Strategic Implementation: An Analysis From Routines

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ABSTRACT
This article is intended as a contribution to the debate on strategic implementation. In order to do so it is based on the concept of routines. The case study presented here investigates the emergence of the routines involved in the process of change foreseen in the implemented strategy and the elements influencing their emergence and ensuing adoption. That is, what prompted the agents to change their patterns of behavior and in doing so adhere to a new strategy? Results confirm the initial proposition that routines are the central element in understanding and managing implementation processes. The research indicated the influence of variables such as the establishment of clear and consistent aims, the creation of meaning and the understanding of context, the role of leadership, organizational structure, and artifacts such as the establishment of rules, operating procedures, and others in the adoption or recombination of routines.

INTRODUCTION

Business strategy is a never-ending debate. Focuses change, in view of what takes place competition, barrier breakdown among industries, technological changes, resources, skills & competencies, knowledge etc. - yet the intensity remains unchanged. Among the themes in this debate, one has recently stood out, because of its growth rate – sharply increasing since the late 90s – and of its hard-hitting criticism. It has been said that much of a strategy never reaches its intended output, since little attention is paid to its implementation.

Statements such as this have intensified the debate on how organizations can turn their planning into effective practices. Id est, how to transform plans into actions? Which variables are to be taken into account? How do they interlink with each other?

Grounded on the Neo-Schumpeterians and the Evolutionaries, this paper proposes that routines are a major reference to grasp the strategic implementation process. Harking back to Nelson and Winter (1982), I state that routine is the basic analysis unit to understand a firm and its change process. Despite their repetitive behavior patterns, routines are nevertheless dynamic, that is, they change as the context changes (Salvato, 2009). They link planning to execution, inasmuch as strategies are implemented only when agents change their behavior patterns. Aligned with the current strategy-as-practice (s-as-p), practices and praxis are formed by different elements, and herein routines stand out.

Salvato (2003) claims that the literature still lacks empirical grounding to sustain both understanding and knowledge among routines, rules and strategies and the overall architecture which interlinks them. Greve (2008) says that the key issue in the theory of organizations and strategy is to understand how routines change. According to him, what each organization does is a function of changes in its old routines, and the time it will remain doing what it does is determined by the process which generates routine changes. Albino, Gonçalvez, Carrieri and Muniz (2010) emphasize that the s-as-p view is yet to propose a structured theoretical model nor, so far, has shown any in-depth wide-ranging
empirical research.

Within this framework, this paper intends to contribute to this debate by submitting a Case Study on a strategic implementation process. My research looked into how “change routines” arose in the established strategy and which elements influenced or created conditions for these routines to come about. In other words, what makes agents change their behavior and, thus, embrace a new strategy? Answering this question and understanding these variables are sine-qua-non to comprehending strategic implementation. As proposed by Balogun, Huff and Johnson (2003) the most part of strategy research has looked for know what, whereas strategizing research agenda looks for, between others aspects, know how. Also they affirmed that strategizing has to do with the understanding of practitioners and their practices within the context of their work. In this way my question – how change routines arose or what makes agents to change their behavior – can be positioned as a clear effort to understand the influence of context and its characteristics to promote change. As affirmed by s-as-p authors it is necessary to understand not only the strategy content and its intents but also and especially their context and what leads to transform it into daily actions. Besides based on Neo-Schumpeterians, it can be affirmed that routines are context-dependent; consequently the comprehension of how they change or arise is connected to the understanding of the characteristics of the context.

Results thus far confirm that routines are indeed a core element to understand and manage implementation. In fine tune with Simon (1997) and Weick (1995), my research singled out the influence of establishing objectives which are clear and consistent with the organization (a collectively-built shared sense) leading to behavior change. Creating meaning and understanding the firm’s context is essential to this process, inasmuch as routines are influenced by their social and structural context.

As shown by Edmondson, Bohmer and Pisano (2001), my paper also highlights the role of leadership in clarifying and demonstrating an effective intent to change. Leadership must be involved in this process, creating a safe environment receptive to the adoption of new behavior patterns. Emphasis is placed on the relation among various degrees and types of team preparation for change and the adoption of successful new procedures.

As with Dosi, Faillo and Marengo (2008) as well as Nelson and Winter (1982), who discussed the influence of elements in the organizational structure, my own survey also pointed to the relevance of systematic incentives, control and hierarchy on routine adoption. Lastly, as in Becker and Zirpoli (2009), I too established a direct relation between rules, operational procedures and other artifacts in adopting or recombining routines.

This paper has been structured into five sections, including this introduction. Section Two discusses routines in the strategic implementation process. Section Three has the Case Study and its methodology. Section Four analyses field data, from the standpoint of selected authors. Section Five contains some brief concluding remarks.

2 Routines And Strategic Implementation:

The Evolutionary perspective sees firms as competency-filled organizations which include organizational routines. These represent a central analysis unit to understand the behavior of companies and their changes. As per Nelson and Winter (1982), routines are collective behavioral patterns, representing sequences of interactions among multiple agents in organizations. They are collective since knowledge is disseminated, that is, to be placed into practice a series of dispersed fragments among individuals and the organizational structure must be used (Milagres, 2008).

Routines store, transfer, transform and assimilate knowledge (Nelson & Winter, 1982). They define a common base for understanding, leading to the formation and sharing of codes, world views and languages (Dosi & Marengo, 2000). In this sense, routines determine organizational actions and reflect the influences of the external and internal environments, so full of learning and of constant adaptations.

Even though stability is one of its features (Figure 1), many authors (Feldman & Pentland, 2003) have investigated its capacity to change. These authors claim that routines are understood as repetitive behavioral patterns, but subject to changes if their context is altered. Thus, the study of routines opens up a possibility to comprehend organizational changes. Observation is conducive to following the change process (Becker, Lazari, Nelson & Winter, 2005).

Routines are automatic (Nelson & Winter, 1982). To be put into practice, they need no reflection. Agents just practice them, with neither deliberation nor explicit attention. They may be practiced with high efficiency, with nearly perfect coordination, with no need of top management intervention. Hence, an organization may find it difficult to respond to new situations. However, Giddens (2003) points out that routines are not simply repetitive or unconscious; they may be conscious or reflexive. Deliberations may occur, created and put into practice by the cognitive capacity of individuals and the organizational structure. This structure establishes possibilities but does not specify sequences, which, in this sense, hinge on individual efforts.

Accordingly literature routines present dual aspect: routines can be stable and unconscious and can be reflexive and dynamic, hinging on the type of process they respond to, on the organization adhering to its established objectives, on the organizational
environment they are inserted into. “Organizational routines are carried out by human beings who may enable and support a certain degree of stability as long as their interests are preserved, as long as participating in the routine in its present form means high status for oneself, as long as it makes sense according to a rationale the actor believes in, etc. Change of routines is linked, at least in part, to the personal visions of the actors carrying out routines, the instability of individual and organizational goals, and negotiations of individual and collective interests” (March, 1994).

Since selecting new routines or recombining old ones is a dynamic process, this may come about by sheer accident, or due to a dominant personality, to groups or individuals, by imitation or by a historic accident (Guenif & Mangolte, 2002). Simon (1997) stressed the importance of leaders figure in this process and Dosi, Faillo and Marengo (2008) called attention to the role of governance and hierarchic. Besides, the internal process to select new routines is also composed by combination of culture, incentive systems and promotions, as well as strategic intent (Salvato, 2003; 2009). In the same path Simon (1979) and Weick (2009) emphasized the importance of strategic objectives and making sense in the process of creation and recreation routines.

Several studies (Nelson & Winter, 1982; Teece, Pisano & Shuen, 1997) show that routines are embedded into organizations. Therefore, they are context-dependent, which means that routines are influenced by organizations’ structure. They are also affected by a collective identity, which in its turn is reinforced by communication process (Feldman & Pentland, 2003).

They come about in responding to organizational and environmental features. This is of major importance to explain the evolution and differences among firms (Milagres, 2008). It may also be said that routines are history-dependent. They are influenced by past choices. They are also fruit of a search process. Given the existence of environmental changes, organizations search for new routines, if their efficiency were proved, they will be selected and they begin to influence company and industry-wide behaviors. They thus represent established practices but also re-combinations and new practices. Once incorporated, they reflect the organization’s new strategies (Salvato, 2003).

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
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<tbody>
<tr>
<td>Repetitive</td>
<td>Actor’s capacity to repeat an action in equal or similar fashion</td>
</tr>
<tr>
<td>Collective</td>
<td>Knowledge being dispersed, individuals must interact to carry out their daily activities</td>
</tr>
<tr>
<td>Non deliberate, self-imposed</td>
<td>Automatic in nature, they need no reflection to be put into practice</td>
</tr>
<tr>
<td>Stable</td>
<td>Their persistency promotes specialization and coherence, minimizing conflicts</td>
</tr>
<tr>
<td>Dynamic</td>
<td>Meet company needs to adapt to internal and external context</td>
</tr>
<tr>
<td>Procedural in nature</td>
<td>They are procedural phenomena, formed by an interdependent set of actions</td>
</tr>
<tr>
<td>Context-dependant</td>
<td>Embedded into organizations and their structures</td>
</tr>
<tr>
<td>Dependant on past choices</td>
<td>They are history-dependant</td>
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<th>Roles</th>
<th>Description</th>
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<tr>
<td>Offer coordination, control and coherence</td>
<td>Routines provide structure, sequence and uniformity to company actions. The more routine a task is, the easier it is to control it</td>
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<tr>
<td>They act as triggers</td>
<td>In certain situations, they can be triggered and trigger other routines</td>
</tr>
<tr>
<td>They minimize conflicts</td>
<td>Routines mediate issues linked to power disputes and conflicts</td>
</tr>
<tr>
<td>They reduce uncertainty</td>
<td>They simplify and reduce decision-making complexities, thereby increasing trust in adopted standards and reducing uncertainty</td>
</tr>
<tr>
<td>They incorporate knowledge</td>
<td>Routines are the organization’s memory, its knowledge locus</td>
</tr>
<tr>
<td>They reduce the use of cognitive resources</td>
<td>Routines allow automatic actions, thus freeing cognitive spaces</td>
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Fig 1: Routines’ Features and Roles

Routines thus cover major aspects of economic evolution and dynamics, explaining social changes, technological and organizational breakthroughs, transfer of best practices, organizational memory and the learning process. (Nelson & Winter, 1982).

Routines link discussions on firm behavior and the Schumpeterian outlook on innovation and capitalist dynamics. They also allow a joining of complementary perspectives, such as the theory of the firm and concepts such as tacit knowledge, limited rationality and cognitive resources. They may likewise lead to the joining of evolutionary, knowledge-based view and dynamic capabilities authors.

The concept of routines is also found in the s-as-p chain, which seeks to understand the micro-foundations for an effective strategy and its implementation. In this sense, it covers: who does what, how is it done, what is used (Jarzabkowski & Spee, 2009), where and when (Balogun, Huff & Johnson, 2003). Answering those questions is no trivial matter – both methodologically and
conceptually – since the answers are embedded in tacit knowledge, in addition to being history-dependent and context-dependent. It is thus necessary to understand not only the strategy content and its intents but especially their context and what leads to its execution, what transforms it into daily actions (transforming plan into change). To understand this process one must grasp the actions, interactions and negotiations among the many actors involved, their Whys & Because, their conditioning and practices.

From this standpoint, these authors break down their study into three major elements. Firstly, those who practice, namely, people who formulate and carry out the strategy, including managers, consultants and other actors involved in the implementation. Secondly, the practices, defined as technologies, ideas, tools, instruments, symbolic and social materials used to implement the strategy. Among them there are routines shared by agents (Paroutis & Pettigrew, 2007) and traditions, norms and procedures.

Thirdly, praxis, which is the flow of activities through which the strategy is drawn up and carried out (Whittington, 2006). Included herein are meetings, consultancy, presentations, communication, reports etc. needed to create and execute strategy (Paroutis & Pettigrew, 2007.). It also includes routines and other formal or informal procedures (Whittington, 2006).

Practitioners are the link connecting praxis and practices. They are capable of reflecting and choosing among different behaviors. According to Albino et al. (2010), they appraise their own experience and adapt their praxis, simultaneously exploring the amplitude of possibilities and designing new practices.

For Jarzabkowski (2002), practice implies routine behavior, learnt through recurrent actions, leading to the development of competencies and improving organizational performance. The routine nature of practice is due to its being institutionalized in social structures which are long-lasting in both time and space. Practice persists though tacit knowledge and the actions of agents who choose familiar (repetitive) patterns, which ensure them safety and security, confident that they are acting as expected, in compliance with locally-adopted patterns of behavior. Their behavior thus reflects the social order found in people’s minds and habits. New information is accumulated and incorporated, acting as a collective memory. Long-lasting habits model the aspirations of those who carry out their daily practices. It all ends up in stable and institutionalized practices.

Routines reflect the organizational architecture present in the communication channels and in the solutions chosen for problem solving. Giddens (2003) claims that the interaction between agents and structures (set of collective systems created and recreated by agents) is recursive. These structures help or hinder certain behaviors, leading to routine formation. Through such interaction a social order appears, is revised and transformed, since the agents are capable of questioning.

S-as-p thus understands that strategic implementation occurs in a socially-complex environment. It is fruit of action and interaction among individuals situated in and influenced by phenomena occurring in three levels, namely: macro, meso and micro. Routine practices are used to make concrete an organization’s strategic objectives. Micro-level phenomena are elements contained in individual praxis or in group experience within a specific episode. Studies at this level of analysis attempt to explain phenomena, the actors who build them and their interactions. Meso refers to comprehending strategic practice at the organizational level or understanding a strategic process or just an action pattern. Macro relates to the study of a strategic practice at the institutional level, commonly associated to standards of actions linked to a certain industry (Jarzabkowski & Spee, 2009).

Figure 2 shows a possible reading of strategy (Whittington, Johnson & Merlin, 2004), into which the chain is inserted.

![Fig 2:](Source: Whittington, Johnson & Merlin, 2004)
The first column refers to strategic content. It seeks to answer What. The second column discusses the process, How. The first two lines are a macro-level discussion - where are the institutionalized strategies and the positioning of public and private institutions, whose actions influence the entire society. The third line (micro level) shows the processes and activities of those who practice the strategy. Issues are discussed here, such as drawing up and managing strategy, who those responsible are, types of skills and competencies needed, how they are developed, which techniques and tools are used, how to organize this set of activities, and other issues. (Albino et al., 2010).

Vectors V1, V2 and V3 represent the links between different analytical levels. V1 works the behavior codes, such as rules and norms of conducts, as well as expected behaviors. This connection contemplates the interaction between macro and micro levels as well as the insertion of organizational strategies into a wider social context. V2 connects routines, processes and strategic choices. V3 depicts the linkage between the institutional and organizational levels.

The horizontal connections (H1, H2 and H3) are links between content and process. These vectors are major analytical elements: through them the impacts and content of each box can be understood.

3 Case Study And Research Methodology:

Method - In 2008, the organization surveyed kicked-off a set of actions to redefine its strategic positioning. It intended to become a provider of technical and managerial knowledge, effectively contributing to increase its clients' competitiveness. The need for change – found in documents and interviews – was due to sharp competition and high market demand. Those interviewed claimed that image and performance outputs justified the proposed strategic change. A plan (herein known as PFC) was developed to discuss and propose actions to selected clients. This set of conditions justified the choice of this particular case. In other words, it was expected and required significative changes in order to adopt the new strategic positioning. Besides since there was a consensus that the changing was necessary the case counted on a particular condition, which was the positive environment or saying differently the managers’ perception and agreement of its necessity. In this way the adoption or not of the new strategy was depended only on the implementation process. As proposed by Benbasat; Goldstein and Mead (1987) and Yin (2005) the choice for only one case can be justified when the case is critical, i.e., it satisfies the necessary conditions for the research, besides it opens the opportunity to test the limits of the theory. Moreover, can be mentioned the possibility of access internal documents and evidence that can be analysed and confronted to the basic theory (Eisenhardt, 1989).

Data Gathering - According to Albino et al. (2010), s-as-p field surveys discuss and analyze different types of praxis, connecting them to practitioners and to their practices in an inter- or intra-organizational context. A qualitative case study methodology is used in most studies found in the literature. Data gathering privileges observation of participants, direct interviews and documental sources. All these aspects were taken into due account, and the methodology used was based on qualitative descriptive research, given an intention to capture the essence of the phenomenon in data-gathering. Choosing a qualitative character was due to an emphasis on the interpretation and proximity of those interviewed and the phenomenon studied. Furthermore, there is more than one data source, the context of the organization surveyed was relevant, and the researcher observed facts as someone internal to the organization. Answering the question in the survey assumed understanding and analyzing the organizational contour, since routines are context-dependant.

As proposed by Eisenhardt (1989) were used three different mechanisms of data gathering - document analysis, individual and collective semi-structured interviews and participative observations in workshops. All interviews were recorded and based in semi-structured scripts. According to the evolution of the research some adjustments were included (Eisenhardt, 1989), which allowed the introduction of different categories. The N-Vivo software was used to transcribe, analyze and codify all the interview material.

This was a four-stage survey, between March and November 2010. The first stage sought to understand the context which motivated the change and its scope. This was done through document analysis. The objective was to identify the unity of

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Altogether, 21 managers and 3 directors (practically the entire organization) were interviewed in the second stage. The intention was to secure an overall evaluation of the new positioning – the planning called for everyone to be involved. Interviews were individual, lasting approximately one and a half hour. Twenty were personal-presence interviews and four took place via videoconference. The strategic change was discussed, as well as its impacts and agent perception. Change scope was evaluated, as well as the coherence among speech, official documents and practice.

A three-and-a-half-hour workshop was also held, attended by two directors and 14 managers, broken down into two parts. In the first part, top management emphasized the importance of the survey and the reasons for making the case available, such as the need to learn about the change. Following this introduction, the research team laid out the core objectives and concepts guiding the study. In the second part of the workshop, the participants were broken down into four groups, to discuss the new corporate positioning and its impact on the organization as a whole and on its specific units.

The third research stage intended to assess change effectiveness. It was thus a very significant stage for researchers and for the organization. Would PFC effectively have a new strategic positioning? Were the changes perceptible? Even though the projects were already under way, the new positioning should have been more evident by now, as it implied developing denser knowledge-adding solutions, and more interaction was required between areas and clients. Analysis instruments were the workshop itself, data gathering and especially interviews with managers and analysts directly involved in PFC (40-minute average duration) and clients (selected by the organization, considering adhesion to PFC).

In terms of documents, kudos go to access to the proposed document flow, for purposes of PFC implementation. This access was proposed by UE (the unit responsible for following the organizational strategy).

During the interviews, participants were invited to reflect on the process, instruments, artifacts, routines and the involvement of each pertinent unit. Though most interviews were of the personal-presence kind, some however were held via conference call.

In the workshop, attended by the three managers of the units directly involved in the process, the proposed flow was discussed as well as the current flow and routines were established. This one-hour-and-twelve-minute workshop was taped and transcribed.

The fourth and last stage analyzed internal artifacts. The documents analyzed were indicated by those interviewed in stage 3 (workflow screens, specific project forms etc.). Analysis of all these documents led to another workshop (two hours, two directors and nine managers attending). The overall focus was again presented, as well as the main concepts supporting the research. Based on all previous stages, all that had been done so far was thoroughly assessed, such as pinpointing and commenting on the critical points at each stage of the process and on the change drivers, as well as constraints and hurdles to strategic implementation (in other words, positive or negative points). A debate then followed, on the process itself and possible adjustments to it.

— Analysis - This study aimed at understanding a strategic implementation process. Its analytical level proposed was Micro, which seeks to understand a strategic praxis. As pointed out by Whittington, Johnson and Merlin (2004) this is one of the distinctiveness of s-as-p field from traditional strategy research and there is an increasingly interest and recognition of the routines’ importance to support particular strategies. In this way the focus here was on routine establishment, specifically the elements leading to change or to the adoption of new routines. Which elements motivated agents to change their behavior and made it possible (or not) to implement the proposed strategy? Since this is the central point of this study - which elements promote change - the analysis of vectors and lines needed to be considered. In accordance with Whittington et al. (op.cit., p. 11) the exclusive focus on the south east corner of Figure 2 is unproductive, since without the links to other parts of the figure, what happens inside it will be difficult to be explained and empty of impact. Accordingly in my research I analysed V1 and V2. V1, as proposed by s-as-p authors, works with codes, rules and norms of conducts, as well as expected behavior, among them routines (Jarzabkowski, 2002) and V2 connects routines to processes and strategic choices. Besides the line H1, which links content and process, also needed to be considered.

In laying out this issue, I intend to make a two-fold contribution to this debate. First, choosing routines as a key variable to understand the implementation process. Second, to discuss mechanisms internal to the organization which drive routine changes. Id est, what drives actors to change their behavior and, thus, adopt a new strategy? Answering this question and understanding these conditions are essential to the strategic implementation process.

The strategy adopted in the analysis phase allowed the identification of five blocks – change in the environment, strategy (composed by objectives and communication), people and leadership, organizational structure and artifacts. These blocks were identified as preconditions to be observed in order to change or create routines. After the settlement of those blocks the material – interviews, documents, researchers’notes and observations –
were classified by two different researchers. Latter a third one analysed the result, and proposed a final classification. The technique applied were content analysis (Krippendorff, 2004) and comparative method (Strauss & Corbin, 1990).

**Discussion:**

Introduce routines as a key variable implies the understanding of their specificities. In this way I presented their roles and characteristics in section 2. From the literature contribution associated with field-found elements the Figure 3 were formed. Those elements confirmed the importance of routines in the strategy implementation, as proposed by Neo-Schumpeterian and s-as-p authors. Besides during the interivses some elements and aspects were bring out and allowed a deeply understanding of some of ideas presented in section 2.

In accordance to the literature the schema proposed reinforced the fact that routines reflect changes of the environment (Feldman & Pentland, 2003; Nelson & Winter, 1982). Although they are stable, they are subject to modifications if some aspects – their roles and characteristics – and the interaction between individuals and organizational strucutre were observed, as suggested by Giddens (2003).

As presented in Figure 1 routines are nom deliberate, persistent and are able to minimize conflicts. Consequently an organization may find difficulties to change them, since it implies the modification of the status quo and of the set of references that create common understanding, sharing codes, world view and languages (Dosi and Marengo, 2000). To avoid these difficulties organizations need make room for the appearance of a new set of references, that guide the establishment of new routines. The communication process and the placement of strategic objectives, as proposed by Jarzabkowsky and Spee (2009), Simon (1997) and Weick (2009), must be observed, since they contribute to minimize uncertainty. Besides, as routines provide control, coordination and coherence their changing can cause instability of individuals and organizational goals, hence negotiations must take place, as proposed by s-as-p chain, and the role of leadership and incentive system (Salvato, 2003), for instance, can be emphasized.

In this sense, Figure 3 presents the literature considerations and field-found elements significant to this issue.

![Fig. 3: Determinant elements for new routines and their recombination.](image)

*Source: Author’s own elaboration*

**4.1 Context change and strategic repositioning:**

As proposed by the literature organizations alter their strategic choices in view of environmental changes. These are in turn conditioned by the political-institutional-technological apparatus and by corporate capability to renew and recombine their routines (Huet & Lazaric, 2009). In repositioning themselves, companies seek innovations and are
driven by the possibility of better returns (Knudsen, 2009). Thus, they live in constant unbalance, reflecting their understanding of the contextual changes into which they are inserted. A major step in this dynamic process is to determine goals (Simon, 1997) which reflect this understanding and direct the ensuing strategic choices. Objectives can be seen as guides for decision-making and for individual behavior in organizations.

Weick (2009) sees environmental changes as trigerring discontinuity of action in the organization, conducive to a sensemaking process (Weick, 1995) — a set of references, construction of meanings and actions. It is a search for meaning in a new situation, built though a collective process. This has to do with identity, beliefs and local values, as well as interaction among agents. It is made explicit through signs and words (Dosi & Marengo, 2000), establishing a communication process (Feldman & Pentland, 2003), opening spaces and shaping new routines.

To Simon (1997) and Weick (2009), establishing these new routines is thus influenced by the establishment of objectives attuned to the organizational context, id est, making sense to the agents involved. Routines are indeed embedded into the organizations and their structures; in other words, they are context-specific (Teece et al., 1997; Jarzabkowski, 2002; Giddens, 2003). For Dosi, Faillo and Marengo (2008), one’s ability to acknowledge, interpret and generate messages and inputs — thus using adequate actions — is part of knowledge and of problem-solving, which agents learn in an organization. This is tantamount to say that such learning depends on the organization’s characteristics.

As discussed in section 2 specificities include items such as history, social and cultural context (Nelson & Winter, 1982). Furthermore, as Feldman and Pentland (2003) have pointed out, the contour surrounding routines must be understood, since routines do not exist in a vacuum. In this sense, comprehending the organizational culture is an essential part of references, construction of meanings and actions. It is a search for meaning in a new situation, built though a collective process. This has to do with identity, beliefs and local values, as well as interaction among agents. It is made explicit through signs and words (Dosi & Marengo, 2000), establishing a communication process (Feldman & Pentland, 2003), opening spaces and shaping new routines.

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The organization I analyzed repositioned itself strategically in early 2008. Top management and mid-managers alike saw this repositioning as vital, in a relentless pursuit of specific knowledge-laden solutions. Their starting point was their own business environment, and a collective understanding that:

“This change was fundamental to guide our actions ... and to position the organization before all employees and partners, with well-defined planning of objectives, goals and metric indicators. (...) From a strategic standpoint, ... we are no longer just a simple go-between in the dialogue with clients.”

“I’ve always hated to see how most clients see us (...) We have here a wonderful technical group, extremely well-prepared people (...) I think then that there was something fiercely bothering us (...) and this became our main driver. ... We then went from a low simplistic approach to a much stronger approach now in our quest for solutions ... because there is now an intelligence and greater propriety to carry out these interventions.”

However, establishing objectives — even if internally grasping the context into which the organization was inserted (Giddens, 2003; Simon, 1997; Weick, 1995), was not enough to secure commitment to the new positioning nor, consequently, to alter routines. Respondents pointed to factors positively or negatively impacting the process.

4.2 People, leadership and communication:

As presented in Figure 1 routines provide structure for companies to act in sequence and uniformity. Hence, they have a coordinating role (Becker et al., 2005). They are a set of tools helping manage in times of crisis, providing coherence to actions (Nelson & Winter, 1982). As parameters in coordinating organizations, they shape expectations of future behavior (Simon, 1997), which ensure safety and security to agents, provide self-confidence that they are acting as expected (Jarzabkowski, 2002), they offer benchmark reference for individuals to act. They define a set of actions for companies to follow satisfactorily. They guide the selection and interpretation of information coming from various sources. Without routines, organizations lose efficiency as structures which guide collective actions (Nelson & Winter, 1982).

If routines provide coordination, control and coherence, these same aspects also reinforce their repetitive and stable characteristics. This makes organizational change a task which is anything but trivial. In this perspective Edmondson, Bohmer and Pisano (2001) assessed the introduction of new routines in surgical teams at 16 hospitals. According to them, team characteristics, past experience and seniority all influenced in a successful implementation. As proposed by Simon (1997), they also highlighted leadership role in clarifying and demonstrating an effective intent to change, as well as the importance of personal involvement in this process, both to conduct the process as well as in terms of interpersonal relations. They pointed to the role of leaders in creating a safe environment to allow the adoption of new behavior patterns and its ensuing learning. Open discussion of problems discovered during the process became a major variable in explaining the time required for learning and the consequent adoption of new routines.

These authors (op.cit., 2001) also have pointed
to the significant correlation between team preparedness for change (or lack thereof) and a successful adoption of new procedures. Their conclusions lead to a connection between learning and implementation.

In order to promote this preparedness some instruments can be emphasized like courses, presentations, meetings, reports, among others (Paroutis & Pettigrew, 2007). All of them promote better communication and make room for interactions and negotiations.

In this regard, those interviewed in my case said there had been no adequate training, even though those involved required a more analytical profile plus greater skills to argue and to convince.

“I don’t see them being prepared behavior-wise for this work: negotiating, interacting with teams, exercising leadership. To wit: this technically responsible person is being turned into a leader of several units ... So far, there has been no understanding of the skills and qualifications needed in the entire evolution of this project, of this new proposal (…) Disparities still remain regarding the construction of skills and qualifications for the project as a whole. Sure, here and there spotty qualification work is being done – but, in general, it leaves much to be desired.”

In this case study, the creation of a strategic sense (through discussions and a deep involvement of the managers) paved the way to behavioral change. The effective involvement of top management was singled out as a determinant element. Indeed, interviews made it clear that the top management was the key driver behind the changes. These executive directors became directly involved in the implementation process. They acted directly, with a hands-on approach, they used different means of communication, made several major pronouncements, emphasized changes in meetings and seminars.

All this finds support in Simon (1997), who says that, at the process outset, leader figures have a key role, pointing to or even imposing the desired new behavior. As time passes, this behavior is incorporated by individuals committed to the organization. Within this framework, in a context of change, the objectives must be unfolded / rolled out, involving different hierarchical echelons and making room for the organization to align and rally around the decisions made. Leadership must ensure that everyone is informed (Feldman & Pentland, 2003; Paroutis & Pettigrew, 2007) and prepared to adjust their routines, carrying out their activities as per the defined strategy. In this sense, it is a must to promote collective understanding, to encourage debates and discussions (Eisenhardt & Brown, 1998).

As has been said, establishing objectives and making sense of new meanings come through signs and words, in a communication process which makes room for new behavior patterns. However, the communication process was appraised as insufficient. The new strategy called for a repositioning of the organization (known as PFC) and this comprised several actions, among them developing a new methodology (labeled MFC). MFC was earmarked for some clients selected by the top management. A few managers and technicians were selected, received specific training and became MFC specialists. Quite often there was a clear lack of understanding about the difference between PFC and MFC. The general perception in the organization was that MFC was a more coordinated intervention, more technically consistent and requiring greater knowledge. It hence needed better-trained professionals, more attuned to the new objectives. Although there was consensus on the need for repositioning, misunderstandings over the form and actions adopted bred resistance. Some units and people not initially involved were somewhat kept at bay. This arm’s length approach split the organization into two groups, those involved and those not involved.

“I reckon it got to be too fragmented. Few people were reached, fewer received… Everything was tied to [MFC]. Those who know MFC love it. They work and see that it is something different, that it is going to work. Those who have not participated are not too keen on it, are not really encouraged. (…) It’s not democratic.”

“A choice was made. So much so that if you say: let’s get more people involved, some reply: No, these people are MFC. Ah, the specialists … a segregation was made: the experts and the others who do not participate in the process.”

In this case, the strategic change led to two types of behavior. First are those who deny the change and did not contribute to it. In fact, they opposed it, in speech and practice. They justified their behavior claiming there was no clarity on the connections between the new positioning and its actions, nor any clear rules defining who was involved when, how and why. Second are those who embraced the new positioning. They identified several behavioral changes.

As proposed by March (1994) changes in organizations can provoke instability between individual and organizational goals, consequently a process of negotiations need to be open in order to find a new equilibrium between those interests. And in line with literature the case illustrated the importance of communication and leadership in this process.

4.3 Organizational Structure:

add hierarchy and governance structure to this list. Although these mechanisms induce certain behaviors, their role is limited, since they “... leave up to individuals much space for discrete behavior, space which includes performance with varying degrees of convenience or value from an organizational standpoint.” (Nelson & Winter, 1982, p.167). Other motivations are added to the imposition of rules and controls, such as: good task performance, the individual is attracted to the organization-expected behavior, he/she sees a long-term relation between himself/herself and the organization – in other words, there will be future rewards for current efficient behavior. Authors point to the fact that the established set of motivations varies according to the task, the system of rules, monitoring of production, promotion system and especially among the existing cultures and subcultures.

In this case study, the organization chart was restructured. Relevant alterations were the Development Unit being broken down into three areas and the creation of a Knowledge and Intelligence Unit for internal relations. However, no hierarchical relations, interaction mechanisms, rewards, rules etc. were established between actors and areas involved.

Among the areas not involved, the Personnel Unit is worth of mention. No new skills needed for task execution were defined, nor for profiles or jobs involved or to be involved. The sole exception was defining the role of Technically-responsible Persons, who became important in the implementation of the new strategy.

“I think this is an important job [ job X ]. Whoever holds it must have a good overall vision of the whole, of clients ... of the impact of best practices. [job Y ] has many operational attributes. Strategic vision is somewhat hampered here. I AM NOT saying they cannot have a strategic vision. But we cannot expect it from the person holding this job ( Y ). I don’t think it is a good idea to expect this from the person in this job, otherwise it’s just more of the same.”

Even though incentives, control, hierarchy and similar systems influence the adoption of routines, it should not be forgotten that organizations are plagued with conflicts of interests (Dosi, Faillo & Marengo, 2008). Organizations are formed by distinct people with different perceptions and objectives. Each actor has his/her skills, habits, reflections and knowledge, as well as values and purposes (Simon, 1997, p.46). This environment’s complexity becomes deeper in times of change, as changes may alter functions and roles, affecting an individual’s perception of established contracts, of his/her actions, of the scope of his/her objectives (March, 1994). Remaining productive can then become quite a daunting and challenging task.

The new positioning established a different configuration among units, jobs and those persons involved or not involved. Yet, no roles were redefined, no new hierarchy established, no incentives or controls created for the organization as a whole.

“From the moment they started surveying [clients] ... they also demanded product and market information. That’s because we have this Knowledge Unit, except it doesn’t work this way today. This unit is not yet providing subsidies to our technicians, as it should be; it will have to reinvent itself. Either it differentiates itself or I don’t need it. I’ll do it myself. The same thing applies to the market. Either they come up with methodologies that really make a difference in our projects or why bother? They too will have to reinvent themselves, come up with interesting tools that will hold us spellbound. Otherwise, who needs them?”

Evolutionarians claim that in minimizing conflicts, routines act as truces, thus favoring productivity. Routines do not eliminate existing conflicts (which remain latent or are made manifest). But they do make them predictable and within expected boundaries, since they present the role of reducing uncertainty and increasing the trust. “There is a truce between supervisor and supervised at each hierarchical echelon. The habitual amount of work is carried out, reprimands and praise are dished out in their habitual frequency, no attempts are made at major modifications in their relation. Likewise, there is another truce in the battle for development, for power and privileges among top executives.” (Nelson & Winter, 1982, p.169). Therefore, in creating references for individual behavior, routines allow firms to carry out their daily activities. As they are the organization’s memory and are created in specific contexts, routines ensure continuity of relationships and prescribe or indicate accepted behaviors. In this context, their truce is valuable, as it minimizes uncertainty regarding expected behavior and protects established and contracted interests. However, whenever there are changes, these truces can become shaky.

Implementing the new strategy demanded greater interaction and exchange of information and knowledge among the units. As mentioned above, these routines were not established by the leadership and none of the aforementioned mechanisms were created. On the other hand, these routines did not arise, even though there was a consensus among the managers that they were necessary. A possible explanation for this may have to do with the previously-described truce break. Part of the organization (those not immediately involved in implementing the new strategy) saw the importance of repositioning and perceived the change in the organizational structure. But since they did not understand what was expected of them, they concluded that they were losing status and that there was a widening gap between their own objectives.
and those of the organization. Therefore, they opposed the change and had no reason to voluntarily change their behavior.

4.4 Artifacts, Rules and Processes

Some authors discussed the influence of praxis in the process of strategic implementation (Parouties & Pettigrew, 2007; Whittington, 2006). Another authors analyzed the influence of different kinds of procedures – informal or informal in creation or recreation of routines. Pentland and Feldman (2009), for instance, affirmed that routines are made up of a narrative and abstract description (its ostensive level) but they also have to do with the actual performance of a group of persons, in a given moment at a specific place (its performative level). These two routine levels are induced or constrained by different artifacts, such as rules and SOPs (Standard Operational Procedures) (Becker & Zirpoli, 2009), procedures, forms, softwares (D’Adderio, L., 2009, p.214), database etc. Specifically, written rules and procedures can be a proxy to identify routines’ ostensive (apparent) level but they cannot be confused with the routines themselves.

The new routines were induced by artefacts created by UE, the unit responsible for change implementation. This unit developed a workflow to guide PFC, both in its implementation as well as its follow-up and control. Training was developed and offered to those involved, who were also on the receiving end of workshops and meetings. Interestingly enough, managers and those holding technical responsibilities adjusted themselves and even altered the proposed workflow.

The workflow was necessary to implement PFC, as much detailing of the actions had to be developed. Once filled out, the workflow was sent to the UE unit, to undergo control activities, such as analysis of solutions, evaluation of a contribution to the strategy, appraisal of proposed metrics, assessment of project consistency and its actions, and other control activities. Following these analyses, the UE unit would issue a report and send its evaluations to those responsible for technical solutions.

It is rather striking that no interactions were created between the UE unit and the other knowledge units, which should have supported the UE unit providing it with specific knowledge and information. Quite to the contrary, there was work overlap.

The UE unit had tightfisted control over all PFC activities. It was identified as a major unit to facilitate and support the implementation process, as it was held akin to a knowledge repository.

Having gone through UE and after undergoing the necessary adjustments, the solutions should then be submitted to Top Management approval. However, project approval criteria were not clear. Those interviewed said they were not coherent with the proposed strategy. This reinforced many managers’ perception that the change “was nothing but cosmetics ... it would be just a matter of time before its doom.” This argument was reinforced by Top Management signals:

“We have unaligned projects ... and a decision has been made that they will remain unaligned. Is this an issue or what? Guess what oftentimes happens? Top Management approves, then turns around and says: “You there, put together a workflow.”

5 Final Remarks – The Strategic Change:

This paper sought to discuss a strategic implementation process grounded on routine analysis. My starting premise was that this is the core variable to understand a firm and its change process. This is because, even though routines are stable and repetitive, they are also context-dependant, thus reflecting organizational changes. Changes in their environment call for company repositioning. The new strategy is reflected in established objectives which, according to the Case Study herein, must lay a new basis for common and shared understanding. However, this process can imply significant status quo changes. Aspects such as altering previous contracts, uncertainty, conflicts of interests and other issues may arise and reinforce the stable character of routines.

People interviewed in this case pointed to these and to other aspects influencing their adhesion (or not) to the proposed strategy. They claimed there was consensus on the importance of repositioning the organization, but the process of communication and understanding the new options was flawed. This split the managers into two groups. In the first group were those involved and committed, whose contracts were redone. Id est, new objectives were established between them and the organization. They were trained, attended meetings and workshops with the leadership, received artifacts such as workflows, clear control systems, metrics, rules etc., attuned to the new expected routines. Although process improvement occurred, this group sided with the changes, adopted and developed routines reflecting the new positioning.

In the second group were those whose involvement had been foreseen but they were not accorded the same care. In other words, a more effective communication plan was not developed for them, to clarify the new contracts and the new behavior standards. They were neither enabled nor qualified, did not understand the differences in the strategic plan, their different actions and connections with the other projects and units. This group denied and even opposed the new strategy. This has to do with the scope of the established strategy. Its initial discourse proposed repositioning the organization as a whole and valued a managerial profile attuned to the new type of actions. The proposed change altered the initial organizational structure, modified the
positions of units and roles, changed the actors’ perception of the previous status quo. In short, previous agreements were broken. This made it impossible for pre-established routines to carry out their roles – coordinate, control, secure truces, and the like. As uncertainties increased and in the absence of drivers inducing the formation of new routines, these agents retreated into denial and opposed the change.

**Contributions to the literature:**

The case provides an opportunity to reflect about the role of routines in strategic implementation, since as proposed by Whittington et al (2004, p.8) “The content side at the bottom of Figure [2] has attracted less empirical attention so far…” Besides, still from s-as-p perspective the case contribution has to do with the ambition of this chain in explaining the first and last line of Figure 2 and the connections between them, the vectors and lines, particularly V1, V2 and H1.

Using the roles and characteristics of routines, discussed by Neo-Schumpertian authors the case elucidated what needs to be observed and be monitored in order to implement a strategy. Likewise these authors also helped to clarify what are the contents of boxes in the first and third line in the left side of Figure 2, besides they offered references about how they are interacted.

Considering the Neo-Schumpertian side the case contributes to the discussion of the origin and changes of routines (Greve, 2008), further it contributes to the discussion connecting routines, rules and strategies (Salvato, 2003).

**Contributions to the practice:**

As stated in the introduction one important issue in strategy debate regards to the transformation of plans into action. The case provides evidence about some elements that managers need to consider, as proposed in Figure 3. Moreover the case demonstrated the importance of routines in strategic implementation. Additionally it emphasized the fact that to change or recombine routines some elements must be considered. The research singled out the influence of establishing clear and consistent objectives (a collectively-built shared sense); the role and involvement of leadership in clarifying, demonstrating the effective intent to change and creating a safe environment; the relevance of incentives, control and hierarchy and the relation between rules, operational procedures and other artifacts. The observation of those elements certainly contribute to the managers in their challenged task to put strategy into practice.

Although these contributions the case has limitations and among them it is worthy to mention the fact that all those found-fields are concentrated in just one case. Despite the fact that one case can be helpful, if it represents a critical one (Goldstein & Mead, 1987), which is the point here, it will be interesting if other studies apply this framework and bring more evidence to the discussion.

**REFERENCES**


