of actual participant quotes in support of any assertions that have been made. These quotes should be taken in the context of the strategy formulation exercise (Appendix A) that the participants to this study completed.

### 5.4.1 REFLECTIONS FOR RESEARCH QUESTION 3

*How do managers perceive their use of strategic thinking and influence tactics?*

The results for the reflections related to research question 3 have been dealt with in separate sections under the broad themes of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and its constituent elements, and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013).

#### 5.4.1.1 STRATEGIC THINKING

##### 5.4.1.1.1 A SYSTEMS PERSPECTIVE

The results of the observational portion of this research surfaced systems thinking (Bonn, 2005; Liedtka, 1998) as the second most frequently observed element. Group 3 clearly exhibited the greatest usage of systems perspective in their formulation of an innovative strategy. The results gained from thematic content analysis of the semi-structured interview questions were mixed. Participant G3.P1 held the view that the group did not make use of strategic thinking at all during the exercise.

G3.P1: *“In my opinion little consideration was given to systems. In the process more attention probably should have been given to the place of*

*the business within a wider system as well as the systems within the business.”*

Support for this view came from participant G3.P4 when discussing their own particular approach to problem solving.

*G3.P4: “I didn’t personally think of things as a system, but then again my mind doesn’t really work like that – I am more focused on the details of the problem.”*

Despite this, the fact remains that even though these participants were not aware of the overall level of systems thinking, their group certainly applied this element. A possible reason for this stems from the observation regarding the application of a framework. This may have assisted the group in applying a systems approach an assertion that appears to be confirmed by participant G3.P5.

*G3.P5: “I think the systems thinking approach was greatly facilitated by using the business model canvas. There was congruence and fit among the various components (of our strategy)”*

Participant G3.P2 who cited the use of a framework as the primary method the group used to apply the element of a systems thinking approach provided further support for this perspective.

*G3.P2: “We applied systems thinking in the form of a model – the business canvas model. I think it was vital to achieve a holistic strategy which is ultimately executable.”*

There is certainly support for a systems thinking approach. Participants felt that taking a systems approach assisted them in creating a holistic view of the organisation and its context.

*G1.P3: “I think that it was important to initially assess the entire system to get a good feel for the problem. From that point it was broken down into specific parts for analysis. At the end (of the exercise) we viewed the solution from a systems based perspective.”*

G2.P4: *“You have to see the entire ecosystem to decide on things like this, especially if you want a successful business.”*

G2.P3: *“I tried to have a really holistic “10,000 metre” above sea level approach, try and look at everything from the culture to the revenue to operating environment and internal environment.”*

Furthermore participants saw the systems thinking approach to be helpful in deconstructing the larger problem into smaller work streams that could be dealt with individually.

G1.P4: *“The problem was solved as a whole ecosystem which were then broken down into paths in order to get the effect of the whole ecosystem”*

G4.P1: *“The systems thinking around a strategy formulation was applied on a form of elements into which each point of overall strategy was broken down and discussed thereafter.”*

The reflections gleaned from the analysis of the participant interview responses point toward managers viewing a systems perspective as a useful tool in the formulation of innovative strategy. Participants found that taking a systems perspective was essentially in creating a holistic view of the organisation and its environment. When strategies were developed they took cognisance of all the factors internal and external that were of relevance to the business. The value of systems thinking was held to be useful in breaking down the larger problem of strategy formulation into more manageable work streams that can be dealt with individually. These findings coincide with the observations of the participant's use of systems thinking.

#### **5.4.1.1.2 INTENT FOCUSED**

Analysis surfaced a number of key themes that were linked to the element of intent focus (Liedtka, 1998). These themes were congruent with the observations reported in section 5.3.1.2. Before presenting the results for this element it is important to add context. As mentioned previously an element of pressure was added to the study in the form of a planned decrease in the allotted time for the exercise. Participants were not made aware that the time would be reduced until

20 minutes of the 30-minute exercise had elapsed. The participant quotes discussed in this section make the distinction between the degree of focus experience both before and subsequent to the time reduction.

When participants were asked about the level of focus they experienced during the exercise it was clear that most felt that the vagueness of the case made it difficult to focus on the problem at hand. The case was intentionally vague in order to provide an analogue to real world situations in which all information may not be available. When dealing with vague situations or incomplete information some participants found it difficult to focus on the problem at hand.

*G1.P4: "I think focusing on the problem was generally difficult as we all have varying opinions and no data to prove (our hypothesis) this resulted in going off on tangents to some extent."*

*G1.P2: "We did tend to go off-track but given the case was vague, I think that it allowed us to create our own data and assumptions. Participant 1 [G1.P1] made sure we re-focused and participant 3 [G1.P3] was keeping time which helped."*

*G1.P3: "Focusing on the problem was quite difficult given the vagueness of what needed to be solved and various opinions which were put forward."*

The perception that the vagueness of the case hampered the group's ability to focus was constrained to participants in Group1. In other groups participants felt that they were able to focus on the problem at hand from the outset of the exercise.

*G2.P4: "For a team who hasn't worked together before I thought focus was good, we did struggle however with focusing on one goal (the slide) and had to be reminded. I get distracted early so for my usual standards my focus was above average (with time pressure)"*

*G3.P3: "Times of good focus – I'd say about 50% - other times of getting into too much detail, tangents about the other 50% of the time. I have to say that when we drifted too much, one of the participants would bring us back."*

*G2.P2 “Our focus was high and critical. Especially with the time constraint, I believe that all the participants knew what was required and they paid close attention to the task and trying to come up with a clearly defined strategy or even a way to move forward.”*

These participant comments demonstrate the underlying ability of the group to focus on the problem at hand. However concerns were noted that the groups tended to drift as the exercise progressed, as evidenced by the statements of participants G3.P3 and G2.P4 above. This is congruent with the behaviour observed in the earlier phase of the analysis set out in 5.3.1.2. When the element of time pressure was added, the level of participants focus was increased. This view is supported by the reflections of participants in all four groups as evidenced by various participants’ comments below.

*G1.P2: “...when the time limit was reduced it really helped us to focus on finishing [the exercise].”*

*G1.P1: “The time pressure helped people to focus, I think when there was too much time it decreased focus and made people debate more. When there was less time it forced people to be more innovative.”*

*G2.P4: “When pressure was added it really focused the group – as the pressure got higher I think we got more innovative and had a lot more ideas within our immediate focus as well.”*

*G2.P5: “Then when you cut the time and we only had 5 minutes we really had to focus to get the job done.”*

*G3.P5: “The reduction in time definitely drives focus but in our case we had started converging before the time was reduced so the effect may not have been visible.”*

*G3.P1: “I think the team was focused on the task but they did get wrapped up in the detail, they were focusing on a number of different aspects besides the strategy formulation. Cutting the time down really did help to increase the focus on pulling out the strategy and getting a description.”*

G4.P3: *“...I think we were focused on the question and the specific outcome. When the time was cut we listed the most important points, clarify it and listed it.”*

The exception to this insight was participant G4.P4 who perceived that the time pressure actually hindered the group’s ability to focus on the problem at hand.

G4.P4: *“We were very focussed initially but time pressure throws this out of the window. Best suggestion of the day wins, potentially leaving opportunities behind.”*

This suggests that participants felt that intent focus (Liedtka, 1998) was necessary to deliver a complete solution in under a tight time constraint. The addition of an external stressor such as time pressure was widely held as very helpful in focussing the participants on solving the problem an assertion supported by the observational evidence.

#### **5.4.1.1.3 INTELLIGENT OPPORTUNISM**

Intelligent opportunism (Liedtka, 1998) was the fourth most frequently observed element during the strategy exercise, albeit predominantly driven by the frequency of use in Group 1 and Group 3. When considering the insights gained from the participant reflections this research was only able to identify a single quote that alluded to a group’s use of this element. When probed on how the group considered their approach to the overall strategy participant G2.P4 offered the following:

G2.P4: *“You can’t just look at the industry, I mean it’s fast and dynamic, but you can miss out on the how the business interacts with it on a lot of levels.”*

This participant was open to searching for possible strategic initiatives that centred on the current competencies and opportunities within the existing environment. As this comment comes from a single participant it lacks the requisite weight to support an argument to this end. The absence of further comment does support the argument that participants were unaware of this element despite actually using it in the exercise.

#### 5.4.1.1.4 THINKING IN TIME

This research has managed to uncover a great deal about the way in which participants tended to thinking in time (Liedtka, 1998) while creating an innovative strategy. Initially the researchers expectation was for participants to consider the future heavily with little link to the past. However thorough analysis of the data revealed the opposite to be true. Across all participating groups, it was clear that they were considerate of the past as a means of understanding where the core competencies lay within the business. The participant reflections are shared below, and add a great deal of support to this insight.

G3.P3: *“...we considered their ‘old business’, ‘retaining current clients’ and how to maintain the past and current business while thinking of innovative ways to move forward.”*

G3.P5: *“Time played a key part because looking back helps diagnose the root cause of the current situation and gave an indication as to what might be feasible going forward. Past also informs about core competencies.”*

G4.P1: *“It’s important to look at the company’s existing competency to understand how that can be used when developing of a new strategy.”*

G4.P5: *“We used the past and the present to understand the current strengths and capabilities that have given them [name of company in exercise] success.”*

Certain participants advanced this thought process, commenting that in essence it is difficult to create an innovative strategy for the future without understanding the past. The past is inherently linked to both the present condition of the organisation as well as its potential “futures”. Participants were interested in learning from and avoiding the repetition of past strategic failures.

G1.P3: *“...we realized they (FoodCo.) had a long history, tradition of doing things a certain way. And [we] identified future and present trends which would affect their strategy going forward.”*

G3.P2: *“We used the history [legacy] of the business to inform the strategy of the business going forward. I think we also looked at different generations of consumers (new and old), which could be targeted, like moms and daughters. “*

G4.P4: *“A strong history must be leveraged, but clearly this company can die – the future is likely bleak without major change.”*

G4.P2: *“The past was important, because mistakes in strategy caused decline in market share. Future; to understand the elements that strategy had to be developed around.”*

To a lesser degree the groups considered the present, typically the consideration of the present was driven by the participants desire to understand the treats and opportunities facing the business.

G1.P2: *“The past and present played a role I think in terms of footprint nationally, considerations about how all 1000 stores were doing etc...”*

G3.P1: *“There was a keen focus on the past, the current or present and perhaps less so on the future. I think consideration of the time with regard to the business was focused on the “has been” the threat we face now.”*

G4.P5: *“...then we used the future and the present to look at opportunities and threats.”*

G4.P3: *“...present; losing market share, we must do something different; change”*

Finally when considering the future, there tended to be a very arbitrary approach by most of the groups. As shown in the previous quotes in order of level of focus, the past was the clear favourite, followed by the present and as shown below the future was treated with much less rigour.

G1.P2: *“...future, I suppose was linked to our solution...”*

G1.P5: *“We considered the past but the future was only driven by the objective to increase market share and profitability”*

G3.P4: *“I think we did consider time, but we were really vague on it, especially when it came to the future”*

G4.P3: *“...future: grow market share. Listen to the client and market needs.”*

In summation **four** key insights were gained. *Firstly* all participants were of the opinion that they had both individually and at group level considered the element of thinking in time (Liedtka, 1998). *Secondly* the groups had a strong focus toward the past as a means of understanding the key competencies inherent in the business. The groups also considered the past as a means of understanding where the business had come from, and the congruence with the proposed new innovative strategy. *Thirdly* the groups showed less interest in the present situation of the business than that of the past situation. Participants viewed the present as a source of information regarding the opportunities and threats facing the business as well as the result of failed past strategy. *Finally* when it came to the future of the business the groups took far less interest and regarded it as a container for the potential outcomes of the innovative strategy they had developed.

#### **5.4.1.1.5 HYPOTHESIS DRIVEN**

The results of the observational analysis reported in section 5.3.1.5 depict a hypothesis driven approach as the most frequently used of all the elements of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) within the confines of this study. This section explores the perceptions of the participants regarding their individual and group usage of this element in order to gain a deeper understanding of the group level application of this element.

Similarly to the observational results only a single participant held the view that hypotheses were not used at all during the group exercise.

G2.P1: *“Hypotheses weren’t used during the exercise.”*

A number of participants offered that while they thought that they and their groups utilised hypotheses during the exercise, they were unsure of how effectively and extensively they were actually used.

G1.P4: *“Hypothesis testing was not well thought out, I allowed my bias to influence the direction.”*

G1.P2: *“Initially half-baked ones. The time factor didn’t allow us to dwell too long. But I suppose in the end we did, because we came up with a solution.”*

G1.P5: *“I’m not sure if we used a very structured hypothesis driven argument... we did have some questions and it have been interesting to get some data to answer our questions.”*

G2.P2: *“I think we sort of used them, but it was slight and not always.”*

G3.P1: *“I think we used hypotheses in one instance but we really didn’t use them extensively. I think we could have made improvised decisions if we were more aware of them.”*

This could be attributed to the context in which the participants understood the term hypothesis driven. A number of participants took a hypothesis driven approach to mean an approach driven by assumption that were subsequently proved or disproved. As such there seems to be consensus amongst the participants that during this exercise many of the groups relied on the aforementioned “assumptions” as a means of developing their strategies.

G1.P4: *“We did have multiple assumptions though that led to hypothesis such as target audience what they need (healthier foods) where and which store would be better.”*

G3.P3: *“Hypotheses in this case were assumptions, for example “younger people will come if we have healthier burgers”, so I guess they were used a lot”*

G3.P4: *“I think they played a large role in our success, we came to a hypothesis and then we used it as a base to form solid assumptions.”*

G3.P5: *“We had to make some assumptions right from the start and for the proposed strategy. The entire strategy I view as a big hypothesis and*

*our first step was to do research to test some of our sub-hypotheses (assumptions)."*

G4.P4: *"Assumptions – Yes. A big assumption about the market and what the problem is. We have however agreed we really need to research more about the problem."*

G4.P5: *"Lots of assumptions were used especially in terms of what the main issues are and the market. We used these assumptions to find solutions."*

This researcher takes the view that in light of the participant comments and the actual behaviour observed that the use of assumptions is taken to mean the same as the use of hypotheses for the scope of this research. A number of other participants were more forthcoming with their views regarding their individual and group usages of a hypothesis driven approach, the following comments support this assertion.

G1.P2: *"...It [hypothesis] forced us to be more innovative in our thinking. Initially we were unfocussed, but that allowed for our ideas to not be limited."*

G1.P3: *"...it is important to form a hypothesis it creates a frame in which to tackle the problem and a reference point for debate amongst the group."*

G2.P4: *"It gives the group a good anchor to work from and allows the future thought process to be based on something that is stable."*

G2.P5: *"I see great value in having a hypothesis as it allows you to explore different "futures". I personally did make use of hypotheses"*

Not all participants were of the opinion that using a hypothesis driven approach was the best way to think about developing an innovative strategy. Some participants felt that being too hypothesis driven could in fact limit the degree of creativity within the group.

G2.P4: *"More often than not we tried to prove the hypothesis which I felt deflected us from the actual area of focus (in this instance.)"*

G2.P2: *“It can be restrictive, but I does help to build structure, which I think rationalizes and legitimizes the thinking. But, I personally prefer rough brainstorming before hypothesizing, I feel it can cage your thinking if you want to explore.”*

G2.P3: *“It does give more “meat” to the idea (concept) but I don’t think that strategy and especially innovation must ever be “boxed” in. If hypothesis is the only route to take it will be limiting. I don’t think I really used a hypothesis at all, if I did I really didn’t think I was doing it.”*

This view appears to have been confined to the participants within Group 2. Although it was not the only critique of the manner in which hypotheses were used during the exercise. Other participants appeared to echo the earlier observation that the groups tended to make use of nested hypotheses. Essentially the initially hypothesis created by the group drove all subsequent hypotheses in the direction of the initial assertion.

G3.P2: *“We made the hypothesis that we had to come up with a strategy in 30 minutes. We also assumed that people were in fact coming to the stores and much of the strategy was built around this.”*

Adding context and support to the view that hypotheses tended to be used initially and set the tone for the entire strategy, participant 3 from Group 1 shared the following insight

G1.P3: *“...it is important to form a hypothesis it creates a frame in which to tackle the problem and a reference point for debate amongst the group.”*

G1.P3: *“We created a central theme regarding the profitability and the market share. However I think the key hypothesis was formulated through debate and actually was around the marketing of the brand”*

The synthesis of the results put forward in this section offer that participants in this research embraced the use of a hypothesis driven approach when developing innovative strategy. However their views as to the actual way in which hypotheses are best used appear to differ. Some participants feel that the use of hypotheses tends to create limitations and “box-in” the groups thinking. While

others accept a hypothesis driven approach as a way in which to test potential courses of action and subsequently provide a robust and complete strategy. Participants also agreed that at times, “hypothesis driven” approach seemed to be building the assumptions based on the previous assumptions proposed by another group member. This limited how a group come up with other possibilities during the strategy formulation.

#### **5.4.1.2 INFLUENCE TACTICS**

This section presents the results of the thematic content analysis applied to the data gained from the individual participant interviews in so far as they are applicable to the exploration of how managers use influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy.

The analysis followed an approach consistent with that applied to the elements of strategic thinking (Liedtka, 1998). The themes were predominantly imposed by the established literature on influence tactics. The literature discussed in Chapter 2 defines nine discrete influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) yet this research has thus far only observed seven tactics during the exercise, and surfaced four themes that relate to influence tactics in this section. These themes will be reported in order of most to least prevalent in the following sections.

##### **5.4.1.2.1 CONSULTATION**

Consultation (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) proved to be the most prevalent tactic used by participants in this research with 15 comments linked directly to this tactic. Overall all four groups appeared to adopt a generally collaborative approach to making decisions, with many participants feeling the best approach was to listen and add to their fellow participant’s opinions in order to gain approval by the group.

*G1.P1: “I tried to spend more time listening, then adding to other participants’ points to try to create solutions.”*

*G2.P2: “...I also tried to consider other participants opinions and build on ideas together instead of pushing my opinion down people’s throats.”*

G2.P5: *“I put my initial suggestion forward to gauge the groups view, listened to other participants’ points and built on from that... As a group? We all listened to each other’s points and built on it and formed a collective view.”*

G3.P3: *“I think by listening well to other participants they were more likely to listen and be influenced by my opinion.”*

G4.P5: *“...listen to each other as we brainstorm what the issues/problems are and the direction to go to solving it.”*

In conjunction with this approach a number of participants restated opinions they found similar to their own as a “moulding” those opinions to fit with their own agendas, in the hope of gaining more universal appeal for their propositions.

G1.P3: *“I also agreed with minor ideas to drive my ideas which I wanted to put into play. I asked leading questions, but I also challenged other ideas. Overall I moulded thoughts (of others) to suit my ideas”*

G3.P5: *“I’m a firm believer that consensus is not a prerequisite for commitment, so consensus to me is not a be all and end all. I do however find that restating what has been said in a more generic and conceptual way facilitates other parties to understand and agree with me.”*

As such consultation is held to be the most popular tactic, in the opinion of the participants of this study, as a means of developing innovative strategy. It appeared that most participants perceived it to be better to listen and collaborate within their groups as they had the best chance of influencing the outcome of the strategy formulation with that method.

#### **5.4.1.2.2 RATIONAL PERSUASION**

The second most prominent influence tactic (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) according to the participants was that of rational persuasion. Participants held the view that by putting forward their opinion and reinforcing it with factual data would be the most effect manner to gain influence within the group.

G1.P3: *“I reinforced my opinion with facts and previous experience.”*

G2.P4: *“How did I influence people? I think my approach was to listen then understand what was going on and then make suggestions based on facts...”*

G2.P3: *“I tried to use rational persuasion and a calm tone not dissing (disrespecting) people”*

G2.P2: *“Using industry knowledge, knowing the market, I tried to put forward the facts and persuade the others to hear my thoughts.”*

Adopting a fact-based justification was not used in isolation; participants used rational persuasion in conjunction with consultation in order to further bolster their position.

G1.P2: *“Built on their ideas and made references to data available...”*

G1.P5: *“I asked questions and cited information from the case... I think I listened to others, but didn’t always speak to their points...”*

G2.P2: *“I used my enthusiasm, energy and passion in bringing my point across. I think I also used facts from the case somewhat – rational persuasion.”*

These results suggest that participants used rational persuasion to garner support for their ideas both directly and indirectly though combining rational persuasion with consultation. This result is consistent with that of the observational analysis reported in section 5.3.2.5 that also found rational persuasion to be used in conjunction with other tactics.

#### **5.4.1.2.3 PRESSURE**

Pressure was observed predominantly in Group 1 during the observational analysis however it did present in the other groups too. In contrast when it came to understanding the participants’ perceptions of their use of pressure the results were less comprehensive.

Only two participants alluded to their use of pressure during the exercise (G2.P4 and G4.P2). However they took different approaches to applying pressure.

Participant G4.P2 was subtler, choosing to take the lead in the group and manage the team through the use of the whiteboard.

G4.P2: *“I decided to write on the whiteboard to give direction to the exercise”*

During this process participant G4.P2 was observed pressurising fellow participants in his group to come up with ideas, he also served as an informal judge of those ideas. In contrast participant G2.P4 openly cites the use of pressure as a method for bringing people together.

G2.P4: *“I tried to bring people together by putting pressure on them to understand my point of view.”*

Participant G2.P4 was observed utilise the pressure tactic most of all participants in the study. While not widely mentioned by all participants the element of pressure was clearly observed to be in use. The results suggest that not all participants that make use of pressure as a tactic are aware that they do, alternatively they may not be willing to admit they use pressure as an influence tactic.

#### **5.4.1.2.4 LEGITIMATING**

Two participants brought up legitimating (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) as a tactic during this research. One participant believed that if the group perceived someone as having a greater degree of personal experience in a specific area then the rest of the group would accept their proposals.

G4.P1: *“In terms of influence, the group would listen to each member and would pay more attention to those who had more personal experience in a field of discussion.”*

This point was developed further by considering the insights of participant G2.P1 who during the observation made the most frequent use of the tactic of legitimating.

G2.P1: *“Using industry knowledge and also from the case study, I thought of ways to increase market share, offer healthy menu options and develop a social media platform to target “our market”.*

While this comment is not strictly limited to the tactic of legitimating, it does allude to participant G2.P1's view that demonstrating relevant industry knowledge is an effective manner in which to gain influence in a group setting. Since more participants did not echo these comments it is not possible to provide further results on how managers use this tactic in the development of innovative strategy. Considering that the mock exercise given to the group fell out of the expertise of the participants, participants did not utilise this influence tactic as frequently may in part due to their lack of domain knowledge.

#### **5.4.2 REFLECTIONS FOR RESEARCH QUESTION 4**

*What other factors assists managers in applying strategic thinking and influence tactics in group based innovative strategy formulation?*

Participants were asked to share their insights into additional factors they felt might assist managers in developing innovative strategies. These factors were not informed by the literature so reliance was placed on thematic content analysis to surface the underlying themes that encapsulate these factors.

The analysis revealed three broad themes that encapsulated the addition factors participants felt would be helpful in the development of innovative strategy. The first theme was that of personality, the second was structure and the third was pressure. The results for each of these themes are discussed in the subsequent sections.

##### **5.4.2.1 PERSONALITY**

One of the three themes that were surfaced during the analysis was that of personality, specifically the way in which group members interacted based on their personality structure. In this instance there was a distinct emphasis on how "quieter" participants were able to share their opinions.

*G1.P2: "It was interesting to see how the dominant personalities took charge... not necessarily in the right direction though... It was interesting to see how the quiet members' inputs were asked for and how valuable they were in spurring the others' thought process..."*

*G4.P4: "Dominant personalities influenced the group probably."*

In support of these views, the observational analysis indicated that certain participants were in fact dominant within the group setting. A number of participants were unwilling to contribute to the discussions until specifically asked for input by the more dominant participants. However understanding the effects of personality structure on group strategy formulation is entirely outside the scope of this research. As such this section will suffice in reporting the results that were gained from the analysis.

#### **5.4.2.2 STRUCTURE**

Participants were placed in groups that had no implicit or explicit hierarchy, no roles and no fixed structure. The aim was to remove any external factors that might influence their use of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) or influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013). Providing the participants with a blank slate to surface the factors that they perceived as helpful to their use of strategic thinking and influence.

Consequently one of the major factors identified was that of structure, the comment of participant G1.P3 set the tone for the conditions the group experienced.

*G1.P3: “The initial step was the most difficult... coming up with the starting departure point. I found that people had very different perceptions of the information provided [in the case] and it took time to understand and collate the [groups] ideas.”*

When time pressure was considered participant G4.P4 was of the opinion that the lack of structure hampered Group 4’s ability to think.

*G4.P4: “All formality goes out the window with time pressure. I couldn’t even think. This task needed to be broken down into a more systematic approach.”*

This research shows that participants had difficulty not only in agreeing a point of departure for the exercise, but also in being able to think under time pressure without a set structure in place. Despite the freedom and non-hierarchical

environment for the exercise, comments surfaced that show the inherent need for assigned roles.

G1.P5: *“Would be interesting to see how people did if they were given roles, we were kind of scattered as we settled into roles...”*

Another participant alludes to the idea that each member of the team should be a specialist in a particular field, essentially driving the legitimacy of each participant.

G4.P1: *“It would be interesting to bring experts in from each different field, for example: marketing, strategy, etc. and then see how that changes the influence on the perceptions of others.”*

Clearly participants felt that structure in the form of assigned roles, or even simply a more structured approach that gave each participant an equal chance to be heard as evidenced by the comments of participant G3.P1 below.

G3.P1: *“...each team member takes a turn in presenting his/her idea while others were taking notes; and then we go over it again.”*

In summation the result presented in this section point towards participants feeling that a structured approach would enable them to think more clearly and be able to influence the group in a more effective fashion. Thus allowing them to present their ideas on a more equal basis.

#### **5.4.2.3 PRESSURE**

Of the three additional factors that may assist managers applying strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the formulation of innovative strategy, pressure was by far the most widely cited. When asked directly what participants thought would assist them, the element of pressure was not explicitly mentioned. Through deeper analysis of the responses to all the interview questions a clear theme emerged. It became clear that when external pressure was added, in this case the reduction of allotted time, it created a sense of urgency and increased the level of focus within the group. A selection of participant's comments is reported below in support of this result.

G2.P4: *“When pressure was added it really focused the group – as the pressure got higher I think we got more innovative and had a lot more ideas within our immediate focus as well.”*

G1.P1: *“The time pressure helped people to focus, I think when there was too much time it decreased focus and made people debate more. When there was less time it forced people to be more innovative.”*

G2.P5: *“Then when you cut the time and we only had 5 minutes we really had to focus to get the job done.”*

Evident from the above comments is that the participants perceived the time pressure as vital in driving the ultimate result of the exercise. It appears to have driven the groups to a developing more innovative solutions. Critically the aim of the exercise was to develop a complete solution to the provided case study, as such it was essential for the groups to actually complete the task. A number of participants welcomed the additional pressure as it drove them to complete the exercise, the following comments add support to this assertion.

G3.P2: *“We were quite focused from the beginning, although I think sometimes focused on different aspects of the strategy. By cutting the time it led to quick consensus – a decision had to be made!”*

G3.P1: *“I think the team was focused on the task but they did get wrapped up in the detail, they were focusing on a number of different aspects besides the strategy formulation. Cutting the time down really did help to increase the focus on pulling out the strategy and getting a description.”*

G4.P2: *“When time was cut the group ensured we wrap-up and have a complete solution to present.”*

In summation of the above results, participants were of the opinion that the element of pressure served as a whetstone to sharpen their focus as well as providing the necessary impetus to focus the group on delivering the required output. Supplementing these results, a number of participants perceived the increase in pressure to be a driver of more innovative thinking at the group level.

## 5.5 REMARK

The results presented in this chapter have been developed from a two-phase research methodological approach. In the first phase participants were observed completing a strategy formulation exercise, the results of which are presented in section 5.3. Subsequently in the second phase participants were interviewed (using a semi-structured approach) to obtain insights into their perspectives of their use of both strategic thinking and influence tactics. The results from both phases of this research provide support for the existing literature, while concurrently surfacing a number of additional insights around the group usage of strategic thinking and influence tactics. The following chapter attempts to reconcile these findings with the established theory base, and discuss these results in further detail.

## 6 DISCUSSION OF RESULTS

### 6.1 INTRODUCTION

This chapter provides a detailed discussion of results reported in Chapter 5.. The observational study and subsequent semi-structured interviews allowed for a broad dataset that allowed emergent and literature-imposed themes to emerge. These themes provided substantial insight in the way managers use strategic thinking and influence tactics in the development of innovative strategy at a group level. The discussion of results in this chapter augment the current literature around the use of strategic thinking and the use of influence by manager at group level in the development of innovative strategy.

### 6.2 DISCUSSION OF RESULTS FOR RESEARCH QUESTION 1

*How do managers use strategic thinking in groups to develop innovative strategy?*

This question aims to explore how managers actually use these elements during a group strategy formulation exercise. The results for this question were derived through thorough observational analysis of the dataset generated from the video

recording (Gravetter & Forzano, 2009; Tang & Leifer, 1991) of the group strategy formulation session that took place during this research.

In an attempt to provide structure to the discussion of the results presented in Chapter 5 this section handles each of Liedtka's (1998) five elements of strategic thinking separately in order of prominence and finally concludes with a summation of the overall insight offered in response to this question.

### **6.2.1 A SYSTEMS PERSPECTIVE**

The results presented in Chapter 5 identify the element of a systems perspective (Bonn, 2005; Liedtka, 1998; Moon, 2013) to be the second most prominent of all the elements of strategic thinking. When take in the context of the existing literature there appears to be substantial support for this element. A systems perspective is present in each of the three existing models of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013). Considering the prominent role this element plays in the literature, particularly the more recent work of Moon (2013) and Bonn (2005) it is critical to understand the inherent presence of this element at a participant level. Section 5.3.1.1 reports that 17 of the 20 participants inherently displayed the ability to adopt a systems thinking perspective confirming the combined view of the existing literature as to the importance of this element to strategic thinking process

The findings in this research revealed that systems thinking was present in all participant groups (figure 4). Participants perceived a systems thinking approach (Bonn, 2005; Liedtka, 1998; Moon, 2013) to be helpful in two distinct components of the innovative strategy formulation process. Primarily to get an overall grasp of the nature of the problem the innovative strategy is intended to address. This result is supported by Bonn (2005) in her work on the strategic thinking at an organisational level, where a systems perspective is seen as being critical to gaining an integrated view of the organisation and its internal and external environments. Similarly this systems perspective is critical in developing a multi-perspective view of the organisation. Enabling groups to understand the relationships between commercial, business unit and functional elements of the business (Liedtka, 1998). Essentially engendering an entrepreneurial viewpoint,

that enables these groups to navigate and capitalise on the existing business environment (Zahra & Nambisan, 2012).

The second way in which participants found a systems perspective to be useful in the innovative strategy formulation was of a more practical nature. Participants G1.P4 and G4.P1 felt their groups used this systems thinking approach as a means of deconstructing the larger problem of innovative strategy development into more manageable sub-problems. This is in contrast to the established literature base on strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 1998; Mintzberg, 1994; Moon, 2013; Zahra & Nambisan, 2012) that understands a systems perspective as a way of combining multiple perspectives of the internal and external interactions of an organisation (Bonn, 2005; Zahra & Nambisan, 2012) with its departmental and functional elements (Liedtka, 1998). It is clear that taking a systems thinking approach can help to gain holistic view of the challenges and opportunities facing an organisation (Bonn, 2005; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012) in defining the strategic problem. Yet we must turn to the discipline of change management to find support for the argument that systems thinking can also be used to deconstruct complex problems into smaller components without compromising the inherent complexity through oversimplification (Senge et al., 2007). New approaches such as lean and agile adopt a similar philosophical approach, advocating holistic understanding of the bigger problem followed by subsequent deconstruction into manageable tasks (Blank, 2013; Mason-Jones, Naylor, & Towill, 2000; Ries, 2011).

As such this research is in agreement with the current view of systems thinking as a way of creating a holistic view of complex organisational factors (Bonn, 2005; Moon, 2013). However it suggest an additional contribution to the existing literature on strategic thinking. The ability to deconstruct complex problems into more manageable work streams, without sacrificing the intrinsic intricacies of the holistic problem is critical for entrepreneurial leaders (Jenkins Johnson, 1997; Martinez, 2013).

### 6.2.2 INTENT FOCUSED

Haynie and Shepherd (2009) consider goal orientation to be the “extent to which the individual interprets environmental variations in light of a wide variety of personal, social, and organizational goals”. As such a managers ability to adopt intent focus (Liedtka, 1998) and consistently drive toward the object of his intent proves to be a principle driver of attaining goals in competitive environments (Duckworth, Peterson, Matthews, & Kelly, 2007; Von Culin, Tsukayama, & Duckworth, 2014). As such this research uncovered that all participants were successful in completing the exercise thanks to the element of intent focus (Liedtka, 1998) being present in all the participating groups (Figure 5). Additionally the results of the observational analysis show that the level of focus within the groups doubled on average after the introduction of time pressure. This contrasts Liedtka’s (1998) envisaging of the element of intent focus, where she proposes that the level of intent focus should not fluctuate irrespective of the time allocated to the task. Considering the intersection of intent focus and vision (Bonn, 2001; Bonn, 2005), no clear link is made between time and the level of focus in the application of strategic thinking. Primarily the importance is placed on the fact that groups can use focus to marshal their skills and competencies in order to develop strategic solutions (Bonn, 2005; Moon, 2013). This observational results support the view that focus is critical in delivering an innovative strategic solution (Bonn, 2005; Liedtka, 1998; Moon, 2013) however suggests that by including the element of time pressure it is possible to increase the overall level of focus within Groups (Duckworth et al., 2007; Von Culin et al., 2014).

To further develop this assertion, this research draws on the insights surfaced through analysis of the individual participant perceptions regarding both the element of intent focus (Liedtka, 1998) and that of the induced time pressure. Participants tended to view their intent focus as crucial to the task at hand. Supporting the view that focus was used to marshal the individual level skills within the group to achieve the desired outcome (Bonn, 2005; Moon, 2013). Additionally they felt that the addition of time pressure increased their overall level of focus.

These results add support to the existing literature, showing that intent focus was both present and helpful in driving group level strategic thinking. Clarifying the way in which intent focus (Liedtka, 1998) is used in groups, as a way in which the skills of the group may be collectively marshalled and applied to the problem at hand (Bonn, 2005; Moon, 2013). Additionally the way in which time pressure drives both focus and innovativeness has been surfaced. This has been explored further in the discussion of results for research question 4.

### **6.2.3 INTELLIGENT OPPORTUNISM**

The view taken in the existing literature is a combination of Liedtka's (1998) element of intelligent opportunism, essentially advocating a degree of open-mindedness when seeking potential strategic directions, and that of creativity in the approach to solving strategic problems (Bonn, 2005; Moon, 2013). Both Bonn (2005) and Moon (2013) believe that in order to think strategically individuals and groups should remain open to a number of different potential solutions. While the need for focus is critical (Bonn, 2005; Liedtka, 1998; Moon 2013) it should not limit the degree of creativity (Bonn, 2001) and intelligent opportunism (Liedtka, 1998) within the group.

The observational results suggest that the element of intelligent opportunism was present in all participating groups (figure 6). However the subsequent results from the semi-structured interviews failed to deliver any additional insight into how participants perceived their use of this tactic. Consequently, this research acknowledges the presence of intelligent opportunism, but fails to make any further progress into the way in which managers use this element of strategic thinking. The theories of effectuation suggested that deriving a good entrepreneurial decision comes from the process of analysing a set of means, to predict an array of potential possible outcomes and thereafter intellectually use the resource in hand to capture the best possible return for the particular context (Sarasvathy, 2001). Therefore this study posits that the participants lack the capabilities of thinking effectually despite majority of them received advanced management degrees.

#### **6.2.4 THINKING IN TIME**

Thinking in time refers to the way in which strategic thinkers, consider the way in which strategic thinking considers the organisational past present and future when developing a course of action (Liedtka, 1998). Interestingly the conceptual models of strategic thinking proposed by Moon (2013) and Bonn (2001; 2005) do not explicitly take into account the element of thinking in time, placing little emphasis on the link between past, present and future. Moon (2013) makes no mention of the relevance of an organisations history in determining potential future course of action, merely noting a holistic environmental perspective must be applied. In contrast Bonn (2005) while discussing a strategic thinking in an organisational context briefly acknowledges the share history of an organisation as lens through which to view to understanding how organisations can change over time. In contrast, Zahra and Nambisan (2012) suggested that strategic thinking requires both foresight and insight. Foresight is seen as the comprehension of the nature of the future from the present, while insight is the creative process of defining the forthcoming future. Developing the tools with which to shape this new competitive arena (Zahra and Nambisan, 2012).

The insights offered by this research, specifically those developed from the analysis of participant interviews, prove to be in support of Liedtka's (1998) initial proposition. Participants perceived the past to be crucial in understanding the core competencies present in the organisation before attempting to chart an innovative strategic course into the future.

This research demonstrates distinct support for Liedtka's (1998) argument, showing that managers use thinking in time as a means of understanding the deeper nature of the organisation. Participants consistently considering the different elements of the time continuum when developing an innovative strategy for the future, however the results presented in Chapter 5 do show a preference toward considering the past and present.

#### **6.2.5 HYPOTHESIS DRIVEN**

The ability of an individual or, in the case of this research, a group of individuals to think is critical to support the development of innovative strategy (Zahra & Nambisan, 2012). Furthermore the ability to adopt a scientific approach to

thinking is seen as a critical competency (Liedtka, 1998) which can be used to outthink and out-manoeuvre an organisation's competitors (Benito-Ostolaza & Sanchis-Llopis, 2014; Moon, 2013). The scientific element of the strategic thinking process is that of being hypothesis driven (Liedtka, 1998) and is clearly observed in this research, being the single most frequently used element of strategic thinking in this study (figure 8).

While only a single theorist embraces this element as critical enough to form a key pillar within the model of strategic thinking (Liedtka, 1998), other theorists do implicitly acknowledge its role in the process (Bonn, 2001; 2005). The element of creativity is seen to be a method of asking questions and generating assumptions in order to avoid the development of limited strategies (Bonn, 2005; Moon, 2013) however, the level of generality of this perspective fails to capture the critical nature of taking an explicit scientific approach as advocated by Liedtka's (1998) element of a hypothesis driven approach.

This research, has gained significant insights in the distinct usage of a hypothesis driven approach in the development of innovative strategy. Group 1 illustrated the importance of hypotheses as a manner in which to frame their overall thinking about the problem they were faced with in the exercise. This systematic approach allowed the participants to explore multiple futures and thus suggested a significant link between thinking in time (Liedtka, 1998) as a means of outthinking competitors (Benito-Ostolaza & Sanchis-Llopis, 2014; Moon, 2013).

While a hypothesis driven approach is seen as a way of taking a scientific approach to developing unrestricted and creative strategy ((Bonn, 2001; Bonn, 2005; C. C. Lewis & Ryan, 2014; Moon, 2013; Zahra & Nambisan, 2012), this research surfaced the element of nested-hypotheses (section 5.4.3.1.5). These nested hypotheses were perceived to actually limit the degree of creativity that groups exhibited while developing their strategies. A number of participants expressed concern as to the limiting nature of this approach. These insights provide an element of support to the view that creativity is also crucial in the development of innovative strategy (Bonn, 2005; Moon, 2013). However the importance of a systematic and scientific approach to thinking cannot be disregarded (Liedtka, 2014; Liedtka, 1998; Zahra, 2015; Zahra & Nambisan,

2012). As such the insights gained from this research further develop the notion of a hypothesis driven approach, re-enforcing its importance while suggesting the incorporation of elements of design thinking as a means of embracing creativity while still maintaining a systematic approach to innovative strategy development (Liedtka, 2014).

#### **6.2.6 SUMMARY OF INSIGHTS FOR RESEARCH QUESTION 1**

This research demonstrates that the use of strategic thinking at group level is inherently present during the formulation of innovative strategy in accordance with the established theory base (Bonn, 2005; Moon, 2013). In addition it makes a contribution to the established understanding of how managers use strategic thinking at a group level to develop innovative strategy.

Essentially identifying the use of a hypothesis driven approach (Liedtka, 1998, 2014) as the most prominent element of strategic thinking. However in contradiction to Liedtka's (1998) original view, a hypothesis driven approach has been perceived as limiting the creativity of the group at large. In an effort to reconcile the element of a hypothesis driven approach (Liedtka, 1998) with the element of creativity (Bonn, 2005; Moon, 2013) it is suggested that the incorporation a design thinking approach as proposed by Liedtka (2014) may provide a way by which managers may embrace a scientific approach to strategy formulation without limiting creativity.

The element of a systems perspective as a component of strategic thinking is advocated by the existing theory base (Bonn, 2005; Liedtka, 1998; Moon, 2013) and is subsequently confirmed by this research. However this research identifies a critical use of systems thinking previously unexplored in the existing theory base. While it is held that systems thinking is a means by which groups can obtain a holistic view of the organisation and it's internal and external environments (Bonn, 2005; Liedtka, 1998; Mintzberg, 1994; Moon, 2013; Zahra & Nambisan, 2012). This research offers that this systems thinking approach has been used as a method of deconstructing complex strategy formulation problems into more manageable sub-problems. Support for this assertion is gained from the field of organisational change management, where similarly systems thinking is seen as a way of deconstructing large problems into smaller ones without compromising

the overall complexity of the solution through oversimplification (Senge et al., 2007).

Thinking in time (Liedtka, 1998) was supported by this research, emphasising its importance as a means of understanding the current competencies, opportunities and threats facing an organisation. A clear link was drawn to the past, with participants perceiving the present to be a function of past strategies. Thus they used this perspective to avoid past pitfalls when developing strategy with which to lead the organisation into the future.

Similarly this research supports the view of intent focus proposed by Liedtka (1998) emphasising the importance of intent focus on the problem at hand as a means of delivering a complete solution. In conjunction, this level of focus was seen as a way of marshalling the entire groups competencies in pursuit of innovative strategy. Additionally, this research surfaced the importance of pressure as a driver of focus, an element that has been discussed more comprehensively in section 6.5.

Finally, this research was unable to draw any significant conclusions as the use of intelligent opportunism in the development of innovative strategy. In light of this the only result offered is that this element was observed during the exercise, and as such appears to support the established literature base (Bonn, 2005; Liedtka, 1998) in this regard.

### **6.3 DISCUSSION OF RESULTS FOR RESEARCH QUESTION 2**

*How do managers use influence tactics in groups to develop innovative strategy?*

The aim of this discussion is to combine the results surfaced during this research on the way managers' use influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) in the development of innovative strategy. Prior to understanding how managers use these tactics, this research presents its findings on which tactics were observed in this study. Essentially during the observation phase of this study, the researcher was only able to identify seven of the nine influence tactics (Falbe & Yukl, 1992; Lechner & Floyd, 2012; Yukl, 2013) discussed in the review of the current theory base. These tactics in order of most to least observed are: consultation, personal appeals, rational persuasion, pressure, coalition,

legitimizing and inspirational appeals. Absent from this observation were the tactics of exchange and ingratiation, this supports the view that both of these tactics are largely ineffective and have seldom been observed in previous research (Falbe & Yukl, 1992).

Subsequently during the analysis of participants perceptions around their use of Yukl's influence tactics (2013) it surfaced that participants actually perceived that they used fewer tactics than were observed (section 5.4.3.2). Thus the first contribution made by this research is that while managers use influence tactics in the development of innovative strategy (Lechner & Floyd, 2012), they are not acutely aware of all the tactics they use based on the observations and reflections reported in this study.

In so far as providing insight into how managers actually use these tactics, this research has utilised the analysis of the participant's perceptions in conjunction with the established literature reviewed in Chapter 2. These insights will be presented under the themes imposed by the literature (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013), that were actually observed during this research in the order of their prominence.

### **6.3.1 CONSULTATION**

Consultation was the most frequently observed influence tactic and was also the most used tactic by participants (Figure 11). This view is supported by literature as many theorists view consultation as one of the three most frequently used and effective influence tactics (Higgins, Judge, & Ferris, 2003; Robbins & Judge, 2013; Yukl, 2013). It is effective in both downward and lateral influence situations (Falbe & Yukl, 1992), an assertion supported within this research where groups were formed without any hierarchy. The method of consultation is consistent with that of coalition building in the absence of formal power structures (Lechner & Floyd, 2012) that is said to occur in group influence environments. This is not to be confused with the separate tactic of coalition. The discourse around influence tactics tends to create differing labels that may represent similar tactics especially in areas where multiple tactics overlap (Higgins et al., 2003). As such, the spirit of Lechner's (2012) coalition building is held to be relevant to the way in which participants used the tactic of consultation in this study.

Developing this assertion further, participants perceived the tactic of consultation to be useful in developing a consensus view across the entire group, and driving collaboration. This research supports the view of the existing literature in so far as consultation could be used by an agent to recruit support from a target by including them in their plans (Falbe & Yukl, 1992; Robbins & Judge, 2013). However, it adds specific insight for the process of innovative strategy development. Consultation serves as a method of developing a group consensus and developing an overall collaborative environment. Developing consensus as a group is necessary in a real world environment as a means of attracting resources for innovative initiative (Higgins et al., 2003). As such this research asserts that the tactic of consultation is critical in the group based development of innovative strategy.

### **6.3.2 PERSONAL APPEALS**

Despite being the second most frequently observed influence tactic (Figure 12) the tactic of personal appeal was not mentioned either implicitly or explicitly by any participant during the semi-structured interview portion of this research. The lateral nature of the group structure in this research supports the frequent use by participants of this tactic (Falbe & Yukl, 1992; Robbins & Judge, 2013). With no participant insight into the use of this tactic, the subsequent findings of this research are limited to the results gained through observation. As such this research holds that participants made use of this tactic when they had a diminished fact base to support their assertions. Consistent with the literature (Fu & Yukl, 2000; Higgins et al., 2003) this tactic, while effective, lacked the efficacy of the other frequently observed tactics of consultation, legitimacy and rational persuasion. However, within the scope of this study it was not as effective as the tactics of consultation, legitimacy and rational persuasion.

### **6.3.3 RATIONAL PERSUASION**

The use of rational persuasion ranked among the top three most frequently used influence tactics throughout this study (Figure 13). Participants perceived their use of rational persuasion (Falbe & Yukl, 1992; Robbins & Judge, 2013) to be second only to that of consultation. This result is not surprising as rational persuasion is considered the most versatile influence tactic and is the preferred

tactic for use in upward, downward and lateral influence activities (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Lechner & Floyd, 2012; Yukl, 2013).

Participants were found to have the greatest congruence between their actual and perceived usage of the tactic compared to all other tactics explored in this study. In this study. Comparably, participants did not make use of this tactic in isolation (Falbe & Yukl, 1992; Robbins & Judge, 2013). Typically, participants revealed a combination of rational persuasion and consultation when making appeals to the group.

Results further indicate that at the group level, the element of rational persuasion was consistently present. This is seen as a critical success factor for groups within organisations hoping to obtain resources for innovative initiatives (Lechner & Floyd, 2012), as the use of rational persuasion reduces the uncertainties surrounding such initiatives.

#### **6.3.4 PRESSURE**

When time constraints were imposed on participants, they were observed to exhibit signs of pressure, supported the semi-structured interviews. This tactic implies that the participant uses repeated demands and threats in order to assert their positions and win acceptance with the group. This was observed as the participant standing and appearing to attempt to assert dominance within the group. Typically this tactic is not effective in lateral influence attempts tending to attract resistance rather than compliance (Falbe & Yukl, 1992). This was certainly the case with the G2.P4 who adopted a traditional approach and were met with consistent resistance from the group at large. In contrast G4.P2 adopted a subtler approach, assuming a dominant role and applying pressure in accordance with consultation, proving to be a far more effective approach.

#### **6.3.5 COALITION**

The use of coalitions in the development of innovative strategy was noted, however the participants in Group 1 predominantly drove the overall usage. Coalitions are typically not as effective as other tactics in garnering support for

agent's proposals (Falbe & Yukl, 1992). This tactic was observed to be less effective than others observed.

### **6.3.6 LEGITIMATING**

The findings show that legitimating was observed in all participating groups (Figure 14). Legitimating is typically used to gain acceptance for a proposal through the demonstration of implicit authority over a task or subject matter (Falbe & Yukl, 1992). Two participants made extensive use of legitimating suggesting that they believed a group would be more likely to accept an opinion if they felt the participant providing the opinion had some authority (Falbe & Yukl, 1992). The efficacy of this tactic is largely driven by the agents skill and timing of its use (Robbins & Judge, 2013). Here, this tactic was observed as having limited efficacy, and largely attracting resistance from other participants consistent with Falbe & Yukl's (1998).

### **6.3.7 INSPIRATIONAL APPEALS**

Inspirational appeals are viewed as one of the three most popular and effective influence tactics (Higgins et al., 2003; Robbins & Judge, 2013; Yukl, 2013). In this research, this tactic was the least frequently observed of the seven mentioned previously (Figure 10). Please quote the number here again. Furthermore, during the analysis of the interview responses, this tactic was not mentioned at all by any of the participants. Considering that this tactic is most effective and prevalent in lateral appeals where both the target and the agent relate at the same level (Falbe & Yukl, 1992), this observation took place in such an environment. The lack of observation is questionable. This exercise focussed on the development of innovative strategy which itself is largely dependant on factual data (Zahra & Nambisan, 2012). Perhaps the nature of the tactic of inspirational appeal being based in emotion rather than factual evidence (Falbe & Yukl, 1992; Robbins & Judge, 2013) provides a viable explanation for its relative absence in the formulation of innovative strategy.

### **6.3.8 CONCLUSIVE RESULTS FOR RESEARCH QUESTION 2**

Overall, a number of key insights into the way in which managers use influence tactics in the development of innovative strategy were elucidated. Primarily, managers don't inherently use all nine elements of strategic thinking (Falbe &

Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) in the development of innovative strategy. Furthermore certain elements, were observed to be more effective than others. Consultation was the most frequently used followed by personal appeals and rational persuasion. This is consistent with the view that these tactics are best suited to lateral influence attempts (Falbe & Yukl, 1992; Lechner & Floyd, 2012; Robbins & Judge, 2013; Yukl, 2013). The efficacy of these tactics was further confirmed by insights gained from the semi-structured interviews. Overall, the element of consultation in combination with that of rational persuasion and legitimating proved to be the most effective combination in driving the overall level of collaboration within the groups. Supporting the view that group level coalitions built on collaboration are essential in developing innovative strategy (Lechner & Floyd, 2012). As such, this research proposes the use of these three collaborative influence tactics in the development of innovative strategy.

## **6.4 DISCUSSION OF RESULTS FOR RESEARCH QUESTION 3**

*How do managers perceive their use of strategic thinking and influence tactics?*

The results for this research question are systematically presented under the headings of strategic thinking; influence tactics and finally the synthesis of both components are presented under conclusive results for research question 3. The aim of this question is to provide insight in to the congruence between a managers perceptions and behaviours in the application of these tools.

### **6.4.1 STRATEGIC THINKING**

The results of this research suggest that managers are largely aware of their use strategic thinking elements, with participants able to identify their use of four of Liedtka's (1998) five elements of strategic thinking. Notably, the use of intelligent opportunism was not observed. Each of these elements will be discussed individually in the sections to follow.

#### **6.4.1.1 SYSTEMS PERSPECTIVE**

A systems perspective is necessary for the development of a holistic perspective of a complex interrelated environment (Bonn, 2001; Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012). This research provides

support for existing literature. Additionally it has revealed novel insights in the way managers use a systems perspective. Participants perceived themselves using a systems thinking approach to disaggregate complex strategic problems into lesser sub-problems without compromising the inherent complex nature through oversimplification (Senge et al., 2007). Providing a potentially new element to the established view of systems perspective as it relates to strategic thinking.

#### **6.4.1.2 INTENT FOCUSED**

Participants perceived the element of intent focus to be critical to the process of strategic thinking, particularly recognising its importance as a means of marshalling the collective skills (Bonn, 2005) within the group and directing them towards the ultimate solution of the strategic problem (Liedtka, 1998). However while Liedtka (1998) calls for intent uninterrupted focus irrespective of the amount of time it takes to solve the problem, the participant's perceived their focus as slipping through the exercise. They were cognisant that from time to time individually and as a group they lost focus. This assertion was supported by the insights gained during the observation. Bonn (2005) and Moon (2013) address this issue through their element of vision, essentially calling for visionary leadership to drive the focus within groups. In contrast this research found that the introduction of an element of pressure was effective in driving the level of focus within the group, thus granting a non-hierarchical group access to intent focus without the need for visionary leadership.

#### **6.4.1.3 INTELLIGENT OPPORTUNISM**

This research was unable to surface any substantial insight into the way in which managers perceive their use of this element of strategic thinking. However in light of this lack of positive confirmation, this research offers that, while managers use the element of intelligent opportunism (Liedtka, 1998) inherently, they do not perceive themselves using it in the formulation of innovative strategy.

#### **6.4.1.4 THINKING IN TIME**

This study demonstrated the importance of a time-based view (Liedtka, 1998) of the organisation as a necessity in developing an innovative strategy. Participant's

perceptions were in line with their practical application of this element. Furthermore the perceptions analysed in this research reflect that participants had a far deeper awareness of the element of thinking in time (Liedtka, 1998) than envisaged in the more current work on strategic thinking (Bonn, 2005; Moon, 2013). As such participants perceived their use of this element across the entire time continuum, adding specific insight around the importance of past, present and future, specifically applying a systems based approach (Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Senge et al., 2007) to the element of thinking in time in the development of innovative strategy. Thus demonstrating significant congruence between their thoughts and actions.

#### **6.4.1.5 HYPOTHESIS DRIVEN**

The element of a hypothesis driven approach (Liedtka, 1998) was the most frequently observed element of strategic thinking (Bonn, 2005; Liedtka, 1998; Moon, 2013) throughout this research. The perceptions of managers as to their use of this element were largely congruent with their actions. However the issue of defining what is meant by a hypothesis driven approach was raised. As such while managers recognise their use of a hypothesis driven approach they don't necessary label their actions to be hypothesis driven.

#### **6.4.2 INFLUENCE TACTICS**

Perceptions of managers as to their usage of the various element of influence (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Yukl, 2013) in the development of innovative strategies were limited to four discrete influence tactics, consultation, rational persuasion, pressure and legitimating (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013). As such this research offers that while managers make use of other influence tactics such as coalition, personal appeals and inspirational appeals they do not perceive themselves using these tactics. Thus indicating a lack of congruence between their perceptions and application of their use of these tactics. Subsequently this section will discuss more fully the empirical insights gained on the four influence tactics managers perceived themselves applying in the development of innovative strategy.

#### **6.4.2.1 CONSULTATION**

Consultation (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) proved to be the most frequently observed tactic within the confines of this research. As such managers generally tended to be congruent with their perceptions regarding their use of this tactic. While they did not explicitly name this tactic during the interview portion of this research, their insights reflected the underlying definition of this tactic offered in the existing literature (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

#### **6.4.2.2 RATIONAL PERSUASION**

Managers displayed the greatest degree of awareness of this particular tactic referring explicitly to their application of it during this research. Furthermore manager's perceptions of their use of the tactic of rational persuasion (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Lechner & Floyd, 2012; Yukl, 2013) and their observed usage of this tactic were congruent. As such this research asserts that managers thoughts and behaviours when applying the tactic of rational persuasion in the development of innovative strategy are consistent.

#### **6.4.2.3 PRESSURE**

This research demonstrates that managers that were the most prominent users of the tactic of pressure (Falbe & Yukl, 1992; Fu & Yukl, 2000; Yukl, 2013) were consistent in their perceptions of their usage of this tactic. However their perceptions regarding the efficacy of their application of this tactic were inconsistent. The efficacy of this tactic is questionable in lateral influence situations typically attracting more resistance than compliance (Falbe & Yukl, 1992; Robbins & Judge, 2013). However one of the participants that relied upon pressure as a primary means of influence perceived the use of this tactic to be effective, while the results gained through observation proved to be contrary to this assertion. As such this research offers that while managers are congruence in their perceptions and actions as to their use of pressure as a method of influence they are largely oblivious to the efficacy of its usage.

#### **6.4.2.4 LEGITIMATING**

Similarly to the tactic of pressure, the overall usage of legitimating as a means of influence was not widespread. However those participants using the tactic of legitimating (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) demonstrated consistency between their perceived and actual usage of this tactic. Furthermore their perceptions as to the efficacy of this tactic were in line with the established viewpoint that legitimacy was effective in later influence situations (Falbe & Yukl, 1992; Robbins & Judge, 2013).

#### **6.4.3 CONCLUSIVE RESULTS FOR RESEARCH QUESTION 3**

This research offers insight into the way in which managers perceive their use of strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Yukl, 2013) during the formulation of innovative strategy. Managers were found to be generally congruent in their perceptions of their use of strategic thinking and their actual observed usage of this tool. With only a single element of strategic thinking being observed during this research that showed incongruence between managers perceptions and actions. Essentially, participants made use of this element but failed to realise it.

However their perceptions are not as consistent in the application of influence tactics. Ultimately managers were seen as using certain tactics, however not recognising or acknowledging this behaviour. Critically one of the greatest determinants of efficacy of an influence tactic is the manager's skill and knowledge in both timing and application of the tactic (Lechner & Floyd, 2012; Robbins & Judge, 2013). This is certainly a concern when considering the ability of a manager to master all the influence tactics at their disposal. Despite this general observation, managers tended to demonstrate consistency between their perceptions and application of their most frequently used influence tactics. Finally, another general insight showed that at times manager's perceptions of the efficacy of the tactics they chose to employ were inconsistent with their observed efficacy, specifically in the case of the tactic of pressure.

## **6.5 DISCUSSION OF RESULTS FOR RESEARCH QUESTION 4**

*What other factors assists managers in applying strategic thinking and influence tactics in group based innovative strategy formulation?*

The factors uncovered by this research that may assist managers in applying strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Yukl, 2013) during group based strategy formulation represent the synthesis of all the various insights presented thus far. As such these factors represent three central emergent themes each discussed in detail in the ensuing sections.

### **6.5.1 PERSONALITY ISSUES**

Echoing the results presented in the previous chapter managers identified that personality issues might have an effect on their ability to use strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012) and influence tactics (Falbe & Yukl, 1992; Fu & Yukl, 2000; Higgins et al., 2003; Yukl, 2013) in the formulation of innovative strategy. Specifically these insights address the way in which individuals contribute to the group level discussion, drawing a distinction between the ways “quiet” individuals can be assisted in contributing. While this is an interesting insight, the study of personality is a broad discipline and well beyond the scope of this research.

### **6.5.2 STRUCTURE**

In an attempt to create a sanitised environment within which to study the natural behaviours of participants during this research (Tang & Leifer, 1991; Zikmund, 2003) the decision was taken to create groups without any implicit or explicit hierarchies. In so doing the intention was to create a space in which managers would be forced to use influence tactics in a lateral fashion (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013), placing each participant on a equal footing.

Interestingly the managers perceived this lack of implied structure to be a hindrance in their completion of the exercise. Specifically they felt that the lack of structure made it difficult to gain consensus on a point of departure for the

strategy development. While participants managed to individually create a holistic view of the entire system (Bonn, 2005; Liedtka, 1998; Moon, 2003) they found it challenging to agree to a group systems perspective of the task at hand. Subsequently this research argues that the lack of proficiency in applying the necessary influence tactics at the correct time (Lechner, 2012) force the reliance on an authoritative means of deciding the course of action. Developing this perspective further, participants raised the idea of defined roles. Essentially advocating that the group contain a specialist in each functional area, suggesting a group level acceptance of legitimating (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) as a viable source of influence. Once again this research asserts that the element of structure should not be seen as a crutch to support an ineffective use of influence. This may inhibit the crucial collaborative environment in which group innovative strategies are formulated (Lechner, 2012).

While critical of the adoption of explicit structure as a coping mechanism, this research acknowledges the issues presented about quiet or shy participants. As such this research supports the idea of a loose structure in so far as it creates an environment where managers are able to contribute equally to the group discussion.

### **6.5.3 PRESSURE**

During this research the researcher deliberately introduced an element of pressure into the strategy formulation exercise in the form of a surprise time decrease. This was observed to increase the overall level of intent focus (Liedtka, 1998) within the group. Furthermore it was observed as driving quieter participants to attempt to influence others to accept their perspectives. The typical nature of this influence was observed to be the usage of consultation and rational persuasion (Falbe & Yukl, 1992; Fu & Yukl, 2000; Lechner & Floyd, 2012).

This view was supported by the insights gained by participants to this study. They held the opinion that the introduction of pressure forced them to collaborate and focus on the issue at hand. Interestingly this negates the need for visionary leadership as proposed by Bonn (2005) and Moon (2013). Advancing this idea the participants also noted that they perceived the additional pressure to drive the overall level of innovation with the group. The observational analysis largely

supports this viewpoint, certainly in so far as the level of energy and engagement of the group was concerned.

Thus this research asserts that the addition of pressure assists managers in both thinking strategically (Bonn, 2001; Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013; Zahra & Nambisan, 2012) by increasing the level of intent focus (Liedtka, 1998) and driving the collaborative nature of the group through the influence tactics of consultation and rational persuasion (Lechner, 2012).

#### **6.5.4 CONCLUSIVE RESULTS FOR RESEARCH QUESTION 4**

The factors identified by this research that may potentially assist managers in the development of innovative strategy are those of structure and pressure. This research has surfaced their ability to assist managers in applying discrete elements of intent focus (Liedtka, 1998) as well as driving their overall level of collaboration (Lechner, 2012) through the effective use of influence tactics (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

#### **6.6 PROPOSED MODEL**

In consideration of the four research questions addressed by this research it attempts to create a more compressive understanding of the way in which managers use strategic thinking and influence in the development of innovative strategy. The qualitative nature of this research lends itself to an exploratory rather than definitive and generalizable understanding of a topic (P. Lewis & Saunders, 2012; Zikmund, 2003). As such this research presents a model that contributes to the overall understanding of the way in which group level strategic thinking and influence tactics can be accessed in the development of innovative strategy.

This exploratory model of group level strategic thinking for the development of innovative strategy (figure 17) proposes the integration of influence tactics, strategic thinking structure and time pressure. Specifically this model incorporates the collaborative influence tactics of rational persuasion, consultation and legitimating, surfaced by this research, with the five-element view of strategic thinking (Liedtka, 1998) as well as the assistive element of time pressure to create a holistic view of group level strategic thinking. The confluence

of these four elements are theorised to drive the overall level of thinking and collaboration at a group level (Lechner, 2012) allowing organisations to access group level strategic thinking for the specific purpose of developing innovative strategy.



**Figure 17:** *Exploratory view of group strategic thinking*

## 6.7 CONCLUSION

The results of this research serves to develop the overall understanding of the concepts of strategic thinking. Such that they revive the five-element view by adding additional insight in to the way in which managers use these elements in the development of innovative strategy at a group level. Furthermore this research has elucidated not only the influence tactics that managers use in the development of these strategic initiatives, but also the way in which managers perceive their usage of these tactics.

The findings presented here have revealed the collaborative influence tactics, specifically those of consultation, rational persuasion and legitimating. In addition, this research has explored the behaviour and insights of managers in the development of innovative strategy and found two factors that may assist managers in applying both influence tactics and the five-elements of strategic thinking in the formulation of innovative strategy. These factors are time pressure and structure as discussed earlier in this chapter. Finally, this chapter has

presented a model that demonstrates the exploratory understanding of group level strategic thinking in the development of innovative strategy.

## **7 CONCLUSION**

### **7.1 INTRODUCTION**

This chapter provides a summary of the findings of this research with reference to the achievement of the original aims to in order to assess whether the original aims have been met. In addition this chapter elucidates the addition contribution this research has made to the existing academic literature as well as providing implication of this research for the business community.

### **7.2 SUMMARY OF KEY FINDINGS FROM THIS RESEARCH**

The exploratory findings of this research as they relate to the understanding of the way in which managers use strategic thinking and influence tactics in the formulations of innovative strategy as well how those insights contribute to a greater understanding of the nature of group level strategic thinking have been discussed in the following sections.

#### **7.2.1 STRATEGIC THINKING**

This research examined the existing view of strategic thinking provided by the theory base. As such it developed the argument that Liedtka's (1998) five-element view of strategic thinking was more complete than the subsequent view presented by Bonn (2001). This argument was developed to transition the individual level view of strategic thinking (Liedtka, 1998) to a group level perspective incorporating the work of Bonn (2005), Zahra (2012) and Moon (2013). Culminating with the development of a more comprehensive perspective on how managers use these five elements of strategic thinking (Liedtka, 1998) in the development of innovative strategy.

This view surfaced two significant insights into the current understanding of two of the five elements of strategic thinking (Liedtka, 1998). The understanding of the element of thinking in time was expanded to include the specific way in which managers thought about each element of the time continuum, past, present and future, in developing innovative strategy.

Additionally it was shown that managers used the element of systems thinking to not only create a holistic group level understanding of the complex nature of the organisation and its internal and external environments (Bonn, 2005; Liedtka, 2014; Liedtka, 1998; Moon, 2013) as well as providing them with a way in which to deconstruct the complex problem of strategy formulation into manageable work streams (Senge, 2007).

In conclusion, this research has achieved its objective of providing an exploratory insight into the way managers' use strategic thinking in the development of innovative strategy.

## **7.2.2 INFLUENCE TACTICS**

One of the aims of this study was to provide a deeper level exploratory understanding of the way managers use influence tactics in the development of innovative strategy. This research considered the established theory in identifying nine discrete influence tactics (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) that would be used as a basis in this study.

This research succeeded in identifying the seven influence tactics that were used by managers in the development of innovative strategy. However upon further analysis it was clear that while managers made use of these tactics they were not entirely aware of all the tactics they had subsequently used. As such this research found managers to be cognisant of their use of only four influence tactics. These tactics were identified as consultation, rational persuasion, pressure and legitimating (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

Through the analysis of the insights gained about the managers' perceptions of their use of these influence tactics as well as those of the behavioural observation. It became clear that there were a distinct set of influence tactics that aided managers in creating a collaborative informal environment (Lechner, 2012)

within which they were able to apply the elements of strategic thinking in the development of innovative strategy. This research labels these tactics as collaborative influence tactics; they consist of the pre-established tactics of rational persuasion, consultation and legitimating (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013).

As such this research succeeds in meeting its objective of exploring the way in which managers use influence tactics in developing innovative strategy. Furthermore it provides a more comprehensive understanding of the specific tactics managers use in these instances.

### **7.2.3 GROUP LEVEL STRATEGIC THINKING**

This research delivers one further significant insight regarding the confluence of strategic thinking (Bonn, 2001; Bonn, 2005; Liedtka, 1998; Mintzberg, 1994; Moon, 2013; Zahra & Nambisan, 2012), influence tactics (Falbe & Yukl, 1992; Robbins & Judge, 2013; Yukl, 2013) and the factors time pressure and structure as surfaced by this study. This insight is presented in the form of a model delineating the exploratory understanding of the way these factors coalesce to enable access to group level strategic thinking in the development of innovative strategy.

## **7.3 RECOMMENDATIONS FOR BUSINESS**

This research has show that while it is critical to be able to think strategically in a systematic and scientific way about the way in which businesses compete in the modern environment at an individual level. It is also necessary to work together in groups to formulate innovative strategies for businesses to sustain their competitive advantage into the future. The ideas presented in this research are not only beneficial in the furtherance of the scholarly literature; they have real world implications for business. These implications are presented in the form of recommendations below.

### **7.3.1 INNOVATIVE STRATEGY FORMULATION**

- It may be valuable for businesses to develop the skill of strategic thinking at an individual level within their organisations. This skill is critical for managers trying to drive innovation and corporate entrepreneurship.

- Furthermore managers should become familiar with the component-based view of strategic thinking. Specially the element of a systems perspective. As this research has shown a systems perspective as not only a method for understanding complex multifaceted problems, but as a method of dividing these problems into smaller work streams. This may help managers effectively delegate the workload of strategy formulation without unnecessary oversimplification.
- Managers may also make use of a hypothesis driven approach, which embraces a wide range of potential solutions to strategic problems. In conjunction considering the organisations past, present and future, as a way of understanding the inherent competencies within the business will enable managers to embrace the possibility of multiple potential futures.

### **7.3.2 INNOVATIVE INFORMAL GROUPS**

- Thinking at an individual level is clearly a necessary element of an effective manager however; in group settings individual insights need to be communicated in order to obtain the benefit of each group member's ideas and experience. As such this research recommends the use of collaborative influence tactics.
- Managers can up skill themselves by learning the various methods of influence and the most effective usage of those elements. Mastery of these elements will enable managers to be more effective and voicing their ideas and insights in order to drive more innovative group problem solving.
- Groups can embrace a semi-structured approach when discussing strategy. This approach should provide sufficient structure that each member is able to contribute equally, however not be so rigid as to limit the collaborative nature of these informal groups.

In summation of these recommendations for business, this research advocates a collaborative approach to developing innovative strategy. One that embraces individual level mastery of thought and influence as a means of creating innovative and effective strategy formulation groups within organisations.

## **7.4 LIMITATIONS OF THIS STUDY**

Due to the exploratory nature of this study and the subsequent qualitative approach it pronounces its findings subject to certain methodological limitations.

- The qualitative approach followed is held to be inherently preliminary and explorative in its results, thus lacking power of quantitative work in making generalizable pronouncements about the world at large
- Furthermore the qualitative approach is followed is a subjective one, as such it may introduce the individual biases of the researcher.
- The behavioural observation conducted in this research occurred in an artificial environment. Thus introducing the risk that certain behaviours may be observed more frequently than they would be in a real world situation. Potentially leading to contrived results.
- This study has a very narrow scope limiting the results of this study of strategic thinking and influence tactics at group level to the development of innovative strategy.
- Finally the limited number of participants and judgement based sampling method further limit the generalizability of these results.

## **7.5 RECOMMENDATIONS FOR FUTURE RESEARCH**

The aim of this research was to provide an exploratory understanding of the way in which managers use strategic thinking and influence tactics in the development of innovative strategy. As such while a number of significant insights were gained their nature remains preliminary. While this research demonstrates clear implications for the furtherance of the academic literature, these implications remain to be tested and verified through the use of more quantitative methods. This research recommends future research into the following areas.

- As this study revives the five-element model of strategic thinking, it is suggested that these findings be tested more broadly through a qualitative study to create a more definitive view within the literature.
- This study proposes the creation of a new category of so called collaborative influence tactics for the purposes of innovative strategy

development. Further study should be made of these elements to provide a definitive answer as to their validity and efficacy.

- The model developed presents a component-based view of strategic thinking at a group level. This view has been surfaced through qualitative means and is limited only to the creation of innovative strategy. Further study should be undertaken to a) validated this view of group level strategic thinking for the development of innovative strategy and; b) study undertaken to explore the transferability of this view to other disciplines in which group level strategic thinking may be present.

## **7.6 CONCLUSION**

In conclusion this research succeeded in providing insights into the primary research objective of exploring the way in which managers use influence tactics and strategic thinking in the development of innovative strategy as set out in Chapter 1. The observational analysis of the video recorded group strategy exercise and subsequent semi-structured interviews provided sufficient richness and depth of data for the analysis presented in Chapter 5 and 6. These results successfully provide insight into the way in which managers use (1) strategic thinking and (2) influence tactics in the development of innovative strategy. Furthermore they provide insight into (3) how managers perceive their use of these tactics in the development of innovative strategy and (4) what additional factors may help managers in the development of innovative strategy.

These insights come together to form an exploratory model elucidating a component-based view of group level strategic thinking. Illustrating that managers use the five-elements of strategic thinking in conjunction with collaborative influence tactics, in a structured environment under time pressure to access group level strategic thinking in the development of innovative strategy.

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## **APPENDIX A – STRATEGY FORMULATION EXERCISE**

### Strategy Formulation Exercise - 30 minutes

You are the innovation team at a large national fast food retailer, FastFood Co. and you are required to develop a strategic initiative to help counter your firm's declining market share. Your team operates independently from the larger business in order to allow new innovations to be developed without interference from the rest of the company during the ideation phase.

#### **Background**

FastFood Co. has been in business for the past 50 years. Initially it was a single fast food store that operated in the centre of Johannesburg offering fried chips and burgers. Currently it has grown to be a regional player with over 1000 stores country wide. FastFood Co. continues to sell a range of fried foods, hamburgers, fries and milkshakes.

With consumers becoming more health conscious over the past few years, FastFood Co. has been losing market share to its competitors that have adopted healthier menu items. Furthermore, FastFood Co., while being a large player, has been reluctant to keep pace with modern advertising and social media trends, believing that its traditional word of mouth and newspaper advertising has been successful in the past and should be continued into the future. FastFood Co. has a very strong link to its heritage and past, yet with the changing market conditions senior management has realised that it may need to consider changing its approach in order to remain competitive and sustainable. Management considered using consultants to create new business initiatives, however they believe the in-house talent they have is sufficiently up to the task and as such your team was created to explore new avenues for the firm.

#### **Required**

You are required to work as a team to create an innovative strategy that will help take FastFood Co. into the future. This strategy must take into account the following:

1. It must leverage FastFood Co.'s existing business to achieve the goals of greater profitability and market share;
2. It must be presented in a concise and efficient way – we suggest a single slide summarizing the strategy and its elements (this may be drawn on the whiteboard);
3. All members of the team must participate in the process.

## APPENDIX B – ASSESSMENT RUBRIC

### Assessment rubric: Strategic Thinking

Element to be assessed	Assessment criteria
1. Systems perspective	<ul style="list-style-type: none"> <li>• Does the participant identify the role of both internal and external environments to the problem?</li> <li>• Does the participant identify and recognize the inter-relationships between the different components necessary to deliver the strategic outcome they are seeking? Do they exhibit behaviours that show their understanding that the different components of the strategic initiative need to inter-relate?</li> <li>• Does the participant recognize his/her own role within the larger system and how that may influence the final outcome?</li> <li>• Does the participant recognize the importance of optimizing the result / system for the end customer?</li> <li>• Overall we are trying to understand if the participant sees the initiative from multiple perspectives, understanding the relationships between corporate, business level and functional strategies to each other to the external context and to the personal choice he or she makes.</li> <li>• In addition we are also trying to assess whether the participant sees the connection across departments, functions and between communities of buyers and sellers.</li> </ul>
2. Intent focus	<ul style="list-style-type: none"> <li>• Does the participant exhibit focus that allows them to concentrate on the task at hand and the desired outcome without distraction?</li> <li>• Is the participant willing to concentrate as long as required to achieve the goal of the exercise?</li> </ul>
3. Intelligent opportunism	<ul style="list-style-type: none"> <li>• While remaining focused on the task at hand and the strategy decided on, the participants must also exhibit a level of opportunism that allows the possibility for new strategies to emerge from the process.</li> </ul>
4. Thinking in time	<ul style="list-style-type: none"> <li>• Do the participants link past present and future in developing their strategic initiative? While it is important to focus on the desired future the exercise aims to create it is also critical for the participants to link this future with the past and present facts of the business. Essentially we want to observe participants looking to the history within the case and deciding what needs to be continued into the future in order to achieve the goal. Primarily we are looking for participants to link ideas and competencies through time.</li> </ul>
5 Hypothesis driven approach	<ul style="list-style-type: none"> <li>• The ability to develop a good hypothesis and test it is critical in strategic thinking; we will look for participants' use of hypothesis in order to provide structure to the strategy formulation process.</li> <li>• Essentially we are looking for participants ability to ask "what if...?" followed by "If...,then?" as well as trying to find data to support their hypothesis. This process is both scientific and creative, neither aspect can be overlooked</li> </ul>
Overall	<ul style="list-style-type: none"> <li>• Taken together these elements would combine to describe a strategic thinker with a broad perspective that sees not</li> </ul>

	<p>only the whole but also the connections between its pieces.</p> <p>This should be driven by a view of the future that is neither entirely connected nor disconnected from the past, but demands new action in the present. This thinking should be combined with an experimental approach that uses critical thinking to test the assumptions. Throughout the process we will look for participants to remain open to suggestions and new possibilities.</p>
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**Assessment rubric:** Influence tactics

Influence Tactics	Assessment criteria
1. Inspiration	<p>The agent makes a request or proposal that arouses enthusiasm by appealing to a targets values, ideals, and aspirations, or by increasing the targets confidence that he or she can do the requested task:</p> <ul style="list-style-type: none"> <li>Essentially we are trying to understand whether or not participants use these sorts of appeals throughout the exercise in order to win over other participants to their way of thinking.</li> <li>This can also manifest in a participant presenting a clear inspiring vision of the future that wins other participants round to their point of view</li> <li>Note – as far as possible link the influence tactic with a particular phase or element of the strategic thinking process</li> </ul>
2. Consultation	<p>The agent seeks a targets participation in planning the strategy, for which the targets support and assistance are desired or the agent shows willingness to modify the proposal to deal with the targets concerns and suggestions.</p> <ul style="list-style-type: none"> <li>This appeal may be used to increase commitment of the participants to the task by involve them in the planning process.</li> <li>In this observation, we would aim to identify the level to which participants consult one and other in order to deliver a solution to the problem in the given time.</li> <li>When this tactic is used is it at any particular stage of the strategic thinking process? Please note</li> </ul>
3. Personal appeals	<p>The agent appeals to the targets feelings of loyalty and friendship to influence the target to do something unusual or extra as a special favour. Research has shown the effectiveness of such tactics to be largely insignificant, however as our participants may know each other it would be interesting to see if this element presents and if so where and how.</p>
4. Exchanges	<p>Exchange tactics involve explicit or implicit offers by an agent to provide a favour or benefit to a target in return for doing what the agent requests</p> <ul style="list-style-type: none"> <li>Due to the nature of the exercise and the literature base it is not expected that this tactic will play a significant role. However should it present, it will be necessary to note the time and nature of the attempt.</li> </ul>
5. Ingratiation	<p>The agent seeks to get a target in a good mood or to think favourably of him or her before making a request. Essentially the agent attempts to increase target cooperation by increasing the targets feelings of positive regard to him or her.</p>

	<ul style="list-style-type: none"> <li>Essentially we are trying to understand whether or not participants use these sorts of appeals throughout the exercise in order to win over other participants to their way of thinking.</li> <li>If this tactic presents we would like to note where it is present during the strategic thinking process</li> </ul>
6. Rational persuasion	<p>The agent uses logical arguments and factual evidence to persuade a target that a proposal or request is worthwhile.</p> <ul style="list-style-type: none"> <li>This tactic is of particular interest in so far as the time that participants choose to use it. Initially we would hypothesize that this would be more prevalent in participants that use a hypothesis driven approach to developing the strategic initiative. Do participants attempt to influence others with data and facts in support of their proposals</li> </ul>
7. Legitimizing	<p>The agent seeks to establish legitimacy of a request or proposal by claiming the authority to make it or by verifying that it is consistent with organizational policies, rules or traditions.</p> <ul style="list-style-type: none"> <li>While this intervention is not being conducted in an organizational context, the rules, norms, and boundaries of the exercise will serve as an analogue to the organizational rules. Thus we will aim to identify the timing and extent of participant's use of such tactics during the observation. Participants citing the rules of the exercise in defence of their proposals will be deemed to be using this tactic.</li> </ul>
8. Coalition	<p>The agent enlists the aid or endorsement of other people to influence a target to do what the agent wants.</p> <ul style="list-style-type: none"> <li>Prior research indicates this tactic is most effective in horizontal relationships, where formal authority is not a factor.</li> <li>As such as this exercise combines participants with equal power and no leader, we would hope to see this tactic being used extensively in defence of proposals.</li> <li>This tactic if observed must be linked to a stage in the formulation process as well as an element(s) with which it presents</li> </ul>
9. Pressure	<p>The agent uses demands, threats, frequent checking or persistent reminders in an attempt to influence a target to carry out a request</p> <ul style="list-style-type: none"> <li>Essentially we are trying to understand whether or not participants use these sorts of appeals throughout the exercise in order to force other participants to their way of thinking.</li> <li>If this element occurs we would need to note when and where in the process it occurred and how it influences the strategic thinking practices of the group in the development of strategy.</li> </ul>

## APPENDIX C – OBSERVATION TEMPLATE

### GROUP 1 : Strategic thinking

Participant	Code	Strategic thinking					Elements before pressure	Elements after pressure
		Systems Perspective	Intent focussed	Intelligent opportunism	Thinking in time	Hypothesis driven		
1	G1.P1	-	-	-	-	-	4	5
2	G1.P2	-	-	-	-	-	4	5
3	G1.P3	-	-	-	-	-	4	4
4	G1.P4	-	-	-	-	-	4	5
5	G1.P5	-	-	-	-	-	4	5
Total	G1	0	0	0	0	0	4	5

### GROUP 1 : Influence tactics

Participant	Code	Influence tactics									Max	Min
		Inspirational appeals	Consultation	Personal appeals	Exchange	Ingratiation	Rational Persuasion	Legitimizing	Coalition	Pressure		
1	G1.P1	-	-	-	-	-	-	-	-	-	0	0
2	G1.P2	-	-	-	-	-	-	-	-	-	0	0
3	G1.P3	-	-	-	-	-	-	-	-	-	0	0
4	G1.P4	-	-	-	-	-	-	-	-	-	0	0
5	G1.P5	-	-	-	-	-	-	-	-	-	0	0
Total	G1	0	0	0	0	0	0	0	0	0	0	0

## APPENDIX D – INTERVIEW SCHEDULE

### INTRODUCTION

Thank you for participating in my study. The primary aim of this interview is to understand how you perceived your role in the exercise you just completed. With your permission to proceed, I would ask that you read the consent forms for your participations as well as for the audio recording of this interview. Please sign the forms as an indication that you both accept and understand what is written on them. Please feel free to ask me if you require me to clarify anything on these forms or the interview process.

If you are happy to proceed I will switch on the recorder and begin the interview.

### QUESTIONS

*Theme 1: General (not disclosed to participant)*

Q1: As a group how do you think you decided on a course of action?

*Theme 2: Strategic Thinking (not disclosed to participant)*

Q1: What are your thoughts on using hypotheses in these sorts of situations? (Clarification, please try to get a follow on whether they did or didn't use hypotheses in the exercise)

Q2: What did you think about the level of focus on the task at hand during the exercise? What happened to the level of focus after the time was cut short?

Q3: How did you think about the past, present and future of FastFood Co. when you came up with your strategy?

Q4: What do you think about applying systems thinking to strategy formulations like this? (General thoughts about systems thinking during the exercise, do they think they used it?)

Q5: How did you come up with potential opportunities to pursue with your strategy?

*Theme 3: Influence Tactics (not disclosed to participant)*

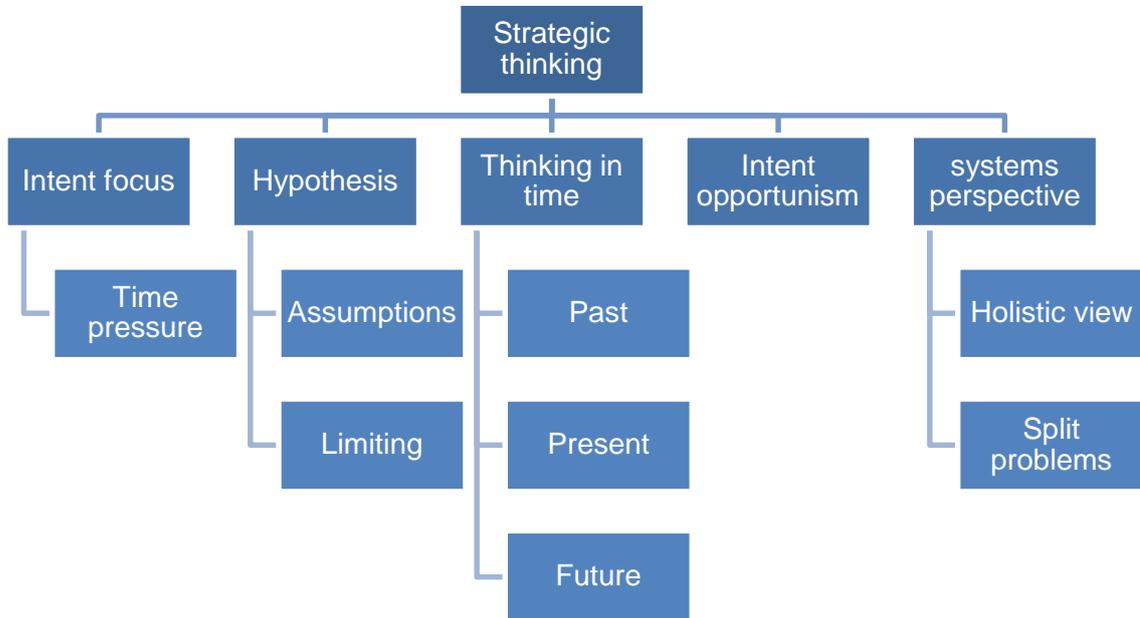
Q6: How do you think you influenced other participants to see your point of view?

Q7: Any other thoughts to share?

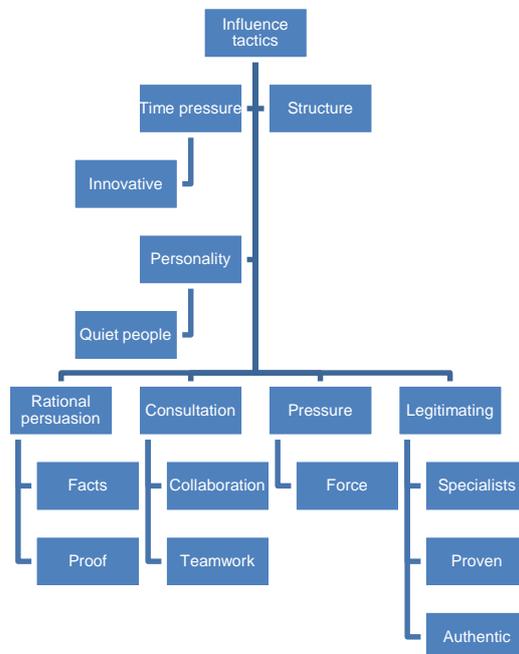
That concludes our interview; I would like to thank you once again for your participation in my study. Furthermore I would like to remind you that while the results of this study will be made public, your anonymity will be maintained and the confidentiality of these transcripts assured.

## APPENDIX E – THEMATIC CONTENT ANALYSIS CODE SHEET

### Strategic thinking



### Influence tactics



## APPENDIX F – PARTICIPANT CONSENT FORMS

### General Consent to participate

I am conducting research on strategic insights and behaviour, and am trying to find out more about the way managers and specialists use influence and strategic thinking in order to formulate strategy. Our exercise will take around 90 minutes and will consist of a group strategy formulation session, with a follow up interview.

Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept private and confidential. If you have any concerns, please contact my supervisor or I. Our details are provided below:

Jean-Claude Gelle' (Researcher)	Dr. Jeff Y-J Chen (Supervisor)
Email: <a href="mailto:jcgelle1@gmail.com">jcgelle1@gmail.com</a>	Email: <a href="mailto:Chenj@gibs.co.za">Chenj@gibs.co.za</a>
Phone: +27 82 788 2948	Phone: +27 11 771 4303

Signature of participant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_ Date: \_\_\_\_\_

**Consent to video and audio recording**

During this research on strategic insights and behaviour you will be required to grant your consent to be recorded. The recording will be in the form of video for the exercise and audio for the interview. By signing this form you grant the aforementioned consent to be BOTH audio and video recorded during this process.

Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept private and confidential. If you have any concerns, please contact my supervisor or I. Our details are provided below:

Jean-Claude Gelle' (Researcher)	Dr. Jeff Y-J Chen (Supervisor)
Email: <a href="mailto:jcgelle1@gmail.com">jcgelle1@gmail.com</a>	Email: <a href="mailto:Chenj@gibs.co.za">Chenj@gibs.co.za</a>
Phone: +27 82 788 2948	Phone: +27 11 771 4303

Signature of participant: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of researcher: \_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX G – ETHICAL CLEARANCE LETTER

**Gordon Institute  
of Business Science**  
University of Pretoria

Dear Jean-Claude Gelle

Protocol Number: **Temp2015-01191**

Title: **Assessing the congruence between strategic intentions and behaviour: Insights into the use of strategic thinking and influence during strategy formulation**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker