STRATEGY TOOLS-IN-PRACTICE:
CONTEXTUAL FACTORS AND PRACTICAL USE

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Dedication

I dedicate this thesis to my wife, Véronique, and our children, Micól and Esmé, who never let me forget what matters most – them. You give everything I do more meaning than I can ever express. I love you all.
Abstract

Strategic management research is often criticised for lacking relevance and usefulness for practitioners. The practice perspective of strategy recognises that strategy research and education must once again focus on providing practitioners with useful advice for improving their strategising activities. While strategy tools are a common component of strategic management courses, journal articles and textbooks, little is known about how these are actually used in practice, and how organisational and institutional contextual factors influence the way practitioners perceive and use them.

This thesis investigated why and how conceptual strategy tools are used by practitioners in three hotel companies. The hotel industry was chosen since strategic hospitality management researchers have called for in-depth studies to determine whether generic strategy tools can be used in the hospitality industry.

Due to the limited extant literature on the use of strategy tools, and the exploratory and descriptive nature of the study, an inductive, qualitative case study method was employed. The empirical evidence was triangulated through observations, interviews and document analysis. Thematic analysis was used to interpret the findings.

The findings suggest that top executives often reject strategy tools for the very reasons academics and consultants recommend them. These include their perceived lack of legitimacy, the need for creative and fast decisions, and the unwillingness to structure strategic thinking. While lower-level managers were found to use these tools to structure their research and data collection, such use is 'veiled' since they are used implicitly and intra-departmentally. The industry context also influences the use and perceived value of tools due to its unique ownership-management structure and the value placed on practical work and quantitative data.

The thesis contributes to the academic literature by addressing calls for in-depth studies of strategy tool usage across hierarchical levels, in multiple firms and within a single industry setting.
Statement of Originality

This thesis and the work to which it refers are the results of my own efforts. Any ideas, data, images or text resulting from the work of others (whether published or unpublished) are fully identified as such within the work and attributed to their originator in the text, bibliography or in footnotes. This thesis has not been submitted in whole or in part for any other academic degree or professional qualification. I agree that the University has the right to submit my work to the plagiarism detection service TurnitinUK for originality checks. Whether or not drafts have been so-assessed, the University reserves the right to require an electronic version of the final document (as submitted) for assessment as above.

Demian Hodari
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Chapter 1 Introduction

This chapter presents a rationale for the research into why and how strategy tools are used, and argues that the international hotel industry is an appropriate context for the empirical investigation. It then identifies the study's aims and objectives and concludes by providing an overview of the structure of this thesis.

1.1 Research Rationale

Strategic management research has over the past few decades focused on either strategy content or the strategy process (Bourgeois, 1980; Chakravarthy & Doz, 1992), neither of which has adequately considered the actual work that managers undertake in their strategy endeavours. Both the content and process subfields have largely treated strategy as a series of "causally related variables" (Balogun, Jarzabkowski, & Seidl, 2007, p. 197) in which human action virtually disappears. Strategy content researchers (e.g. Ansoff, 1965; Porter, 1980) have essentially tried to determine what a firm's strategy should be and have often provided normative guidelines and frameworks for the different strategic choices that can lead to improved performance. This research stream has tended to explain the success and failures of strategies purely on the basis of economic forces and, as such, has treated managers as "faceless abstractions" (Bettis & Prahalad, 1995, p.6). Chia and MacKay (2007) point out that it has often been criticised for being too "course grained" (p. 220) to explain what actually happens during strategy-making.

While content researchers have largely ignored the organisational challenges and contextual factors involved in making strategy, Johnson, Melin and Whittington (2003) acknowledge that strategy process researchers (e.g. Mintzberg, 1994; Pettigrew, 1987) have recognised that strategy is an organisational phenomenon and not a problem detached from the organisation's internal dynamics. However, processual scholars study organisations as wholes (Chakravarthy & Doz, 1992), and although they have uncovered many important aspects of how strategy is developed and implemented within organisations, they have not examined the practices inside those processes (Brown & Duguid, 2000) or the way practitioners
engage with those practices. This is important since, as Whittington (2001) points out, it is these practices that drive strategy's processes and emergence. Processual research has, instead, largely neglected practical managerial activities, and as such the role of managerial agency involved in these processes (Bettis, 1991; Chia & MacKay, 2007; Johnson et al., 2003).

This lack of attention to the practical role practitioners play in strategy-making has spurred much of the recent criticisms about the usefulness and relevance of contemporary strategic management education and research (e.g. Gopinath & Hoffman, 1995; Jarzabkowski & Whittington, 2008a; Lyles, 1995; Pfeffer & Fong, 2002). Mintzberg's (2004a, 2004b) recent work, for example, has focused on the failures of academia to properly prepare students for work in management and as strategists since academics often reduce strategic management to a toolkit of analytical techniques that do not necessarily provide practical value for organisations. The field's research is often irrelevant to many practitioners (Bettis, 1991; Lyles, 1995; Nicolai, 2004) since it does not provide useful solutions to their real problems (Johnson et al., 2003) and does not consider the reality of how strategy is actually practiced in real situations (Mintzberg, 2004b). Recently there have been increasingly frequent calls for more realistically applicable strategy research and teaching (e.g. Bower, 2008; Greiner, Bhambri, & Cummings, 2003; Pettigrew, 2001; Rynes, Bartunek, & Daft, 2001; Starkey & Madan, 2001). Hambrick (2004), for example, has called for strategy research to begin "filling in, or adding depth, texture and linkages to our many disparate nuggets of insight about the work of general managers" (p. 93).

A practice perspective of strategy (Johnson et al., 2003; Whittington, 1996) has emerged, in part, as a response to these increasingly frequent criticisms that strategic management research has been 'de-humanised', lacks relevance for practitioners, and fails to study the 'messy' reality associated with actually 'doing' strategy. By recognising the critical roles that both individuals and society play in determining strategy practices, it returns strategy research to its original purpose of understanding and improving the work of practitioners, and builds on a recent trend of examining other management disciplines, such as organisational learning (Brown & Duguid, 1991, 2001) and technology (Orlikowski, 2000) from a social sciences notion of practice (see Bourdieu, 1990; DeCerteau, 1988; Giddens, 1984; Schatzki, Cetina, & Savigny, 2001).
The Strategy as Practice (SasP) perspective provides a new way of looking at the micro-level of strategy since it focuses on the practical, formal work of strategising, and even more specifically on its situated and concrete activities (Whittington, Jarzabkowski, Mayer, Mounoud, Nahapiet, & Rouleau, 2003) as it shifts the focus of research to the actual practice and practices of strategy practitioners. That is, from a practice perspective one questions what practitioners are actually doing when they are engaged in their strategy work. This research stream thus takes an activity-based view (Jarzabkowski, 2005; Johnson et al., 2003) for studying strategy as it focuses its concern and investigations on the mundane and "unheroic work of ordinary strategic practitioners" (Whittington, 1996, p. 734).

SasP's proponents focus on the actual practices of strategists since they believe that strategy research must return to the its original purpose of understanding and improving the work of practitioners, and because helping managers to make effective decisions in complicated complex organisations starts with helping them to understand how organisations really work (Ezzamel & Willmott, 2004). It is concerned more with the performance of strategy work than with the economic performance of firms (Whittington & Cailluet, 2008). Studying strategy from the practice perspective means reinstating the role of agency in strategic action and thus seeing strategy not only as something organisations have, but also as something people 'do' (Jarzabkowski, 2005), and where what matters is the strategist's performance (Whittington, 2004). It implies wanting to help practitioners understand and improve how they act and interact during the strategy process as this will affect the quality of an organisation's strategy process, choices and outcomes (Jarzabkowski, 2005). While the SasP perspective is similar to the processual school in that both advocate close-up examinations of how strategy is accomplished, rather than study the cultural and political aspects of the overall process over time, for example, SasP is more concerned with a post-rational exploration (Ezzamel & Willmott, 2004) of the skills, techniques and tools that are used when creating strategy (Johnson et al., 2003). As Whittington (1996) notes "practical competence requires a readiness to work within existing structures and routines, rather than knowledge of some textbook ideal" (p.732). It is particularly concerned with the contextualisation of these micro-activities since:
Micro-phenomena need to be understood in their wider social context; actors in their micro-situations are not acting in isolation but are drawing upon the regular, socially defined modes of acting that arise from the plural social institutions to which they belong (Balogun et al., 2007, p. 199).

One way to better understand how strategy is actually rather than theoretically practiced, and how contextual factors influence this practice, is by studying the way that practitioners use strategy tools. The efficacy of such tools has been increasingly called into question. For example, fifteen years ago Prahalad and Hamel (1994) observed that practitioners were "abandoning traditional approaches to strategy ... (while academics were) re-examining the relevance of the concepts and tools of the strategy field" (p. 5). Jarzabkowski and Wilson (2006) have more recently noted that while traditional strategy research has focused on the step between the creation or acquisition of strategy knowledge and the design of tools, models or other knowledge artefacts, the practice perspective is more concerned with their practical applications for and by practitioners since little about this use is known. They suggest that one should study how strategy tools are and are not used by practitioners since academics often disseminate their theories to practitioners through such tools as templates, models and frameworks.

Academic textbooks (Grant, 2008), strategic management courses (Bower, 2008), consultants (Morecroft, 1992) and the popular media (Mazza & Alvarez, 2000) have all helped popularise tools rather than their underlying theories. Conceptual frameworks, such as SWOT analysis, Porter's (1980) five forces, and the BCG growth-share matrix are, for example, often cited as important and popular strategy tools (e.g. Clark, 1997; Frost, 2003; Rigby, 2003) which form the basis for the more common strategic analysis techniques (Furrer & Thomas, 2000). Given their popularity in the research literature, business school strategy courses, and, apparently with practitioners, it is thus surprising that so little is understood about how the field's conceptual strategy tools are actually used by practitioners.

Jarzabkowski and Wilson (2006) believe that this lacuna exists because most academics "seem wedded to a representational epistemology, conceptualising use as primarily prescriptive application" (p. 362). The limited empirical evidence suggests that strategy practitioners do use the field's knowledge artefacts, but these studies have generally focused on what tools are used (e.g. Clark, 1997;
Frost, 2003) or on the changing popularity of different tools (e.g. Pascale, 1990; Rigby, 2001b; Rigby & Bilodeau, 2005). Even fewer studies have investigated how or why the tools are or are not used (Knott, 2008; Stenfors, Tanner, & Haapalinna, 2004; Witcher & Chau, 2008). This question of how and why strategists use and do not use strategy tools thus continues to remain largely unanswered and under-investigated (Hodgkinson, Whittington, Johnson, & Schwarz, 2006; Jarzabkowski, Balogun, & Seidl, 2007; Jarzabkowski & Wilson, 2006).

Both practitioners and academics need better knowledge about the relevance and role of strategy tools within specific contexts (Ambastha & Momaya, 2004; Jarzabkowski & Wilson, 2006; Johnson et al., 2003), and according to the SasP literature there are several reasons why practice-based studies of this are necessary. First, according to Whittington, Molloy, Mayer and Smith (2006), dynamic environmental contexts imply that strategies are increasingly only temporary, and as such:

Mastering the key practices, tools and procedures for repeated re-organising and re-strategising matters at least as much as perfecting any particular strategic or organisational design (p.616).

Second, because strategy is increasingly part of middle and lower-level managers’ work (Floyd & Wooldridge, 1992; Westley, 1990) more people than ever are involved in important strategy tasks, and as such they may need useful advice about their practical role and contributions, including their use of strategy tools and techniques. Studying why and how formal strategy tools are and are not used in the strategic management process can help reveal what “is involved in being a competent strategist and how some practitioners are more influential than others” (Jarzabkowski & Whittington, 2008b, p. 283).

Third, although SasP research is not prescriptive, it can help improve practice since explanations about practices can help practitioners to better reflect on their own strategy work and process (Johnson et al., 2003). While not generalisable, Jarzabkowski & Whittington (2008b) suggest that such studies can “indicate the underlying situational mechanisms involved in human action” (p.283). As such, this kind of research may assist practitioners in understanding their own use and perception of strategy tools.
Fourth, as Johnson et al. (2003) note, as many resources (Barney, 1991) are more transparent and mobile than ever before, most are not a solid foundation for any competitive advantage. They suggest, therefore, that sustainable advantage may only arise from the interactive behaviours of people which are "micro assets" that are hard to discern and awkward to trade" (p. 4). Strategy tools, and the way they are used, may be revealed as examples of such 'micro assets'.

Fifth, the complexity and volatility of the environments in which many companies currently operate means that not only are generalisations about the effectiveness of content-driven research findings less likely (Brown & Eisenhardt, 1997), but also that there may be a decrease in the usefulness of traditional strategic management tools (Martinez, Priesmeyer, & Menger, 1999). Explanations of how practitioners perceive the value and role of these tools, based on their experiences with them, can help researchers and educators to update their own research and pedagogical practices. Similarly, understanding how and why practitioners do not use these tools can provide a better understanding of the limitations of tools with regards not only to their rational and analytical purposes, but also their practical implementation.

This thesis thus takes a practice perspective of why and how strategy tools are and are not used by practitioners from across hierarchical levels during their everyday strategy-making activities. It is therefore concerned with tools-in-practice and not the tools themselves. It argues that the activities involved in using strategy tools are not only analytical but may also be practical since, for example, the rapid pace of changes in the external environment means that the use of tools cannot always be conducted with analytical detachment and patience (Whittington et al., 2006). Since strategy-making is contextually based (e.g. Pettigrew, 1977; Pettigrew, 1987), it also examines how the use of tools within the strategy formulation process may also be defined by intra-organisational and extra-organisational social systems and their shared understandings, cultural values, and institutionalised practices and norms. As such, it asks of practitioners' use of tools "What works for them and what does not work?" (Johnson et al., 2003, p. 16). By studying how and why strategists do not use tools, it also heeds Carter et al.'s (2008) warning that by only focusing on what strategists do, SasP scholars could mistakenly neglect what is not done or
practised and thus potentially miss some of the "strategic spaces in which strategy is constituted" (p. 94). This thesis' examination of the contextual factors that influence how and why tools are and are not used is thus built on their idea that:

What is necessary is to explore not only what is done but what is not done, that which is not practised, that which is not said, using external stakeholder articulations as a sign of what might be but is not (p. 94, italics added).

1.2 Research Context and Scope

By concentrating its empirical research within the international hotel industry this thesis addresses calls within the SasP literature for single industry studies (Johnson et al., 2003; Whittington, 2006) and for studies specifically within the service sector (Dougherty, 2004). By doing so it also addresses concerns about the validity of certain strategy tools across industries (Johnson, Langley, Melin, & Whittington, 2007; Okumus & Wong, 2005b). The chosen industry context is especially relevant since the hotel industry has, with mixed results, habitually incorporated findings and recommendations, including tools and concepts, from the broader general business environment (Olsen & Roper, 1998). This limited success has led Okumus and Wong (2005b) to state that:

There is an essential need for more in-depth and rigorous research in order to explain and justify whether the models, frameworks and theories on strategy developed for the manufacturing industry can be used (in the hospitality industry) and the extent to which they need to be modified (p. 267).

As the SasP literature also calls for studies across multiple organisations (Balogun, Huff, & Johnson, 2003; Johnson et al., 2003; Whittington, 2006; Wilson & Jarzabkowski, 2004), the empirical research takes place within three hotel chains. The firms studied range from among the largest hotel companies in the world, to a medium sized firm that is rapidly expanding, to a relatively small multi-unit organisation. This selection addresses the fact that practice-based studies are meant to produce patterns and not predictions (Kaplan, 2007). The research also investigates the role of tools for board members, senior executives, middle managers and lower-level managers, and therefore responds to
suggestions that strategising activities be studied across multiple organisational levels within individual firms (Hambrick, 2004; Jarzabkowski et al., 2007).

1.3 Research Approach

Researching strategy from the practice perspective requires a focus on practitioners and their practical activities, as well as on how social and economic contexts influence these (Johnson et al., 2007). This implies that activities in practice must be studied anthropologically since what is of interest is not what is done, but rather why and how it is done. Given the importance of context with regards to the use of tools in strategising activities, this study agrees that research about the practical knowledge used by managers should focus on local practices if it is to have theoretical value (Easterby-Smith, Thorpe, & Lowe, 2002). As the hotel industry context is examined in this study, it is also important to note that there is an increasing recognition that hospitality management research can and should be conducted using qualitative methods (Kwortnik, 2003; Sandiford & Seymour, 2007; Walsh, 2003). Walsh (2003), for example, argues that qualitative research findings can be used to "identify the important ways in which hospitality managers view a particular problem" (p. 68) and that this can help teach researchers about the realities of working in the hospitality industry. She suggests that such research "can capture insights from the field and specifically examine their Implications for the ways that (hospitality) organizations strategize" (p. 72). This approach similarly addresses calls for case studies with descriptive results that can contribute to understanding how hospitality organisations engage in strategy and the key relationships which are inherent in this context (Olsen, 2004). This thesis thus takes an activity-based perspective (Jarzabkowski, 2005; Johnson et al., 2003; Stenfors & Tanner, 2006) and investigates the phenomenon through a qualitative case study approach using ethnographic methods of data collection.

1.4 Research Aims and Questions

The SasP field is characterised by the problems it addresses rather than by the theory it uses (Jarzabkowski et al., 2007), and as such it is important to define more precisely the problems the research seeks to investigate. This study examines how and why strategy tools are and are not used and as such fills a gap
in the strategy literature about the relationship between context and the use and perception of strategy tools. This thesis aims to contribute to an improved understanding about practitioner use of strategy tools through the empirical study. The few studies that have looked qualitatively at the introduction or implementation of a particular tool (Chesley & Wenger, 1999; Hill & Westbrook, 1997; Kaplan & Jarzabkowski, 2006) have not considered many of the issues that this thesis seeks to explore. For example, they have not (1) compared use across organisations, (2) compared use across organisational levels, or (3) looked at their use within the hotel industry. In addition, these studies have not taken a practice perspective of (1) who uses them, (2) how or (3) why the tools are used, (4) how their use is linked to intra and extra-organisational influences or (5) how their use is related to the strategy formulation process within the organisation. As limited work in these areas has been done, it is an exploratory study and therefore seeks to reveal general patterns of behaviour and identify issues for further study. Since studying strategy from the practice perspective means examining the relevance (or irrelevance) of practices to practitioners and to the creation of strategy, several related and key overarching questions are examined in this thesis. These are:

1. Why do practitioners use strategy tools when strategising?
2. How do practitioners use strategy tools when strategising?
3. How do contextual factors influence the use of strategy tools?

1.5 Structure of the Thesis

This introductory chapter identified the research aim as well as the specific objectives necessary to accomplish it. It also presented a rationale for the research based on gaps identified within the strategic management literature and the need for such a study in the international hotel industry.

Chapter Two reviews the SasP literature and, more specifically, the role and use of strategy tools in the strategy formulation process. This review, in turn, helps to inform and structure the empirical investigation.

Chapter Three situates the hotel sector within the more general service and hospitality industries, examines the relevant information about the international
hotel industry’s structure and management characteristics and highlights the lack of industry-specific strategy tools and the question about the transferability of generic tools. It then reviews the limited extant literature about how strategy is practiced within the industry and identifies needs for such studies.

Chapter Four explains the research design and presents the rationale for taking an inductive and qualitative approach to the primary investigation. It argues that the case study approach is an appropriate methodology for investigating the topic and why, through various research methods such as document analysis, observations and semi-structured interviews, a triangulation of data helps to support the reliability and validity of the findings.

Chapter Five presents the research findings for each case study. These findings are presented independently for each case.

Chapter Six discusses the empirical findings in relation to the extant literature and the identified research questions. The two themes that emerge through this process are used to frame the discussion.

Chapter Seven provides some conclusions derived from this research. It then identifies the thesis’ original contributions and some limitations of the research. Implications of the findings for practicing managers and educators are identified. The chapter concludes with some recommendations for future studies.
Chapter 2   Review of the Literature

2.1 Introduction

The purpose of this chapter is to review the practice perspective of strategy and, more specifically, the different roles that strategy tools are thought to play within the practice of strategy. This chapter proceeds as follows. Section 2.2, the overview, introduces the Strategy as Practice (SasP) perspective of strategy by placing it within the historical body of the academic strategic management literature. Its key differences from the content and process subfields are highlighted. This section also introduces the SasP research agenda and presents examples of some of the key work to-date in the field. The need for empirical research into the use of strategy tools by practitioners is emphasised. Section 2.3 presents a more detailed look at the concept of strategy tools with a specific focus on the strategic management field's conceptual frameworks and matrices. This section discusses why and how fashionable and institutionalised tools might be used, adopted, adapted or rejected by practitioners, as well as why practitioners may create their own new tools. A critique of tools and explanation for why they may in fact not be useful for practitioners is also provided. Section 2.4 focuses on the role that strategy tools are thought to play according to deliberate/rational, emergent and post-rational perspectives of strategy formulation. Section 2.5 reviews the limited extent empirical data about the use of strategy tools, including who uses them and when they are used. The chapter summary highlights the need to investigate the relationship between contextual factors and the use of strategy tools in more detail and within a single industry setting.

2.2 Strategy as Practice

This section introduces the SasP perspective and the key differences between it and the more established process and content subfields. It then identifies the SasP research agenda and reviews some of its relevant but limited extant empirical research.
2.2.1 History and Underlying Theory

The term ‘Strategy as Practice’ first appeared as the title and subject of Richard Whittington’s 1996 article in *Long Range Planning*. The article’s experimental and provocative subject placed it in the journal’s ‘Strategy at the Leading Edge’ section which features short reports on new research streams and experiments, rather than among the more traditional articles the journal normally features. The article has since become the journal’s 17th most cited article of all time (Cummings & Daellenbach, 2009, in press) as Whittington’s call for research into the practice of strategy has been emphatically embraced. It has resulted in special editions of the *Journal of Management* (January, 2003), *Long Range Planning* (2006) and *Human Relations* (2007), was the focus of the *European Management Review*’s inaugural volume (2004), and has become a specialised interest group at numerous conferences, including those of the Strategic Management Society, the American Academy of Management, the British Academy of Management, the European Academy of Management, and the European Group for Organisational Studies. To date it has provided the perspective for two books (Jarzabkowski, 2005; Johnson et al., 2007) and only a few doctoral theses (Diatlov, 2005; Ikaivalko, 2005; Jarzabkowski, 2000; Mantere, 2003). While the school’s contribution to the strategy literature is growing, there are still relatively few scholars publishing peer-reviewed articles, and the majority of these are conceptual rather than empirical (Jarzabkowski & Spee, 2009).

SasP emerged largely as a reaction to the fact that most research has tended to see strategy as something organisations have and that its dominant view has been economics-based (Whittington, 1996). Here ‘have’ can refer to different types of strategies, such as, for example, growth, diversification and cost-reduction. Similarly, it can refer to the different processes that organisations have, such as decision-making and strategic planning (Johnson et al., 2007). SasP, instead, sees strategy as a type of work and as something people, rather than organisations, do (Jarzabkowski, 2005). While they recognise that previous researchers have not completely ignored the notion that strategy involves people doing things (e.g. Lindblom, 1959; Pettigrew, 1985), and that in the past there have been implicit as well as explicit studies of strategy practices (e.g. Mintzberg, 1973), many scholars argue that most earlier research has either elevated the concept of ‘doing’ “to a level of abstract categorization” (Johnson et al., 2007, p.3
italics in original) or assumed too much about what people actually do and achieve when they 'do' strategy (Stacey, 2007).

SasP seeks to shift the research in strategy back to the practitioner, and thus responds to a growing call for more research that reflects the real concerns and work of practitioners (Hambrick, 1994; Mintzberg, 2004b). Johnson et al. (2007) suggest that the SasP concern with the practical echoes a recent 'pragmatic turn' in philosophy which has increased the attention and respect paid to practical wisdom. They explain that pragmatism emphasises the importance of the practical and of knowledge which is "discovered in practical activity" (p.32).

Whittington (1996; et al., 2003) notes that the SasP perspective was originally founded on social theory's turn over the past 25 years towards a more practice-based theorising (e.g. Schatzki et al., 2001). Although a discussion of the 'practice turn' in social theory is beyond the scope of this study, it is important to note that while it has many strands they are all primarily concerned with what people actually, rather than supposedly, do (Johnson et al., 2007). Johnson et al. (2007) note that Schatzki (2001) synthesised the different focal points of many practice-based social theory perspectives into three main points. (1) Minute and routine activities are as important to study and understand as are larger and extraordinary activities. (2) This activity is situated within the wider society and as such actors rely and draw upon shared understandings, language, technologies and skills. (3) Studying practice means that one is interested in the skills and resources people use in their ordinary activities which they say means that these individuals "should be seen not simply as programmed by social practice, but rather as potentially artful manipulators" (p.35). Thus, according to this view, practical activity is important and so is its relationship to the "larger social systems or structures in which it is embedded" (p.34).

The theory underlying the school's rationale, and its focus on the practical strategy activities of practitioners, thus reside in the growing concern of both sociology and philosophy with the practical and pragmatic work of individuals that take place within contexts of, for example, their organisations and industries (Johnson et al., 2007). As is discussed next, this concern with the practical is one of the key ways the practice perspective of strategy differs from the more traditional and established content and process subfields.
2.2.2 Strategy as Practice, Process and Content

Strategic management research has traditionally focused on either process or content. While process research focuses on the actions of an organisation which lead to and support the strategy content, research on strategy content is concerned with the subject of strategic decisions (Huff & Reger, 1987). According to Johnson et al. (2007), social theory's practice turn delineates three important differences from processual research. (1) The practice perspective is focused on actors' practical activities rather than an organisation's larger activity. (2) The dependent variable of practice-based research is not focused on organisational performance as it is in more traditional process research, but rather with the performance of "artful individuals" (p.36). (3) The social and economic contexts are not only important as with processual studies, but with practice they are essential elements that are required to understand actors and their possibilities for action. The school's particular focus, and its differences with the process and content schools, is now examined in more detail in light of these three issues.

Activities

Whittington (2007) remarks that while practice is often confused with, or seen as only an extension of process (see Carter et al., 2008; Chia & MacKay, 2007), they are in fact two separate domains since they are concerned with different types of activities. While strategy process research examines how effective strategies are shaped, validated and implemented by organisations (Chakravarthy & Doz, 1992), SasP focus on the more minute work of practitioners through which strategy is actually formulated and implemented (Whittington, 1996).

Although they are different in many ways, Stacey (2007) points out that the content and process 'subfields' are each about interaction. He argues that content research is concerned with the interactions of organisations and their environments while the process subfield is focused on "interactions between people and groups of people within an organisation" (p.166-167). SasP is also highly concerned with interaction, though on a much more micro-level of practical activities. To understand this one must first recognise that for SasP, strategy is conceptualised as a situated, socially accomplished activity (Jarzabkowski et al., 2007) and that strategising refers to these activities and the interactions of the multiple actors engaged in them (Denis, Langley, & Rouleau, 2007). Strategic
activities, or micro-processes, are those that can be considered as consequential for a firm's direction, outcomes, survival and competitive advantage (Johnson et al., 2003). Whittington (2007) notes that these practices are the activities which form "the internal life of process" (Brown & Duguid, 2000, p.95). Here top strategists are said to interact not only with each other as they create and implement strategy in their everyday strategy work, but also with middle managers, lower level staff, external actors and organisations, as well as with material artefacts including tools and the techniques for using them (Jarzabkowski et al., 2007). The practice view of strategy therefore seeks to explain and understand activity by:

How skilled and knowledgeable strategic actors constitute and reconstitute a system of shared strategic practice that they also draw upon as a set of resources in the everyday activities of strategising (Wilson & Jarzabkowski, 2004, p.15).

Managerial Performance as a Dependent Variable
While SasP involves a different interpretation of strategy and strategy-making than the more traditional content and process perspectives, like both of these subfields it is also ultimately interested in improving performance. However, while the content subfield focuses on what strategic choices and/or positions will best result in optimal performance, and process research focuses on how organisations can regularly improve those choices or positions, SasP sees strategy as something people do (Jarzabkowski, 2005), where what matters is the strategist's performance (Whittington, 2004). By focusing on their daily work and actions, including the tools they use while acting and interacting as they strategise, SasP takes a micro-perspective of strategy and of the strategist as an individual (Denis et al., 2007). SasP research thus attempts to "get inside firms' overall strategy processes to the actual activities of strategy practitioners" (Whittington, 2004, p.64) in order to find practical ways for improving their performance. The important questions, therefore, are how a strategist's own performance can influence and improve the quality of an organisation's strategy process, choices and outcomes.

The Role of Context in Strategy as Practice
"Contextualism recognizes that there is a gap between universal theory and concepts useful in a specific context, that is, useful to a specific manager, at a
specific time, on a specific issue" (Mahoney & McGahan, 2007, p.87). Due to its primary focus on what people actually do in relation to strategy, SasP is also interested in the context in which they strategise (Johnson et al., 2007). Whittington (2006) has suggested that by integrating both the intra-organisational (i.e. individual or departmental) and extra-organisational (i.e. societal or sectoral) levels into their studies, SasP researchers will 'complete the practice turn' and better understand practitioner behaviour. He argues that focusing on extra-organisational contextual factors is critical since, for example, according to Bourdieu's (1990) notion of habitus, people unconsciously but systematically incorporate social traditions and norms into their everyday conduct. He says that since an organisation's strategising practices and activities may succeed or fail as a result of the external context (Maitlis & Lawrence, 2003), it is important to understand the influence of these extra-organisational factors on strategising activities.

Given the importance of context and the suspected lack of attention SasP researchers have paid to it, Johnson et al. (2007) note that they amended the school's earlier definition (see Johnson et al., 2003) to reflect this. They now conceive of SasP as "a concern with what people do in relation to strategy and how this is influenced by and influences their organisational and institutional context" (Johnson et al., 2007, p.7 italics added). This implies that the context of strategy-making is not a separate factor in the process, but rather that it plays an important role in practitioners' situated strategy activities. As compared with the process perspective, therefore, SasP "looks more deeply into the micro-activity inside organizational process and attends more seriously to the macro-context outside process" (Johnson et al., 2007, p.36).

2.2.3 The Strategy as Practice Research Agenda

According to Kaplan (2007), practice theory means that researchers should not focus on the strategy literature's existing research questions, but instead should raise new types of questions that a practice perspective permits them to ask. Whittington (2003) identified six such questions as the SasP research agenda. While it is beyond the scope of this thesis to elaborate fully on each one, it is important to identify them and some of the limited extant findings with regards to each as they contribute to a better understanding of this thesis' focus on the role of strategy tools.
Two questions pertain to who strategises and what skills they need for the task. SasP builds on the idea that the formal work of strategy formulation has moved away from being the work of a centralised, professional, top-management strategic planning team (Mintzberg, 1994) and practitioners are therefore any individual actors who undertake strategising actions and rely upon practices, such as tools, to do so. Carter et al. (2008) suggest that it is the rituals and practices of strategy-making, including the mastering of certain tools, that help provide a person with the status of strategist. This includes academics (Marcus, Goodman, & Grazman, 1995) consultants (Trigo, Angwin, & Wilson, 2005), people on the periphery (Regnér, 2003) and middle and lower-level managers (Bowman, Singh, & Thomas, 2002; Floyd & Wooldridge, 1992, 1994; Vogler, 2005; Westley, 1990).

Since it is often the actions and interaction of middle managers and lower-level employees that leads to the development of different strategies (Floyd & Wooldridge, 1992; Hambrick, 2004), understanding how they engage in strategising practices, such as how they use different tools, is as critical as knowing how top managers do so. Hoon (2007) notes that middle managers' strategising activities have been shown to develop within an organisation’s structural context as these individuals interpret top management’s strategising activities as an attitude they hold about a specific strategic issue, which, in turn, helps to legitimise their own role in developing the issue further (see Dutton, Ashford, O’Neill, & Hayes, 1997; Dutton, Ashford, O’Neill, & Lawrence, 2001). Middle managers also utilise specific tactics to help ‘sell’ strategic initiatives and to guarantee that their superiors pay sufficient attention to these issues (Dutton et al., 1997, 2001). For example, their use of labels such as ‘threats’ or ‘opportunities’ when providing information about internal and external events influences the way their superiors see a situation (Dutton & Ashford, 1993; Floyd & Wooldridge, 1994). Floyd and Wooldridge (1994) thus argue that these tactics mean that middle managers ‘saturate information’ with their own views and are thus not necessarily objective with the data they transmit.

Middle managers also provide the contextual knowledge and experience necessary for shaping strategy (Dutton et al., 2001). Hoon (2007) thus suggests that their knowledge can be a type of practical expertise about acceptable and normal behaviours within the organisation and about “how the organization
actually works” (p.924). She points out that their contextual knowledge and experience shapes the way middle managers provide input into an organisation’s strategic direction (Floyd and Wooldridge, 1992, Regnér, 2003) and how they champion strategic issues by attempting to influence their firm’s strategic activities even when this goes beyond their operational responsibilities (Mantere, 2005). Nordqvist and Melin (2008), for example, found that in addition to a formal competence with the specific technical and analytical strategy skills that permit them to “apply concepts, tools and models of strategy ... for systematic strategic analyses” (p.327), ‘strategic planning champions’ use other skill sets to guide the strategic planning process. For example, as ‘known strangers’ they find a balance between familiarity and distance to provide other practitioners with a sense of both objectivity and confidence which facilitates better information exchange. They also act as ‘artful interpreters’ who understand local norms and routines and adapt practices accordingly since they recognise that particular practices need to be adjusted to specific contexts.

Three less-investigated questions concern where strategising is done, how the work of strategising is done and organised, and how its products are communicated and consumed. Strategising practice often occurs in episodes (Hendry and Seidl, 2003) which have been the focus of several recent practice-based studies, including, for example, boardroom discussions (Samra-Fredericks, 2003), meetings (Jarzabkowski & Seidl, 2008) and workshops (Hodgkinson et al., 2006). Giraudeau (2008), meanwhile, studied the strategic plans for one company’s particular investment strategy and found that they were creative and open documents even if the planning process used to produce them hindered innovative strategising. Here the main concept is that of the strategy praxis, which is the work that comprises strategy and it “includes such taken-for-granted things as the meeting, talking, form filling and presenting in which strategy is constituted” (Johnson et al., 2007, p. 282). Whittington (2006) refers to the strategy praxis as the intra-organisational work actors actually do when formulating and implementing strategy, and that this includes the resource-consuming activities and tasks that practitioners actually do in practice and which are involved not only in strategy’s deliberate formulation but also in its emergence (Mintzberg & Waters, 1985).

Whittington (2006) suggests that a firm’s strategising work is largely defined by both the extra-organisational and organisation-specific practices that practitioners
use and build on during the strategy praxis, and that due to the fact that they are considered appropriate, help legitimise strategic processes. He defines practices within SasP as "shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using 'things’" (p.619). Organisation-specific practices include established routines and operating procedures, while extra-organisational examples may include sectoral practices and/or industry discourse and recipes that the firm has adopted (Whittington, 2003).

The use of practices is fundamentally about 'doing' things and as such they provide behavioural and procedural resources “through which multiple actors are able to interact in order to socially accomplish collective activity” (Whittington, 2006, p.9). Jarzabkowski and Whittington (2008b) suggest that strategy practices "include the social, symbolic and material tools through which strategy work is done” (p. 282). For them, these practices include "those theoretically and practically derived tools that have become part of the everyday lexicon and activity of strategy, such as Porter’s five forces” (p. 282), and for the SasP research agenda this relates to the fundamental question of the common tools and techniques used in the strategising practice. That is, if and how they are used in practice.

This question continues to remain largely unanswered and under-investigated (Jarzabkowski et al., 2007). Jarzabkowski and Spee (2009) note, for example, that although there has been much theoretical work about the diffusion and use of the strategic management tools and practices that are included in textbooks and taught in classrooms, “there has been little empirical attention to either the actual diffusion of these practices or how these practices are engaged in or constitutive of strategy practice” (p.832). Similarly, Jarzabkowski and Giuletti (2007) remark that "little is known of how, or indeed whether, managers use the theoretical resources gained from management education” (p. 1). Such an understanding is critical since the concepts that comprise an organisation’s strategy discourse help legitimise certain strategies and influence how decisions are made and resources allocated (Whittington et al., 2003). The following sections therefore examine this issue and the relevant but limited theoretical and empirical research related to strategy tools and their use.
2.3 Strategy Tools

This section examines the limited theoretical and empirical research related to strategy tools and their use. It focuses on the role tools may play within firms during the practices involved in strategy formulation.

2.3.1 Definitions and Uses of Strategy Tools

The strategic management field has not settled on a single definition of strategy tools (Spee, Tanner, & Gunn, 2008). Jarzabkowski and Wilson (2006) suggest that tools are mediators of activity that help establish a connection between practitioners and praxis. According to Stenfors (2007) strategy tools can be physical, processual or conceptual, and as such the range of tools that fit her description and studies include, among others, computers, post-it notes, project management techniques and analytical models and frameworks. Clark (1997) acknowledges a wide range of strategy tool types and thus refers to them as the "numerous techniques, tools, methods, models, frameworks, approaches and methodologies which are available to support decision making within strategic management" (p.417). Later, with Scott (1999), Clark reiterated his view that the term strategy tool is a generic name for any of the above ways that strategic decision-making is supported. Knott (2008) similarly recognises a wide variety of strategy tools and thus explains that for him they "encompass the full range of approaches, concepts, ideas and techniques that structure or influence strategy activity" (p.26).

As a result of the wide variation in definitions, researchers have considered a large number of different types and examples of tools in their studies of strategy tools, and this makes comparison across studies problematic. For example, qualitative findings about their use may vary since interviewees are reflecting on different tools with some taking a much broader view than others. Similarly, list-based surveys have provided vast and different selections of tools for respondents to rank, which makes their findings difficult to compare.

Within this review of the strategy tool literature, Clark's wider definition of strategy tools is appropriated since it has not only been used by studies subsequent to it (e.g. Clark & Scott, 1999; Frost, 2003; Spee et al., 2008), but because it also does not include the physical tools and technologies that are not
of interest in this study. This thesis, however, takes a more narrow view of strategy tools during the later empirical work for two fundamental reasons. First, since it looks at the use of tools, and not at their stated popularity, it is, for practical purposes, necessary to limit the types of tools that can be considered empirically. The second reason is the study's fundamental interest in the use of supposedly popular academic and consultancy tools. It focuses, therefore, on the conceptual and analytical frameworks, matrices and models that are intended to help simplify and represent complex situations as part of the strategy formulation process. These include frameworks that might be considered descriptive since they are intended to help structure problems, as well as theory-based frameworks that are intended to help prioritise a situation's issues, and explain their relationship and effect on performance (Grant, 2008). These tools can therefore be considered conceptual and/or analytical.

In order to avoid excessive repetition the terms 'strategy tool', 'framework', 'model' and 'matrix' are used interchangeably. Although they do connote some subtle differences, their common purpose is to sort and structure information and thoughts related to strategic issues. For example, according to Dutton et al. (1983) strategy models:

Provide a framework or structure within which to explore strategic decision contexts or issues; they are mechanisms which can be used by decision makers to sift through, simplify and synthesize (i.e. diagnose) a large body of data pertaining to firms' products, markets, strategies and goals and those of its competitors (p 318).

Morecroft (1992), meanwhile, notes that frameworks add structure by imposing:

Logical or spatial constraints on the arrangement of text or symbols. It is a map whose layout is guided by theory. Whereas a simple list just captures items of knowledge, a framework packages and organizes knowledge. A framework also filters knowledge because some ideas will not easily fit within the constraints of the framework (p.13).

According to Morecroft (1992), the effective use of a framework depends in part on the ease with which knowledge can be fitted into it. For example, he notes that while the concept of a value chain existed before Porter's (1985) work, Porter provided a major contribution to it and its popularity by "designing a visually compact map" (p.15) which provides a "working space" of boxes and
labels" that provide the physical place where practitioners can "categorise the facts they know (or gather)" (p.16). For Eppler and Platts (2009), it is this visualisation component of many strategy tools that helps practitioners to elicit, structure, synthesise and share large amounts of both quantitative and qualitative data and information. Examples of other such tools that have originated through the development of academic theory and/or consultants' experiences include SWOT analysis (Learned, Christensen, Andrews, & Guth, 1965), the five forces framework (Porter, 1980), and portfolio planning matrices such as the BCG growth-share matrix (Henderson, 1979).

The common consensus within the literature is that most strategy concepts and tools are developed to help managers deal with the uncertainties they face when creating and/or implementing a strategy (Kaplan & Jarzabkowski, 2006). For example, many strategy tools provide practitioners with a framework for action and a means for structuring their work's context and categorising its activities. Stenfors et al. (2004) suggest that while most tools may solve practical problems, specific tools may have other benefits. For example, they suggest that scenario planning may help balance planning and intuition, Six Sigma may clarify processes, and the Balanced Scorecard may help produce more diverse opinions.

From a practice perspective, therefore, one question pertains to the other practical roles strategy tools may play in practice, including, for example, with regards to social interaction (Grant, 2003). Eden (1992) notes that from a social-psychological view strategic problems can be seen to be addressed through social and not just than logical processes. He says that strategy tools are a type of "processual toy" (p.804) and suggests that this implies that strategic planners' analyses will have a larger impact on their firms if they have at their disposal models:

That are more transparent so that they can be used to facilitate the management of new meanings. This may mean an increased use, and development, of visually attractive interactive models that all members of a group can use together (p.804, italics in original).

Morecroft (1992), meanwhile, suggests that Porter's (1985) value chain diagram provides management teams with "tangible focus for debate and discussion" (p.16).
Improved visualisation was cited as a key benefit in Stenfors et al.’s (2004) survey of top executives in Finland. According to Whyte, Ewenstein, Hales and Tidd (2008), material artefacts that are visual representations can help sustain an organisation’s memory and help organisational members to focus their attention on areas where knowledge can be developed and evolved. They note that such tools can be used as a “holding ground” (p.76) to help practitioners to remember a piece of a problem while they are working towards an overall solution. They point out that projects are episodic by nature and this means that there is a greater risk of knowledge being lost as teams disband and take on other work and that this has implications not only for the project but also for the wider organisational context in which the project take place.

Strategy tools may also act as boundary-spanning objects (Kaplan & Jarzabkowski, 2006) since they can help mitigate the communication problems that result from the effects of geographic and hierarchal decentralisation and divisionalisation. For example, they may help provide a common interface between diverse groups and individuals, and therefore help mediate strategising activities (Kaplan & Jarzabkowski, 2006; Stenfors et al., 2004). Stenfors et al. (2004) also found through their survey that the most commonly cited benefits of tools were related to the social world, including improved work processes and communication. The use of tools during meetings and workshops was seen as particularly beneficial since they were said to help open up discussions and raise different insights.

2.3.2 Strategy Theory and Strategy Tools

The creation and adoption of strategy’s paradigms and ideas are important issues for managers and academics (Marcus et al., 1995). Both academics and practitioners acknowledge, however, that little is known about which of the strategy concepts and theories that are taught in strategic management courses are actually used by managers in practice (Jarzabkowski & Giulietti, 2007). This is in part because only a few empirical studies that examine this issue have been conducted, even though the question is regularly raised at conferences and in special editions of academic journals (e.g. Academy of Management Journal, 2001; Administrative Science Quarterly, 1982; British Journal of Management, 2001). More importantly for this thesis is the recognition that even less is known about why and how such theories are and are not used.
It is difficult to empirically examine how academic theories are used in practice since there is no consensus on what makes up the management theory that is not relevant to practice, and as such it is difficult to operationalise a set of theories that are used in practice and which can be studied (Jarzabkowski & Giulietti, 2007; Jarzabkowski & Wilson, 2006). Practically, it is also difficult to empirically query practitioners about the relevance and use of academic theories if they are unfamiliar with the academic terms. This suggests that findings from studies that take a list-based survey approach to testing the relevance, popularity and/or usefulness of theories may be suspect.

Given the above, one way to examine how and why strategy concepts and theories are used in practice is to analyse how and why strategy tools are and are not used (Jarzabkowski & Giulietti, 2007; Jarzabkowski & Wilson, 2006). Academics do not often disseminate their theoretical concepts as theory to practitioners but rather do so as tools, including different techniques, models and frameworks (Morecroft, 1992), and as such, studying their use may provide a more appropriate manner for examining the use of theories and concepts (Jarzabkowski & Wilson, 2006).

Jarzabkowski and Wilson (2006) posit, however, that strategy theories often become dissociated from their theoretical foundations as they are transformed into a set of techniques and tools that are easier for practitioners to understand and use. The theory underlying the value chain is, for example, said to be:

Intricate and involved and so, in its 'raw form' is unsuitable for direct entry into management team dialogue. What management teams use is a 'value chain diagram' that provides some of the theory's labels, concepts and mental discipline (Morecroft, 1992, p.15).

Similarly, while practitioners may be familiar with Porter’s (1980) five forces framework, Jarzabkowski & Giulietti (2007) note that practitioners likely do not associate it with the structure-conduct-performance paradigm on which it is based. This dissociation may, in part, be due to the fact that many strategy tools are said to be "the special province of consultants" (Mahoney & McGahan, 2007, p.79) and it is through their interventions that many practitioners may become familiar (or re-familiar) with these tools. Their use and role is generally a more
practical rather than educational one, and as such explaining the underlying concepts or ideas are not necessarily a concern for them or their clients.

From the practice perspective it is important to understand how the strategy tools that result from underlying concepts and theories are disseminated and used since both can involve multiple stakeholders and extensive resources, and because they can have important impacts on strategic choices and actions (Jarzabkowski & Wilson, 2006; Whittington, 2002c). Just as strategy concepts and tools are created as a result of the interrelationship between many different players and sources of information (Jarzabkowski & Wilson, 2006; Whittington, 2002b), their dissemination and popularisation can also be seen as a social practice that involves, for example, academics (Jarzabkowski & Wilson, 2006), consultants (Morecroft, 1992; Schwarz, 2004), fellow practitioners (Abrahamson, 1991) and the business press (Mazza & Alvarez, 2000). These interrelationships reinforce the likelihood that the strategy concepts academics and consultants create, teach, publish and/or sell, are passed on to students and executives as theory and knowledge artefacts and then used by practitioners as tools during strategising activities.

The way and context within which tools are taught and disseminated to students may also influence how these individuals later use them in the ‘real world’. Henry (2000), for example, notes that strategy textbooks and academic courses tend to take a normative view of strategy with the process of strategy presented as one where formulation precedes implementation. These classes and books are often built around different tools, with the majority being economics-based frameworks and models that help the student to understand the strategy formulation phase and to make strategic recommendations (Jarzabkowski & Wilson, 2006). An important role of management education is said to help professionalise managers by turning them into "model readers" who understand the inherent logic of different frameworks (Barry & Elmes, 1997, p. 438). In a similar fashion, Liang and Wang (2004) suggest that ‘teaching cases’ are largely a way to help students learn how to analyse strategic situations using strategy frameworks and models. Therefore, future managers appear to learn the analytical function of tools in a rational and linear manner.

While DiMaggio and Powell (1983) revealed that new management concepts often spread throughout organisations via mimetic processes, there are additional and
alternative ideas about how and why organisations not only adopt and use management concepts, but also how they adapt and even create them themselves. Just as important is the fact that practitioners often reject strategy tools and one must not only understand why this is the case, but what skills and techniques practitioners may use and substitute for formal analysis involving such tools. These issues are examined in the following sections.

2.3.3 Adoption of Strategy Tools

The adoption of existing ideas implies that practitioners have incorporated these concepts to help them decide what to do (Beyer & Trice, 1982) and there are various explanations for why practitioners may choose to adopt existing concepts and tools. One view holds that such choices are rational and made only with regards to the best possible outcome for the firm. For example, Coats and Colander (1989) believe that when good information about ideas is available, the better ones win the competition for management’s attention and use and thus survive. Similarly, Abrahamson (1991) points out that the ‘efficient-choice’ perspective assumes that certain concepts are adopted while others are not because organisations use information about their usefulness to make rational and independent decisions.

An alternative view holds that such choices are not necessarily rational but instead emotional and/or subjective. For example, social pressures to conform may provide powerful reasons why organisations adopt certain known and used techniques (e.g. DiMaggio & Powell, 1983). Similarly, because pre-existing concepts already come with reasons why they should be used, it may be easier for the practitioner to justify their use (Seidl, 2007).

Extra-organisational factors such as environmental uncertainty and competition can also influence tool adoption and lead practitioners to use those that are popular in other firms. Environmental uncertainty may cause organisations to replicate the choices of other successful organisations since these may be seen as less risky during such times (DiMaggio & Powell, 1983; Thompson, 1967). Similarly, firms facing intense competition may copy an existing tool or activity if doing so can help to minimise the benefits it provides the competition (O’Neill, Poudre, & Buchholtz, 1998).
The tools practitioners copy can be new and fashionable fads (Abrahamson, 1991). Concepts and tools become fads when:

New managerial techniques are tried by pioneering organisations, achieve some widely publicised successes and become attractive to others seeking to improve their operations and/or their image (Lozeau, Langley, & Denis, 2002, p.537).

The life-cycle of management fads is typically short since these concepts and techniques generally do not become firmly embedded in organisations since practitioners are only attracted to them for short periods of time, eventually abandoning them for new, more promising ones (Abrahamson, 1991; Clark, 2004). The susceptibility to management fads and fashions is thus likely a result of practitioners' collective preferences for new techniques and this therefore results in both the diffusion of many inappropriate or technically inefficient innovations and the rejection of superior ones (Abrahamson, 1996).

There are mixed opinions about the reasons for, and value of, the adoption and turnover of such ideas among practitioners. On the one hand, practitioners are often derided for adopting unproven yet popular tools. For example, Nohria and Berkley (1994) believe that managers continue to adopt the "latest panaceas (and) off-the-shelf programs" (p.128) because they don't trust their own judgement. Carson et al. (2000), similarly wonder if adopting external ideas may not simply be a way for managers to outsource critical thought. Practitioners may also adopt new tools because their own legitimacy can be enhanced by adopting techniques that are considered rational, modern and progressive (Lozeau et al., 2002). Others believe that the adoption of management fashions may be positive and the result of rational decisions. Ghemawat (2000) and Carson et al. (2000), for example, suggest that practitioners may adopt fashions in order to stay competitive as an increased speed of change in the real world means that their firms must constantly look for new ideas due to the temporality of any competitive advantage. Abrahamson (1991) similarly suggests that adopting fashionable concepts that are better than previous ones may mean that firms are simply trying to be progressive. Ghemawat (2000), meanwhile, proposes that ideas which are quickly adopted in mass may reflect successful internalisation.
While the strategy field's paradigms sometimes change, this does not mean that previous theories or tools are necessarily invalid or obsolete (Warner, 1997) or that they need to be replaced with newer ones (Dunbar, Garud, & Raghuram, 1996). Practitioners may continue to use the same tools because they are in fact useful for analysing different situations and for communicating coherent decisions (Cummings & Angwin, 2004). Many of these tools may in fact be adopted since they are organisational, industry or social norms and standards.

According to DiMaggio and Powell (1983), many ideas and practices become the standard within a field due to political influences (i.e. coercive isomorphism) and professionalisation (i.e. normative isomorphism). They suggest that organisations tend to model themselves according to the practices of other organisations in their field which they consider to be more successful or legitimate. Similarly, practitioners help to establish the perceived acceptability and usefulness of certain practices as they endeavour to define their appropriate work methods and "to establish a cognitive base and legitimation for their occupational autonomy" (DiMaggio & Powell, 1983, p.152). Practices that are institutionalised therefore include those which firms are unlikely to abandon since they are integrally important to the firm's values and cognitive structure (Carson et al., 2000). Thus, even though new challenges continue to be faced at an increasingly rapid pace (Brown & Eisenhardt, 1997; Courtney, Kirkland, & Viguerie, 1997) certain concepts and tools continue to be promoted and used decades after they were first created, and they have thus become institutionalised in organisations, industries and the field of strategy itself.

Just as long-established and 'conventional' strategy tools do not disappear, new ones may not necessarily take hold as quickly and successfully as some might expect. This may be because the strategy field's concepts and tools have become institutionalised through the work of academics and consultants. Cummings and Angwin (2004) note that MBA programmes worldwide have educated a large number of international students in what are largely considered to be the same business school curriculum, and as a result today's practitioners all over the world, no matter where or when they were educated in business, all speak the same 'strategy language'. For example, the BCG portfolio matrix and its terminology are said to form part of the standard strategic management language (Dutton et al., 1983).
Phillips et al. (2004) suggest that it is often texts that describe and communicate actions, and not the actions themselves, that create institutionalisation. They argue that texts allow multiple readings by many individuals, and that this helps their ideas to transcend time and space and become institutionalised. Whether created and promoted by academics or consultants, strategy tools are diffused in and as texts to practitioners through textbooks, academic articles, consultancy work, speeches, business school courses and the media (Marcus et al., 1995; Mazza & Alvarez, 2000). These have not only helped to communicate and popularise the tools, but also to legitimise their use since a practice or concept's use may be more easily justified when it comes from well-regarded external institutions such as academics, textbooks and independent and reputable academic and trade journals (Seidl, 2007).

Whittington (2003) similarly suggests that a particular set of strategic practices is more easily accepted as legitimate and more efficient as a routine when it has been endorsed by respected academic institutions and/or consulting firms. In fact, because many concepts are well-known and considered acceptable or best practices, practitioners may be forced to justify not using them (Seidl, 2007). This implies that deviation from accepted industry and organisational practices can be costly --- economically in terms of increased risk, cognitively in terms of the need for more thought, and socially in terms of reduced legitimacy (Phillips et al., 2004).

It is important to note that only instrumental use has historically been considered a relevant use of theories, concepts and tools (Jarzabkowski & Wilson, 2006). In fact, non-instrumental use has been said to be thought of as either an example of management's failure to use the tool correctly and effectively, or even of a failure of the concept itself to have the desired result (Lozeau et al., 2002). Any use other than instrumental (Beyer & Trice, 1982) may also be thought of as deviant behaviour or corruption of a tool (Lozeau et al., 2002).

For Botha (1989), once professional practitioners have been taught the tools of their trade, then their task is to simply apply this knowledge to an ever increasing number of areas. This strictly rational view of practice, however, assumes that applying tools is a straightforward process, and disregards the possible interpretations, translations or modifications of the tool itself due to human subjectivity which, as already discussed, influences strategy development
processes. Thus, while there are many reasons why strategy tools are adopted, there are also reasons for why, when they are adopted, they are also modified or adapted.

2.3.4 Adaptation of Strategy Tools

While strategy theory is generally meant to provide practitioners with a set of knowledge artefacts that help them to take rational, instrumental action (Jarzabkowski & Giulietti, 2007), management theories are said to only rarely be used as cognitive tools without undergoing major changes (Worren, Moore, & Elliott, 2002). Similarly, while some practitioners may carefully choose the right strategy tool for the right purpose and then use them as prescribed (Gunn & Williams, 2008; Stenfors, 2007), some tools may be adapted in practice (Jarzabkowski & Wilson, 2006) or used in ways for which they were not intended (Frost, 2003).

Practitioners are said to generally be unhappy with the relevance of strategic management frameworks (Marcus et al., 1995) and this may lead them to intentionally change these tools in order to better suit their own needs. This lack of relevance may result because concepts created externally for other firms do not necessarily fit another organisation’s particular internal or external context, and as a result they will not satisfy their intended purpose or goals (Seidl, 2007). Witcher & Chau (2008) recently found this to be the case at Tesco where the management modified Kaplan and Norton’s (1992) balanced scorecard into a ‘steering wheel’ and added a fifth ‘community’ criteria as the firm needed to respond to increasing pressures from regulators. Chesley and Wenger’s (1999) action research case study of the introduction of this same tool into a single public organisation found, however, that practitioners also modified it for more personal reasons. For example, by almost immediately changing the tool’s labels, words and arrows, they helped to legitimise their roles in the strategy process.

Whittington et al. (2003) emphasise that the tools and techniques used in strategising are associated with creative and improvisational practices and acquire their meaning by being used in idiosyncratic contexts. For example, practitioners may innovate with their existing tools rather than acquire new ones when they are faced with unexpected or high levels of environmental uncertainty (Jarzabkowski & Wilson, 2006). Since they exploit plurality when it comes to
theories or concepts (Combe, 1999), practitioners may also synthesise different tools and experiences. Jarzabkowski and Wilson (2006) consider this alteration of the concepts to be an example of *bricolage* (DeCerteau, 1988) where the knowledge artefacts are often substantially changed by the practitioner based on his/her experience, creating hybrid forms that provide new ways to act. Practitioner acceptance and use of practices is therefore not necessarily passive, and practitioners may also so substantially modify existing artefacts that they are in fact new tools (Seidl, 2007).

Others suggest more practical reasons for why practitioners create their own tools. For example, Cummings and Angwin (2004), citing a gap between theory and practice, propose that practitioners need improved frameworks that, while retaining the strengths and language of classical strategy frameworks, are created in order to help managers better respond to actual changes in their business environments. Franklin (2004), meanwhile, suggests that practitioners may create their own tools when innovation or differentiation is fundamental to their organisation’s survival and/or are in-house capabilities. Such firms may see this ability as a unique and valuable resource (Barney, 1991; Grant, 1991) that is difficult to imitate and thus a potential source of competitive advantage (Franklin, 2004). In addition, because competitive situations pressure firms to periodically introduce new strategies (D’Aveni, 1994) and techniques (March, 1981), practitioners may not only adopt or adapt some of the concepts that already exist, but may also believe that they must develop new ones themselves.

Studying institutionalised practices contributes to a more thorough understanding of strategy analysis at the micro-level, according to Johnson et al. (2007), who suggest, therefore, that one study how “formal planning practices (are) legitimate, contested or even absent in local arenas” (p.48). This issue is examined next.

### 2.3.5 Rejection and Criticism of Strategy Tools and their Use

The most commonly suggested reason why practitioners reject existing tools is, quite simply, that existing research and its associated knowledge artefacts do not meet their needs. This gap may be due to a misunderstanding of practitioner needs and thus a creation of irrelevant research (Shrivastava, 1987). Academics, consultants and practitioners have all been blamed for a continued lack of
pragmatically valid research (Astley & Zammuto, 1992; Lyles, 1995; Seeger, 1984). Academics have been criticised for remaining isolated in their universities rather than immersing themselves in a real business environment that frequently changes in unexpected ways between the writing of academic papers (Lyles, 1995). Consultants, meanwhile, have been accused of selling their ideas to any buyer regardless of the latter's ability to successfully implement them (Seeger, 1984). Ghemawat (2000) blames a for-profit issue as a key reason for the overproduction of management ideas from both consultants and academics. At the same time practitioners have been criticised for not supporting or helping to shape relevant academic research (Balogun et al., 2003; Ghemawat, 2000). More specifically, academia supposedly values rigour while management values relevance, and there may not be enough synergies between them to produce valuable results for both sets of stakeholders (Marcus et al., 1995). As a result, academics who are concerned with their reputation and tenure possibilities may be more interested in producing research for other academics than for practitioners. All this helps explain why Bettis (1991) believes that a "normal science straitjacket" (p.315) is the key reason that strategy research has limited influence on management practices.

Seidl (2007), meanwhile, believes firms resist and/or fail with general strategy concepts due to interdiscursive translation problems between academia and the business world. Similarly, Gopinath and Hoffman (1995) believe that theory and practice have diverged from one another because, in part, research findings do not impact managerial practice since the two belong to two semi-autonomous domains (Astley & Zammuto, 1992) that use different standards for judging the usefulness of research results and knowledge claims (Shrivastava, 1987). In other words, the typical criteria which determine the validity of scientific findings do not mean that the same findings will be pragmatically valid or relevant to the practitioner (Astley & Zammuto, 1992; Shrivastava, 1987; Worren et al., 2002). Grandy and Mills (2004), for example, believe that while strategy portrays tools as key representations of the real world, they tend to obscure more than illuminate. Similarly, while researchers have established that industry and firm criteria help simplify inter-organisational comparisons by helping to divide organisations into competitive sets or strategic groups, Porac and Thomas (1990) point out that "there is no reason to assume that managers use the same criteria as researchers when defining competitors" (p. 226). As such, one wonders about the practical usefulness of such frameworks for managers.
Priem and Rosenstein (2000) suggest that by determining a theory's obviousness to practitioners, researchers can begin to understand their regard or disregard for it. They say that research findings are often accused of offering little insight and of being obvious and/or trivial, and this may be another reason why practitioners often consider strategy research irrelevant and unnecessary. As practitioners are likely consider as obvious those theories which have been widely disseminated and proven effective through their use by other practitioners (Priem & Rosenstein, 2000), some of the field's institutionalised concepts and their related tools may have lost their appeal. On the other hand, Thomas and Tymon (1982) defined non-obviousness as "the degree to which a theory meets or exceeds the complexity of common-sense theory already used by a practitioner" (p. 348). They argue that in order to be non-obvious a concept needs to add enough incremental insight in practice so that it exceeds the existing and accepted prescriptive rules of thumb.

Given the above it is difficult to refute Whitley's (1995) view that:

The simple model of applied scientific knowledge generating high level, problem-solving skills which could directly be used to deal with complex practical (management) problems is no longer tenable (p. 102).

Rigby's (2001b, 2003; Rigby & Bilodeau, 2005) studies of the popularity of general management tools suggest that although they think that by using the 'right tools' their companies are more likely to succeed, over 80 percent of executives surveyed believe that "most management tools promise more than they deliver" (2001b, p.4). He interprets this to mean that while companies do use a lot of tools, their experience using them has been frustrating and ineffective. This is perhaps why there has been a reduction in the number of tools used per company since the surveys began in 1993.

Jarzabkowski and Wilson (2006) argue that dissatisfaction with certain tools could arise because a practitioner's organisation may compete within different environmental conditions than those for which the concept was originally intended. In other words, tools associated with theories that were devised from studies in one set of environmental parameters may not be appropriate for a different or contradictory environmental context. Even more specifically, they
refer to the fact that today's level of knowledge intensity and environmental velocity affect organisations in more drastic and important ways than when the tools that are already institutionalised in the strategy field were first created and popularised. Practitioners, consultants and researchers often attempt this transference nonetheless, resulting in less than expected and desired results and a sense that tools are useless or irrelevant. Narayanan and Fahey (2005) similarly state that strategy models have a tendency to make a priori assumptions about institutional characteristics and as such they may not be relevant in all contexts. This implies that the usefulness of such tools may be limited to the contexts for which they were designed (Furrer & Thomas, 2000; Narayanan & Fahey, 2005; Porter, 1991).

Dunbar et al. (1996) also believe that because the environment is changing more radically and rapidly than ever before, the use of strategy frames is especially dangerous. For them, changing contexts means that managers must consider, develop and implement different ways of thinking and managing, but that this can be difficult due to a reliance on established frames that often assume contextual stability. Tools may thus have limited utility due to the fact that they were usually developed in order to answer very particular questions or to analyse very specific situations (Furrer & Thomas, 2000) or industrial and economic contexts (Narayanan & Fahey, 2005). The normative significance of a model, for example, depends on the fit it provides between its assumptions and the reality in which firms operate (Furrer & Thomas, 2000). Since no model can embody all important variables, a model's relevance, and any finding from its use is limited to the firms or industries whose characteristics are in line with the model's assumptions (Porter, 1991). A critical issue, therefore, is that many strategy knowledge artefacts continue to form part of organisational strategy practices even though the boundary conditions in which the organisation operates are different from those for which the theoretical ideas underpinning the tools were originally intended.

Although the limitations and shortcomings of strategy tools are often not considered or explained by the authors who have propagated them (Pickton & Wright, 1998), strategy tools and their use are not without critics. Varadarajan (1999), for example, recommends that many analytical frameworks, tools and techniques should be discarded by practitioners and academics because they are outdated. Sheth and Sisodia (1999) suggest that in such cases these tools serve
"more to impede and inhibit us than to illuminate reality in a meaningful and useful way" (p.72). They say that such tools also act as blinders that prevent practitioners from seeing the bigger picture. Hill & Westbrook (1997) similarly criticise academics because they rarely "conduct any product recalls" (p. 51). They believe that ideas and tools that were once valuable may continue to influence the field long past their time of usefulness and thus "hold an unmerited position in the thinking used in education, management development, consultancy, and in the real work of managing businesses" (p.52). They go on to say that the use of such tools can not only can produce negative results, but that their use may also inhibit practitioners from adopting newer and better tools and techniques.

Dunbar et al. (1996) believe that in using frameworks practitioners can themselves become 'framed' as they become too familiar and comfortable with certain ways of assessing situations and thus do not consider alternative ways of doing so. The researchers believe that while such framing processes may make managers more confident in their decisions, which can in turn make action easier, these tools may not lead to the best actions or decisions since they tend to repeatedly result in the same beliefs and actions. Such over-usage implies that frameworks can become restrictive paradigms and thus limit creative and innovative thinking and action (Thomas, 1984), thereby reducing a firm's ability to remain competitive and effective. In other words, such epistemological views can have negative consequences for empirical disciplines (such as strategy) since habitual beliefs can result in cases of dogmatism and illusion (Powell, 2003).

A problem with paradigmatic frameworks is thus that they may become too entrenched in the minds of the user. Cummings and Angwin (2004), for example, point to the 'share of mind' Porter's (1980, 1985) work has had on students and practitioners. They state that when asked how many forces impact an industry MBA students usually say 'five' due to their having learned Porter's five forces framework, and that when asked to draw how their firms add value, practicing managers tend to outline Porter's value chain. Thus, while these frameworks may in fact be as useful as they are popular, familiarity with them may make their users unable or reluctant to think about their firms or industries in alternative and perhaps more constructive ways.
This over-reliance on tools may be partly a result of their supposed simplicity which has also been criticised (Dunbar et al., 1996; Pickton & Wright, 1998), especially for oversimplifying strategic management processes (Thomas, 1984). Schultz and Hatch (2005) suggest that researchers sometimes unfortunately oversimplify the implications of their theoretical ideas and research findings for managerial action by turning their concepts into “a few straightforward, conflict-free implications” (p. 341). For example, although often praised for its simplicity, SWOT analysis has also been faulted for generating lists, often times biased towards a particular quadrant, rather than providing analytical results (Dyson, 2004; Hill & Westbrook, 1997; Pickton & Wright, 1998).

It also appears as if the most popular and easy-to-use tools are drawn upon regularly even if they are not necessarily the most appropriate ones for the situation (Clark, 1997; Rigby, 2001a, 2003). Certain tools may not be able to handle, or may be inconsistent with, the complexities and nuances of the situations with which they are meant to assist, even after people learn to apply them (Dunbar et al., 1996). Narayanan and Fahey (2005) also believe that evidence of the rigorous reasoning needed for the strategist to arrive at conclusions from the data is seldom transparent or explicit in the tool itself. Thus, while a framework may provide a useful way to organise information, it may not necessarily contain within it the means to help the user to make useful decisions.

Ambastha and Momaya (2004), meanwhile, believe that many frameworks and models do not provide much assistance to practitioners because these practitioners find it difficult to integrate the frameworks into their functional processes. They believe that this is in part because the frameworks require excessively high levels of attention and commitment in order to be useful. The researchers believe that their own workshops and surveys provided them with some empirical support to claim that the low usage of strategic theories and frameworks is also partially due to the fact that practitioners do not understand these frameworks well. One example of such difficult-to-use tools are typological frameworks which are said to be more complex than typical linear theories (Doty & Glick, 1994).

Thus, even though strategy tools may be rejected by practitioners, understanding the personal, organisational and extra-organisational reasons for this is an
important issue for SasP scholars and practitioners. According to Carter et al. (2008):

Analysing strategy is not merely reporting what it is that is done but also what is not done ... Thus, strategy conceived in research terms as practices that focus solely on that which strategists said and did will miss the strategic spaces within which strategy is constituted. What is necessary is to explore not only what is done but what is not done, that which is not practised, and which is not said, using external stakeholder articulations as signs of what might be but is not (p.94).

Stenfors and Tanner (2006) argue that evaluating the usefulness of a tool is not possible through traditional evaluation means since most strategic situations are unique, and because “the context in which the tool is used becomes of great importance and cannot be separated from the tool in the process of evaluation” (p.22). Many of the critical contextual factors influencing the use of strategic analysis frameworks and models surround the process of strategy formulation itself. As such, the following section reviews the literature on strategy formulation and how its contextual variables may influence the use of strategy tools.

2.4 Strategy Formulation and Strategy Tools

This section briefly reviews some of the more common thoughts and disagreements with regards to the purported uses of tools in relation to strategy formulation which, for Johnson et al. (2007), is a key aspect of strategy practice and therefore a central concern of the SasP perspective. Strategy is a pluralist discipline and one that has fragmented into many different views about strategy formulation. According to Hart (1992), the excessive number of different competing and overlapping conceptual models and typologies that these schools have created for strategy formulation has resulted in a situation of “model proliferation” (p. 327). However, since most tools are said to have originated from a rational and deliberate view of strategy formulation (Whittington, 2001), it first examines this view of strategy formulation, including criticisms of it and its prescribed role for tools. This is followed with a discussion of the diametrically opposed ‘emergent’ school’s view of strategy formation since it has called into question the actual deliberateness of strategy formulation and has suggested that
strategy is formed rather than rationally formulated with formal tools and processes. It then presents a post-rational perspective of strategy formation and tools that draws on some of the strategic management literature about organisational politics/power, culture and institutionalism, as these provide alternative views of strategy-making and the role of strategists (Mintzberg, Ahlstrand, & Lampel, 1998).

2.4.1 The Classical Perspective

Ghemawat (2002) suggests that the rationale for business strategy can be attributed to Drucker's (1954) position that management behaviour should not simply be passive and adaptive, but rather a deliberate set of actions taken in order to control macro-environmental and industry forces and bring about desired results. Learned, Christensen and Andrews (1961) helped establish this classical (Whittington, 2001) view of strategy-making as a deliberate action by arguing that organisations should have clearly defined purposes in order to keep them progressing in a deliberate direction. This perspective is also founded on the view that strategic decision-making should be based on a rational model of extensive and comprehensive analysis (Fredrickson & Mitchell, 1984; Hoskisson, Hitt, Wan, & Yiu, 1999). Such rationality is said to typically involve the review of all possible alternatives, the identification and evaluation of the consequences of choosing any and all options, and the selection of the option that is likely to result in the best possible outcome (Priem, Rasheed, & Kotulic, 1995). This rational and deliberate concept of strategy continues to dominate much of the thinking about the role and actions of strategists that underpins much of the prescriptive strategy literature, including that of Mintzberg et al.'s (1998) design, planning and positioning schools.

Working from this perspective, Learned, Christensen, Andrews and Guth (1965) are commonly credited as the first researchers to suggest that strategy's aim is to deliberately 'fit' a firm's internal competencies with its external environmental conditions. For them, strategy-making as a rational and deliberate process is predicated on "systematic environmental analysis (and) assessment of internal strengths and weaknesses" (p.328). According to Porter (1982), this approach established strategy as an analytical process that practitioners could use to not only identify the core issue affecting their firms, but that once realised would tie together the firm's symptoms and problems and provide insight into needed
solutions. For Grant (2008), meanwhile, it marked the origin of the first analytically-based strategy frameworks. The ensuing normative strategy literature has produced a variety of concepts, theories, models and tools that have provided prescriptive advice about how practitioners should analyse an organisation's internal and external environments (Learned et al., 1965) create or choose strategic options (Porter, 1980), and evaluate strategic alternatives according to a set of objective criteria (Ansoff, 1965).

Much of the prescriptive academic strategy literature thus seems to argue that strategy tools can be of substantial use to firms and strategists when they follow a rational, linear and analytical approach to strategy formulation (Cummings & Angwin, 2004; Furrer & Thomas, 2000; Greiner et al., 2003; Thomas, 1984). Porter (1991), for example, believes that frameworks offer detailed advice, 'inform practice' and help practitioners to define and make strategic choices. While there are variations in the normative models associated with this view, they usually include a comprehensive and complex set of analytical tools intended to assist practitioners in making their decisions and formulating their firms' strategies (Fredrickson, 1983). Peters & Waterman (1982) summed up a popular view when they suggested that “Before the rise of the analytic model, the seat-of-the-pants technique was all there was. And it was wholly inadequate for dealing with a complex world” (p. 32-33).

**Criticisms and Limitations of the Rational and Analytical Perspective**

While this mechanistic view of strategy formulation has been described as the 'embodiment of rational thinking' (Alvesson & Wilmott, 1995), not everyone has praised this approach to strategy-making. Whittington et al. (2006), for example, suggest that the problem with traditional strategy is not the formal or deliberateness of the approach, but rather that it can be overly analytical and detached. Hayes and Abernathy (1980), meanwhile, blame its popularity for some of the failed strategic thinking of U.S. companies in the 1960's and 1970's. They state that the problem with this rational-analytical approach to strategy formulation is that practitioners "increasingly relied on principles which prize(d) analytical detachment and methodological elegance over insight, based on experience, into the subtleties and complexities of strategic decisions" (p. 70). Glaister and Falshaw (1999) similarly suggest that one reason why strategic planning became less popular towards the end of the 1970s was "the inability of strategic planning tools to deliver what was expected of them" (p. 107). Greiner
et al. (2003), meanwhile, note that the subsequent decades have also been a time of growing disillusionment with these analytical models.

Much of the criticism of the rational-analytical perspective of strategy formulation also centres on questions of the actual existence of rational and analytical thinking during strategy-making. The prescribed use of analysis is often critiqued because research into the way strategists actually think has suggested that, due to their cognitive biases and mental limitations, such an approach to strategy-making is an attempted rather than realistic exercise in rationality (e.g. Schwenk, 1988). Scholars cite the fact that practitioners often rely on heuristics (Tversky & Kahneman, 1974) rather than analysis for making decisions, and they thus tend towards judgemental biases (e.g. Nutt, 2002) when using cognitive simplification tools such as strategy frameworks and models. Mintzberg et al. (1998) note that Simon's (1955) notion of bounded rationality suggests that strategy-making cannot be purely rational even if based on analysis. They argue that rather than make rational strategic decisions based on extensive analysis of the best available information, strategists, due to their cognitive limitations, tend to rely on simplified models and limited information and to adopt the first strategic choice that is even satisfactory. Johnson et al. (2007) similarly point out that actors who are boundedly rational "are prone to rely upon past routines rather than de novo calculation in their activity" (p.40, italics in original). This, they say, means that "their struggle to make sense of their worlds becomes a problematic and consequential process in itself" (p.40). From this view one recognises that the use of analytical models and frameworks may be of limited value, and in fact dangerous, if they are used with excessive confidence and without recognising the limitations they may impose on strategists' thinking, analysis and intuition. In other words, strategic analysis does not necessarily imply rational behaviour (Mintzberg, 1994).

While he does note the potential benefits of learning from the hard data that comes from analysis, Mintzberg (1994) also remarks that the value of analysis in the strategy process is often undermined by both the time needed to ensure its accuracy and quality as well as by its overly aggregated nature which does not address important subtleties. Langley's (1989) study of the roles of formal analysis in three public (non-profit) organisations also suggests that it is used for multiple reasons not related to rational strategic decision-making. Although it was often used to obtain information, she found that much of this information did
not serve any real or stated purpose for making strategic decisions. She found, instead, that formal analysis is used most often to: (1) pass on prior convictions, (2) symbolise a concern for participatory decision-making, (3) procrastinate decision-making, (4) control subordinates by making them focus on solving particular problems and implementing certain decisions and (5) to persuade superiors or convince subordinates and colleagues to support a project.

Not everyone believes that all strategists should be rational and analytical. For example, Mintzberg et al.'s (1998) discussion of the Entrepreneurial school notes that many researchers have demonstrated (and advocated) that strategists rely on 'vision', or a mental representation of strategy created in their head, rather than on rational thinking and analysis. Here, strategy formation is considered to be a semiconscious process which largely relies on experience, judgement, wisdom and intuition (Mintzberg et al., 1998). Executives displaying these traits have been found to lead their organisations with little use of formal systems (Isenberg, 1984; McKiernan, 1996a), meaning that the role of formal tools for them is questionable at best.

2.4.2 The Emergent and Post-Rational Perspectives

While the classical approach to strategic analysis and design seems to have emerged through efforts to develop a practice-based integrative perspective (Volberda & Elfring, 2001), the notion that strategy is or can be formulated in a rational and deliberate manner has generated a lot of scepticism. For example, the classical view that strategy is made by top managers with deliberate outcomes is often rejected in light of findings that many important strategic decisions and actions are often made at lower organisational levels (Fenema, Koppius, & Dissel, 2004), without prior intent (Mintzberg & Waters, 1985), and only later approved by top management (Bourgeois & Brodwin, 1984). Intended strategies are often not realised and other strategies often emerge informally. Mintzberg and Waters (1985) demonstrated that organisations often create coherent patterns of activities without a rational, linear mode of thinking or deliberate Intention. Denis et al. (2007) similarly note that formal processes associated with strategy-making have been found to often be absent or irrelevant to final decisions and/or actions. This perspective argues that strategy processes rarely follow deliberate, linear steps largely because both the environment and organisations are too complex to allow precise objectives to be achieved with
prior determination (McKiernan, 1996b). While the same analytical models proposed by the rational school may be used, this view of strategy formation suggests that their use is not often the direct antecedent of realised strategies.

Even if one accepts that strategy is emergent, there is still a need to understand how practitioners act to help strategy emerge (Fenema et al., 2004; Jarzabkowski et al., 2007) since “While many outcomes might be emergent, managers endeavour a good deal that is formal, analytical and systematic, and we should take this seriously” (Whittington, 2003, p.121). One entry point here is via the study of the use of strategy tools, especially those created with a deliberate, rational view of strategy in mind, since scholars disagree about the role that formal tools play in strategy’s emergent reality. McKiernan (1996b), for example, suggests that the planning and learning approaches to strategy creation both use rational analysis techniques and tools to either lead or support the strategy process because they are useful for dealing with changes in the internal and external environments. Similarly, according to Johnson (1988), because conceptual frameworks include implicit rules for their use and interpretation, both intended and realised strategies are usually configured according to their paradigm’s parameters. Okumus and Wong (2005b), on the other hand, believe that the view of strategy as emergent means that for the school’s proponents the creation of models and frameworks to assist practitioners in designing strategy are not as prevalent or important.

Recently there have been renewed efforts to reconcile the different views of strategy (Combe, 1999; Mintzberg, 2001), such as the planning and learning approaches (Brews & Hunt, 1999; Grant, 2003), and as a result it is now thought that the emergent strategy process may not be as unstructured as originally thought. For instance, based on the notion that vision is flexible, Mintzberg et al. (1998) argue that entrepreneurial strategy is deliberate in terms of an overall vision but emergent when it comes to how the vision’s details unfold. Brown and Eisenhardt (1997), meanwhile, discuss semi-structures, and Grant (2003) raises the notion of ‘planned emergence’ and a coexistence of formal and informal strategic planning processes. This is in line with Mintzberg and Waters’ (1985) suggestion that perfectly deliberate and perfectly emergent strategies are rare and that most often real strategies fall somewhere along a continuum.
Building on the post-rational perspective of strategy-making, researchers (e.g. Johnson et al., 2003; McKiernan, 1996b; Pettigrew, 1977) have recognised the importance that contextual factors, determined in large part by organisational structure, culture and politics (or power), play in strategy-making and implementation. Strategy formulation, for example, is often times a process of bargaining and compromise, where it is not possible to formulate optimal strategies due to political games (Mintzberg et al., 1998; Pettigrew, 1987). Practitioners also often neglect official and formal strategy processes in order to satisfy personal goals and political agendas (Ezzamel & Willmott, 2004). From a culture perspective, strategy is created through a process of social interaction that is dependent on the shared beliefs and understanding of an organisation's members (Mintzberg et al., 1998).

Since strategising is also a political process (Pettigrew, 1987), which tools (if any) get used will in part be determined by who is involved in determining the parameters of strategy praxis and the practitioners involved (Whittington, 2006). Material artefacts can, for example, be the focus of power struggles between different occupational groups (Whyte et al., 2008). Morecroft (1992) notes that models are more likely to be used by management teams when their members believe that their own ideas and knowledge figure in the model. Strategy tools may also figure within the social and psychological negotiations that play a fundamental role in achieving the political feasibility of strategy formation (Eden & Ackermann, 2001). Hill and Westbrook (1997) suggest that practitioners can easily modify the findings from the use of tools such as SWOT analysis in order to help support their own ideas and interests. Stenfors and Tanner (2007a), meanwhile, found that executives with power are likely to use tools to further their own interests, by, for example, using particular tools, interpreting their results, and then building on the findings of tools in self-interested ways. Dutton, Fahey and Naraynan (1983) also found that the use of strategy tools had political connotations during their study of strategic issue diagnosis. They state that:

Individuals' political interests become charged as they recognize how the use of the models may be turned to their own advantage or may adversely affect their own interests. Individuals may use the models to impress others, defend their own 'position', question the arguments of others or support their own arguments (p 318).
Organisational culture is also said to influence strategy creation because it affects an organisation's thinking styles and use of analysis as the interaction of shared beliefs and values leads to organisational paradigms that help determine how strategy is made and which strategies are pursued (Mintzberg et al., 1998). For example, strategic solutions are believed to often be adopted because they are acceptable to those who make, influence or implement the decision, and not because of purely objective measures (Johnson, 1987). Culture also helps to determine an organisation's dominant logic which is its "conceptualization of the business and administrative tools to accomplish goals and make decisions in that business" (Prahalad & Bettis, 1986, p. 491). Prahalad and Bettis explain that the firm's dominant logic is expressed as learned, problem solving behaviour and that the success managers have with certain behaviors leads them to "develop a particular mind set and repertoire of tools and preferred processes, this in turn determines the approaches that they are likely to use" (p. 492). In other words, a firm's cultural values and norms means that certain practices and tools may be used while others are ignored (Mintzberg et al., 1998).

The institutional perspective of strategy is also based on the concept of social construction (Johnson & Greenwood, 2007). It assumes that an organisation's internal reality is influenced by social expectations and norms and that people behave in a way that represents how they see the world, and as such they actually create their world in line with their perceptions. As such, it does not adhere to the orthodox view of strategy formation as rational process of decision-making where the firm's internal and external environments can be rationally analysed by practitioners. Instead, practitioners' choices are constrained by social norms and prescriptions which help the practitioner to legitimise his or her actions and choices. These social prescriptions often become 'taken-for-granted' and resemble or mimic those already accepted and used by peers, and thus are often hard to resist or change (DiMaggio & Powell, 1983). This implies that practitioners may rely on a set of strategy practices that are seen as legitimate or appropriate within their organisation, industry or larger society rather than because they are the most effective, and as such practitioners may find it difficult to use other practices and tools which may be more appropriate. For Johnson and Greenwood (2007) this means that:

Common approaches are adopted, common assumptions made, and common practices followed ... the strategy tools and techniques advocated by strategy writers and consultants are
employed in reality to post-rationalise and legitimise the relatively institutionalised strategies managers follow (p.25).

Thus, the role of tools in strategy development is important to study regardless of one's position in this debate since, in all likelihood, strategy is a combination of both deliberate and emergent processes, and of rational and more socially-influenced behaviour. Even if they are not part of a formally intended and stated strategy, but rather more of an emergent reality, micro-practices such as the use of strategy tools may be consequential for a firm's direction.

2.5 Strategy Tool Popularity and Context

The following section reviews the limited extant empirical findings about the actual use of tools, including what is known about which tools are used, who uses them, and when they are used. As most studies have used aggregate list-based surveys, it first discusses the benefits and limitations to this method in order to qualify their findings. It then presents the most important findings of the extant quantitative and qualitative studies as they relate to contextual and practical use since, as Johnson et al. (2007) suggest, studies based on surveys are useful to SasP researchers because "knowing what people typically do can provide important contextual background in interpreting particular interactions" (p.43).

2.5.1 A Critique of Quantitative Methods and Their Results

Most studies that have explicitly studied strategy tools have been conducted to identify which and when tools are used rather than how or why they are or are not used. Their findings have been gathered through the use of list-based surveys even though such a method may not correctly identify which tools managers are actually using. For example, based on the 10 interviews he conducted with top managers, Knott (2008) identified that (1) practitioners may not think of popular and generic business practices as tools, (2) that they do not consider to have used tools if it was only part of their initial inspiration for a project, and (3) that they cite having used a tool even when the use was either not formal or only used to a very limited extent. As such, he believes that survey-based studies are not "a measure of actual activity, but simply a gauge of what is fashionable talk" (p.29).
Some of the results from list-based surveys also raise doubts as to the reliability of such an approach and/or the generalisability of their findings. For example, while SWOT analysis is generally ranked as the most popular tool across surveys (Clark, 1997; Grant, 2003; Gunn & Williams, 2008; Jarzabkowski & Giulietti, 2007; Oliveira, Rosa, & Antonio, 2008), there is little consistency regarding the popularity of other tools. Value chain analysis, for example, is ranked highly for Jarzabkowski and Giuletti (2007) and Oliveira et al. (2008), but much lower for Stenfors et al. (2007) and Spee et al. (2008). There are various possible reasons for the discrepancies across these studies. Firstly, practitioners may know the tools by different names or not be aware of the name of the tool they are using, thus either not acknowledging its use or mistaking it for another. For example, Jarzabkowski & Giuletti (2007) suggest that their study’s finding that PESTLE was not more widely used may be due to the fact that it is also known by other names such as PEST or SLEPT. Secondly, the different studies did not all compare the same list of tools, therefore possibly skewing the rankings across surveys. Similarly, the number of tools provided for practitioners to choose and rank varies across the studies. Thirdly, these studies examined different sets of practitioners, with some focusing only on top executives in a particular country (e.g. Aldehayyat & Anchor, 2008; Clark, 1997; Oliveira et al., 2008; Stenfors & Tanner, 2006) and another only on graduates from UK business schools (Jarzabkowski & Giulietti, 2007). Finally, some factors such as size of company, nationality and industry sector have not generally been accounted for or are not similar across the studies, and since strategy formulation (Pettigrew, 1977) and strategising (Johnson et al., 2003) are said to be contextual, these factors may underlie the reasons for some differences in their findings. The different studies do suggest, however, that the classical school’s strategy tools are used, albeit to different degrees. A review and analysis of their other findings also provide valuable ideas on the value of tools in practice and they are examined below.

2.5.2 The Popularity of Tools

As discussed above, most studies have sought to determine which tools are used. The fact that the most popular tools appear to be those for strategy analysis may also be due to the fact that most studies have surveyed top managers and this is an area where they are more involved, as opposed, for example, to strategy implementation which is largely the domain of middle managers (Floyd and Lane,
Several studies quantify tool use as an average number of tools a company uses. For example, Stenfors and Tanner (2006) found that most companies use between four and five tools. As Gunn and Williams (2008) suggest, the number of tools an organisation uses may be important since using a large number may help ensure that different views and perspectives are considered during strategy formulation (Hussey, 1997).

The studies also point to the fact that tools which are easy to learn and use, and are flexible and well-known are those that managers prefer (Frost, 2003; Rigby & Bilodeau, 2005; Stenfors & Tanner, 2006). These findings support Jarzabkowski & Wilson’s (2006) notion that managers are more likely to use tools that they can easily adapt to their needs, have enough research behind them to support their claims to legitimacy, and that are more readily available. As such, one can better understand why even though its usefulness has been questioned by researchers (e.g. Grandy & Mills, 2004; Pickton & Wright, 1998), SWOT analysis, which is popular in schools and books, easy to use and well-known through its longevity, is consistently ranked as the most popular. Jarzabkowski & Giuletti (2007) also found that some tools which are thought by practitioners to have relatively low value are some of the most popular, and others which are thought to have high value are rarely used. According to the researchers, this means that the notion of using the best or most appropriate tools to accomplish a specific strategy project may not be the underlying reason why certain strategy tools are adopted. It also suggests why many tools that are at one point popular may fade away after practitioners do not have success with them (Abrahamson, 1991; Rigby & Bilodeau, 2005).

2.5.3 Individual Context

Previous research has rarely looked at tool use across different hierarchical levels and most studies have queried top managers (Clark, 1997; Frost, 2003; Knott, 2008; Oliveira et al., 2008; Spee et al., 2008). Implicit reasons for this may be because the support of top managers is necessary for to legitimise certain strategy practices (Hodgkinson and Wright 2002) and because most previous strategy process research has focused on them (Van de Ven, 1992). More explicit
reasons why researchers make this choice are because they believe that top managers are more likely to use strategy tools since they have more strategic responsibilities and because other organisational members take part in less strategic exercises (Grant, 2003; Hill and Westbrook, 1997; Hodgkinson et al, 2006).

Two studies did look at the popularity of tools across organisational levels. Jarzabkowski & Giuletti’s (2007) survey of graduates from 30 UK business schools found that most tools were used more often by top managers, then by middle managers, and then by professionals. Spee et al.’s (2008) study across three nations, meanwhile, found that some tools were used at several hierarchical levels.

Masters degree holders may tend to use tools more often than those with undergraduate degrees (Jarzabkowski & Giulietti, 2007), and these tend to be conceptual tools that frequently form part of management education courses (Gunn & Williams, 2008). Similarly, academically-trained managers have been found to use tools that are more reliant on theoretical frames, while those who were professionally trained were more likely to use tools associated with consultants such as SWOT, benchmarking and the balanced scorecard (Gunn & Williams, 2008). Jarzabkowski & Giuletti (2007) suggest that the greater popularity of tools among those with higher degrees and more education may be due to the use of case studies, practical experience and a work experience entry requirement that together improve cognitive retention of the concepts and tools. As no study has looked at the types of schools managers attended (for example, professional versus liberal arts), there is only anecdotal evidence that managers who have not received formal management education are familiar with and/or trained in the use of strategy tools.

Jarzabkowski & Giuletti (2007) point out that research in organisational behaviour and learning suggest that educational concepts are used more often by persons who were recently exposed to them. While recognising that they are limited by the number of responses they received from respondents who were out of school for less than five years, they suggest that according to their research there seems to be little difference in tool use based on the time elapsed since a person’s formal education. They suggest that this may be due to the fact that tools may
be used throughout a career and thus not easily forgotten, or because popular tools become part of the strategy lexicon and thus are used unconsciously.

2.5.4 Organisational Context
This section examines several contextual factors at the organisational level including organisational size, culture and strategy process.

Organisational Size
Recent studies have tended to focus on large (or even the largest available) companies (Aldehayyat & Anchor, 2008; Oliveira et al., 2008; Spee et al., 2008; Stenfors, 2007). In the one study of tool usage in SMEs, Frost (2003) found that managers in this sector generally rely on the same tools, perhaps because the pool of tools they consider is much smaller than the set that their larger counterparts draw upon. Past studies that compared tool usage across firms of different sizes have generally suggested that larger rather than smaller organisations use more strategy tools (Frost, 2003; Rigby, 2003; Rigby & Bilodeau, 2005), though it should be noted that Jarzabkowski & Giuletti’s (2007) study did not confirm this.

Culture
Two qualitative studies suggest that organisational values about strategy-making, experience, intuition and formality may also influence their use of tools. Knott (2008), for example, found that certain practitioners he interviewed were reluctant to explicitly use formal tools because their organisations did not value ‘textbook’ types of tools. Similarly, in his look at large multi-national oil companies, Grant (2003) found that while some strategy analysis tools were widely used, several firms were sceptical of most formal tools “and the jargon associated with them” as they believed that these “created a barrier to deploying experience-based knowledge” (p. 510). Knott (2008) also found that some corporate headquarters mandated the use of specific tools while others had a corporate university that promoted the use of certain tools. Still, most felt little pressure to use particular tools.

The Strategy Process
Strategy tools are consistently shown to be used more for strategic analysis and situation assessment than for strategic choice or strategy implementation (Clark,
1997; Grant, 2003; Hodgkinson et al., 2006). Still, previous studies tend to show that most tools are used for more than one kind of task and at different stages of the strategy process even though they may be considered useful during all phases (Clark, 1997; Frost, 2003; Jarzabkowski and Giuletti, 2008). This implies, therefore, that tools are either flexible enough to be used for numerous types of tasks, that practitioners adapt tools to suit their needs (Knott, 2008), or that they rely on familiar tools even when not appropriate (Jarzabkowski & Giulietti, 2007). Similarly, it may be that only different parts of the tools (Knott, 2008) are used at different stages in the process. In any case, tools seem to be used for many different tasks and not for any one specific purpose, including that for which they were necessarily designed.

2.5.5 Extra-organisational Context
This section examines several contextual factors at the extra-organisational level including the macro-environmental situation, the national context and the industry.

*Macro-environmental Situation*
There is little consensus about the expected influence that environmental uncertainty might have not only on the likelihood that tools are used, but on their effectiveness and/or efficiency. Rigby (2003), for example, has posited that firms facing difficult times are more prone to invest in tools in order to reduce environmental uncertainty. Jarzabkowski and Wilson (2006), meanwhile, have suggested that many classical strategy tools are not suited for the increased levels of uncertainty in today’s environment. One reason for this might be that there is little time for detached analysis during periods of rapid change (Whittington et al., 2006). In the one study that implicitly explored this link, Grant (2003) explains that the firms he studied that were in such environments relied more on financial analysis method than on conceptual tools since during these times financial targets were the focus while formality was less valued.

*National Context*
A comparison of some studies (e.g. Aldehayyat & Anchor, 2008; Clark, 1997; Frost, 2003; Matzler, Rier, Hinterhuber, Renzl, & Stadler, 2005; Rigby, 2001b, 2003; Rigby & Bilodeau, 2005) shows that use of strategy tools varies across countries in terms of the number of tools used, the frequency with which they are
used, and the types of tools used. Spee et al. (2008) purposely compared their survey results in two countries with those of Stenfors et al.’s (2004) previous findings in a third country. While the studies used different lists of tools and survey approaches, they suggest that their findings do confirm that tool use varies across firms from different countries. There have not, however, been any arguments as to why this is the case.

Industry Context
Recent research points to the fact that the popularity of strategy tools is not consistent across different industries (Aldehayyat & Anchor, 2008; Clark, 1997; Frost, 2003; Rigby, 2003; Rigby & Bilodeau, 2005; Stenfors et al., 2004). Gunn and Williams (2008) found that senior executives used tools which were the most common ones in their industry. This may be explained by Spender's (1989) notion of industry recipes which suggests that firms within the same industry adopt similar strategies and, perhaps, processes. Similarly, neo-institutionalism (DiMaggio & Powell, 1983) suggests that certain practices may become institutionalised within particular industries.

Glaister and Falshaw (1999) differentiated between the manufacturing and service sectors in their study of strategic planning’s popularity since they believed that industry context could affect the degree of formal strategic planning. Although much of their evidence was inconclusive, they did find differences in firms’ formal use of tools across the two sectors and some of their results and analysis warrant a closer look. For example, they found surprising their finding that while firms in both sectors reported a strong focus on the external environment and a relatively high use of SWOT analysis, there was little reported use of the five forces framework and PEST which the researchers considered to be complimentary tools. They also found surprising that in each of the two sectors over 30 percent of the firms did not have anyone with the specific responsibility for conducting the elements of a SWOT analysis. Given that they also found little use of other tools such as portfolio matrices, they concluded that firms in both sectors made relatively little use of a wide range of strategic analysis tools and techniques. They believe that the evidence from their sample suggests that “many firms are not particularly sophisticated in terms of the tools/techniques most regularly used for strategic analysis” (p.113).
Glaister and Falshaw (1999) also note that the strategic analysis tools and techniques they found to be the highest ranked for use were also those that were experiencing an increase in use, and that this was particularly the situation in service sector firms. They found a significantly higher increase in use of SWOT analysis in manufacturing firms as opposed to those in the service sector, and a greater increase in use of Porter's five forces framework by service sector firms. Thus, while there was not much change in use of the major tools and the variation did not differ across sectors, the fact that some specific strategy tools were gaining popularity in the different sectors may imply that sectoral differences can impact which tools are more useful or popular. It is important to note, however, that this research was conducted 10 years ago and that a similar study conducted today may produce substantially different findings due to such issues as changes in management education, the competitive nature of the industries and the diffusion of new management tools and techniques.

Thus, even though some studies have suggested sectoral differences, there has not been any thorough study of which tools might be Industry-specific, nor enough studies to determine patterns in use within and across specific industries. Similarly, there has not been any qualitative work to help understand what industry or sectoral contextual factors might influence not only which tools are used, but why and how they are used. Thus, while some studies have looked at this issue indirectly, Johnson et al. (2007) continue to suggest that because different MBA strategy practices may vary across types of firms and industries, this issue should be examined in more depth.

2.6 Chapter Conclusion

SasP shifts the focus of strategy research back to the strategy field's original focus on the actual work of practitioners. It differs from the more established content and process subfields in several important ways, including its focus on the minute and micro-activities of practitioners, its perspective that improved managerial performance is a worthy dependent variable, and the importance it places on understanding how organisational and institutional contextual factors influence the way practitioners 'do' strategy.

The SasP research agenda has largely focused on questions of who is involved in an organisation's strategising activities, the skills they need for this, where
strategising is done and how its work is communicated and consumed. Some of the empirical research into these areas has provided some important findings about how strategy is practiced and which may influence how and why they and their organisations use and do not use the strategy tools created and promoted by consultants and academics, which is an additional and under-investigated research question for SasP. Several such findings include:

(1) Middle-managers may go beyond operational responsibilities and influence a firm's strategic activities by championing strategic issues. By providing a sense of familiarity and distance, they provide other practitioners with a sense of objectivity and confidence to better facilitate information exchange. They may also help adjust particular practices to specific contexts due to their understanding of local norms and routines.

(2) Strategising often occurs in episodes such as workshops and meetings. An organisation's choice of such practices is shaped by their traditions and norms for thinking, acting and using 'things'.

(3) Strategy practices may be formal and uncreative yet result in creative outputs such as strategic plans.

The more traditional strategic management literature also suggests that strategy is not necessarily a rational, linear or analytical process. Rather than the deliberate result of planning and formulation exercises it may instead emerge based on individual and collective learning. Similarly, an organisation's strategy process may be influenced by its culture, politics and structure. As such, a firm's use of strategy tools may be influenced by the collective preference of its members for particular strategy-making processes and practices including workshops, meetings and documents.

The limited literature on the use of strategy tools is inconclusive as to how tools are used and how different levels of context influence their use and perceived value. Still, there are some interesting notions that help shape the course of this study:
(1) Conceptual tools may help strategists to emphasise the different points of view that exist within their firms, thus helping practitioners to better structure and solve the ill-structured problems they encounter.

(2) Tools are used for purposes other than those for which they were intended, such as to facilitate conversations and communicate ideas.

(3) The use of tools within the strategic management process has also been said to help facilitate management development and effectiveness.

(4) Tools can, in the 'right' context, help to provide discipline and understanding within organisations by revealing taken-for-granted assumptions and exploring relationships between different parts of an organisation.

(5) From other research into the roles of formal analysis and the use of role of theory in practice, one may assume that the use of tools may not necessarily always be rational or instrumental, even if they originally were derived with a rational-analytical use in mind. Instead, tools may be used for cultural, political or symbolic reasons.

(6) Tools may be rejected due to similar reasons, as well as because tools often do not provide the benefits or results expected of them.

Overall the limited studies into strategy tool use show that strategy tools are used in practice, and that practitioners say that they often see certain tools as relevant and valuable for their work even if the tools are not necessarily used as or when prescribed by the literature. From a practice perspective, any of the above instrumental or non-instrumental uses might be relevant and useful for practitioners. However, more research into the non-instrumental uses has been identified as necessary, including social, political and symbolic uses and the contextual factors influencing these. There is also some support for the idea that tool use is shaped by organisational and individual characteristics, though the limited qualitative research does not help explain why or how this is so. The review of the literature confirms Ezzamel and Wilmut's (2004) observation that there has been minimal attention paid to the institutional context within which strategic decisions are made, including the values that provide legitimacy to the
rational models used by top managers. This is particularly important since as Langley et al. (2007) note:

Strategic activities carried out by organization members (i.e. the doing of strategy) both influence and are influenced by organizational-level actions and institutional-level practices, and that the greatest potential for developing new and valuable knowledge for the strategic management field lies in exploring and understanding these relationships (p.207).

While the introduction of tools has been studied at the single-firm level (Chesley & Wenger, 1999; Kaplan & Jarzabkowski, 2006), there have not yet been studies about the use of tools within multiple firms in a single industry. This is important for as Whittington (2002a) notes, industry contexts are important variables affecting strategy tools and their use. According to him an important concern for SasP is:

The relative diffusion of various technologies for doing strategy, with the focus on the concepts or tools that prevail within a firm, sector or broader society (p.11).

The following chapter therefore examines important characteristics of the international hotel industry in order to provide the necessary background for examining how the use of tools by hotel firms may be shaped by the industry context.
Chapter 3  Strategy Tools and the Hotel Industry

3.1  Introduction

In their review of strategic management research in the hospitality industry, Olsen and Roper (1998) cite the need for more hospitality industry-specific research since McGahan and Porter (1997) found that organisational profitability is highly influenced by industry contexts. Even though there have been repeated calls within the academic literature for more research into the transferability of generic tools into the hospitality industry and for the development of industry-specific strategy tools, (Becker & Olsen, 1995; Okumus, 2002; Olsen, West, & Tse, 1998; Olsen, West, & Tse, 2008), such research and tools have not yet been sufficiently conducted or developed. Thus, as this thesis' previous chapter noted, it is important to understand the use of tools-in-practice, and the contextual factors that affect their use, it is valuable to understand how the characteristics of the hospitality industry, and more specifically the hotel industry's contextual variables, might affect such usage by the industry's practitioners.

This chapter now proceeds to review the literature relevant to this issue and it is structured as follows. Section 3.2 places the hotel industry within the hospitality and service sectors in order to demonstrate that the literature on services and hospitality management can be applied to the hotel industry and its companies. This section also explains why the ensuing discussion and later empirical work focuses on hotel companies rather than independent properties. Section 3.3 reviews the strategic hospitality management literature about strategy tools, focusing on reasons why strategy tools are transferred rather than created originally for the hospitality industry and why such tools may or may not be appropriate for the industry's companies. The differences between the service and manufacturing industries and the implications these differences may have for hotel companies' strategy-making processes is discussed in section 3.4. Section 3.5 examines several important characteristics of the hotel industry as these are said to impact the strategy processes of its companies. As there is a large research lacuna with regarding the strategy process of hotel firms, section 3.6 examines the research on how one part of the strategy process, environmental scanning, is practiced by hospitality companies and through this identifies some
potential reasons for how and why strategy tools may and may not be used during the strategic management process of these organisations. Section 3.7 concludes the chapter with a summary of its key points and a brief link back to the previous chapter on SasP and strategy tools, as well as a presentation of the research questions investigated in the empirical study.

3.2 The International Hotel Industry

The hotel industry comprises an important part of the overall service sector (Carman & Langeard, 1980; Harrison & Enz, 2005; Schmenner, 1986), where the primary good that is sold is a service and for which the transfer of a physical product is only incidental (Ford & Bowen, 2002; Kotler, Bowen, & Makens, 2006; Thomas, 1978). The hotel industry is also a sub-segment of the service sector's hospitality industry (Harrison, 2003; Shoemaker, Lewis, & Yesawich, 2006) which Litteljohn (1990) defines as "encompassing those commercial activities which offer customers accommodation, meals and drinks when they are away from home" (p.209). Thus, while this chapter focuses on the hotel industry, it also draws on the more established strategic management literature from the broader service and hospitality sectors.

The international hotel industry is considered among the most competitive in the world (Harrison & Enz, 2005). Though most of the world's hotels are small and independently owned, some international hotel companies brand and/or manage several thousand hotels as a result of their expansion strategies. These companies are said to dominate the industry as they establish many of the business-related strategies emulated by smaller companies (Harrison & Enz, 2005). While over 70 percent of the 45,000 hotels (and nearly 5 million guestrooms) in the United States are chain-affiliated, this is only the case for 30 percent of the 1.5 million hotel rooms in Europe (Slattery, Gamse, & Roper, 2008). More significant, perhaps, is the fact that over two-thirds of new hotels in Europe are said to be affiliating themselves to a chain. This trend may be partly a result of the fact that between 2000 and 2006 the number of international brands in Europe nearly doubled to 185 (Slattery et al., 2008). Given their importance in the United States, and their growing importance in Europe, and the fact that most tools have been created for (Sharma, 2008), and are used by (Rigby, 2001a), larger rather than smaller firms, the following discussion of the role of strategy
and strategy tools in the hotel industry focuses primarily on hotel companies with multiple properties and/or chains.

3.3 Strategic Hospitality Management Research and Strategy Tools

This section identifies that there is a dearth of strategy tools created in and for the hospitality industry and suggests some reasons for this. It also demonstrates that strategic hospitality management education is based largely on generic tools and presents different views about the viability of such tools in practice.

3.3.1 The Lack of Hospitality-Specific Strategy Tools

Olsen et al. (2008) state that hospitality organisations, including those in the hotel industry, need strategy tools to help them compete effectively with their rivals. The strategic hospitality management literature has, however, largely relied on theories first developed by mainstream business researchers, and as such hospitality industry organisations have had to rely on concepts and tools developed in and for manufacturing firms to guide their competitive decisions (Okumus, 2002; Olsen & Roper, 1998). For Olsen et al. (2008) this is detrimental for hotel companies since "It has become obvious that using these industrial models to manage service firms makes as little sense as using agricultural models to run multinational corporations" (p.13). They note that managers and researchers have recently begun to create general management models that incorporate the service sector's unique attributes (i.e. Heskett, Sasser and Schlessinger's Service Profit Chain), but that these too are based on the research literature that has been developed from the manufacturing sector.

The lack of strategy models specific to the hospitality industry may be due to the limited amount of research into strategic management in the hospitality industry (Olsen & Roper, 1998). This research lacuna is said to be due, in part, to the relative newness of university-level hospitality and tourism education, the fact that strategic management courses were first developed and introduced to U.S. hospitality students only in the 1980s (Tse & Olsen, 1999), to a focus on teaching rather than research in hospitality management educational institutions (Okumus, 2002), and to the lack of any specific hospitality-specific journals dedicated to strategic management (Harrington, 2009). The very small number of graduate
and doctoral programmes in strategic hospitality management also implies few researchers (Okumus, 2002; Olsen, 2004) and therefore only a limited number of doctoral theses and dissertations that examine strategic practices in the hotel industry (Tse & Olsen, 1999). Often the source of—and training for—rigorous research, this lack of doctoral work may explain the corresponding lack of theory construction in strategic management within the hospitality industry (Tse & Olsen, 1999).

The industry's structure is also said to impede the research necessary for developing industry-specific tools and concepts. For example, international fragmentation and the substantial number of brand segments in the hotel segment are said to make it difficult to "conduct large-scale studies that are designed to contribute important theoretical frameworks to enhance our understanding of the (hospitality) industry" (Olsen & Roper, 1998, p.112). Okumus (2002), meanwhile, also notes that as opposed to more mainstream researchers who can investigate their ideas in any number of industries, researching strategic management concepts and practices in the hospitality industry is also difficult because it can only be conducted in a few industries and this limits the number of potential and suitable research participants (i.e. companies and managers) from whom data can be collected.

These issues help to explain why much of the research into strategy within the hotel industry has been conceptual and descriptive (Tse & Jogaratnam, 2008) and why many generic strategy models have been reworked and applied to the hospitality industry without much actual empirical tests for their relevance, validity or applicability (Olsen & Roper, 1998). Given this situation, it is thus not surprising that Okumus (2002) suggests that strategic management research in the hospitality industry is still embryonic and that the gap between it and the mainstream strategy literature is growing.

3.3.2 Strategic Hospitality Management Research and Education

Jones, Song and Hong (2004) argue that because hospitality management research is only partially conducted within the context of mainstream schools of thought, "hospitality research is out of step with generic theory development" (p.135). They suggest that one reason for this 'discontinuity' is that many mainstream researchers only rarely conduct their empirical work in the hospitality
industry. They also posit that other researchers who work only in the hospitality field either ignore mainstream theory or only use it when they perceive it as relevant. The authors say that such researchers assume that the hospitality industry is unique and different from others and that this may be a reasonable view if their background and training has been focused specifically in the hospitality field. They note that a problem with this 'selective discontinuity' is that "research may be conducted on theory and/or methods that in the mainstream have already proved to be invalid or unreliable" (p.137).

Similarly, researchers in the strategic hospitality management discipline are said to have been unable to contribute to the mainstream strategy literature through new insights from the hospitality industry since they tend to pursue research issues and agendas long after their colleagues in the mainstream (Okumus, 2002). Olsen & Roper (1998) note, for example, that while most researchers in strategic hospitality management continue to see strategy formulation and implementation as two distinct phases in the strategy process, many mainstream strategy authors (e.g. Mintzberg, 1994; Stacey, 2007), do not support the idea of separating strategy formulation and implementation. Researchers within the hospitality field also continue to see strategic management as a linear process and to stress the importance of strategic 'fit' (e.g. Olsen et al., 2008) even though, as discussed in this study's previous chapter, many leading mainstream strategy scholars argue against this view. Olsen and Roper (1998), meanwhile, argue that most of the hospitality industry's academic literature that has followed the orthodox approach to rational strategy-making not only reinforces the conventional wisdom found in the general strategy literature, but that it is "perhaps a little naïve about how strategy really functions" (p. 117).

Okumus and Wong (2005a) suspect that alternative perspectives of strategy are also not being taught in hospitality management courses. Their review of hospitality management education programme curricula suggests that most courses continue to teach strategy purely from the prescriptive, linear planning approach. Even though some general business-related textbooks have begun to incorporate alternative perspectives on the strategy process (e.g. DeWit & Meyer, 2005; Johnson, Scholes, & Whittington, 2005; Mintzberg, Quinn, & Ghoshal, 1995; Stacey, 2007), hospitality-specific strategy textbooks (e.g. Harrison & Enz, 2005; Knowles, 1996; Olsen et al., 2008; Teare & Boer, 1991) do not. Instead they apply the traditional planning and/or positioning approaches.
to strategy without extending the knowledge (Okumus & Roper, 1999). It is thus not surprising that Okumus (2002) believes that “there are no different views as to what strategic management is in the hospitality industry. The one dominant view appears to be the classical planning approach” (p.106). In other words, even though strategy is one of the more pluralist disciplines, and although the mainstream strategy researchers have incorporated alternative views of the strategy process into their research and teaching, strategic hospitality management researchers and educators have not yet done so to any real extent, and this may explain one reason why the industry’s academic literature continues to be based on the rational perspective of strategy formulation and its corresponding tools.

3.3.3 Generic Strategy Tools in Hospitality Education and Research

A review by this researcher of the strategic management textbooks for the hospitality industry identified by Okumus and Wong (2005a), plus a newer book by Harrison and Enz (2005) and Olsen et al.’s newest edition (2008), revealed that they generally describe and prescribe many of the same generic tools and frameworks that have been identified as the most popular among mainstream practitioners (e.g. Clark, 1997; Frost, 2003; Stenfors, 2007) without providing any original and tested tools. Please see Table 3-1 for a summary of this finding.

Table 3 - 1 Strategic Hospitality Management Textbooks and Tools

<table>
<thead>
<tr>
<th>Reference Book</th>
<th>PEST</th>
<th>SWOT</th>
<th>Porter’s Five Forces Framework</th>
<th>BCG Growth-Share Matrix</th>
<th>Porter’s Generic Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olsen, West and Tse, 2008</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Harrison &amp; Enz, 2005</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Moutinho, 2000</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Olsen, West and Tse, 1998</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
<td>x</td>
<td>✓</td>
</tr>
<tr>
<td>Tribe, 1997</td>
<td>x</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Knowles, 1996</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Teare and Boer, 1991</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
The one significant exception is Olsen et al.'s (1998, 2008) textbooks which offer the authors' 'co-alignment' model as a tool both created for and empirically tested in the hospitality industry, and as such it warrants a closer look. The authors suggest that their model is designed specifically for the hospitality industry and that while underpinned by co-alignment theory (also referred to as 'fit') from the mainstream strategy and organisational theory literature (e.g. Andrews, 1971; Hofer & Schendel, 1978; Thompson, 1967), that it also involves some important changes to the standard manufacturing-based models. In both their model and the general strategy literature, the central premise of co-alignment is that companies must take structural and strategic actions that are consistent with one another and their environmental constraints. Similar to the model of strategic fit in the mainstream literature, in Olsen et al.'s model the key constructs are the environment, strategy choice, firm structure, and firm performance. According to Olsen et al. (2008):

If the firm is able to identify the opportunities that exist in the forces driving change, identify competitive methods that enable the firm to gain competitive advantage through these opportunities, and allocate sufficient financial resources to the competitive methods that create the greatest value, the financial results desired by the owners and investors have a much greater chance of being achieved (p. 6).

While the model they present is not entirely the same as those on which it is based, the instructions they provide to managers seeking to strategise with their model also includes the prescriptive use of numerous frameworks for environmental scanning (remote and task), competitive analysis and resource allocation. As with models from the mainstream these also involve the identification of threats and opportunities as well as internal strengths and weaknesses. Thus, while the model may be different from those on which it is based, and the authors provide valuable advice and industry examples for practicing managers, it also has significant similarities to, and adaptations of, previous mainstream manufacturing-based strategy models. It is also perhaps relevant to note that in terms of academic research their model appears to be used solely within the hospitality industry literature which could suggest that it is in fact valuable and/or industry-specific.

Tse and Olsen (1999) state that the research projects and doctoral dissertations from the 1980s and early 1990s that tested the applicability of generic strategy frameworks and models to the hospitality industry produced mixed results and
were, for the most part, statistically inconclusive. Becker and Olsen (1995) also criticised the newer research at that time for its continued:

Borrowing of theory and concepts from other veins of literature and applying them to hospitality firms ... without serious consideration regarding its validity or relevance to our industry context (p.40).

The more contemporary academic literature continues, for the most part, to focus on mainstream theories and tools and to applying them to the hotel industry (Olsen, 2004). For example, while Crook, Ketchen and Snow's (2003) prescriptive model for hospitality practitioners' decision-making and Harrison's (2003) discussion of strategic analysis may have practical implications (Olsen, 2004), they are built on the mainstream strategy literature tools such as SWOT analysis, PEST analysis and Porter's five forces framework, and not on any hospitality-specific research or tools.

3.3.4 The Transferability of Generic Strategy Tools to the Hospitality Industry

Even though the hospitality industry has evolved over the past few decades from one that was primarily entrepreneurial and craft-oriented to one that is comprised of more complex, multinational and multidivisional companies (Harrison & Enz, 2005; Olsen et al., 1998), Becker and Olsen (1995) note that within the hospitality industry "the knowledge base used for management guidance has failed to keep pace with these changes ... (and) falls far short of meeting the needs of contemporary managers" (p.49). Given this, and the lack of hospitality industry-specific tools, it is easy to understand their view that "we need better tools to aid in the complex strategy tasks that face hospitality leaders" (p.41, italics added).

According to Okumus (2002), however, none of the research that has applied generic concepts to the hospitality industry "has provided research findings which indicate that there are any particular differences between the strategic management in hospitality firms and in any other types of firms" (p. 106-107). Becker and Olsen (1995), however, do not see the situation like this as they argue that:

The inconsistent results and non-significant findings from recent studies which have utilized manufacturing theory in an
attempt to explain relationships in hospitality provide evidence that the application of theory from one industry context to another is not direct ... These studies suggest that the uniqueness of the service industry and the hospitality sector in particular, requires the development of a separate knowledge base which more closely aligns with the characteristics of our industry (p.40).

That is, the findings from academic studies that have provided 'inconsistent results and non-significant findings' may not only be used to critique the limited added-value or quality of research that simply applies mainstream tools to the hospitality industry, but also as implicit evidence that the industry is different and requires its own theories, concepts and tools.

Olsen et al. (2008) also maintain that the knowledge generated about strategic management from research efforts into the manufacturing industry cannot be applied directly into the hospitality industry because its "attributes are notably different" (p.13). Okumus and Wong (2005b), meanwhile, also acknowledge that the manufacturing-based models and frameworks "may need to be modified or even changed greatly for the service industry" (p.267). These perspectives are also supported by researchers from outside the hospitality field who argue that service firms are different (e.g. Dougherty, 2004; Lowendahl, 1997) and who have looked at differences in strategy and strategy-making across the different sectors. For example, Habib and Victor (1991) found that multinational corporations in the service sector have a different strategy-structure-performance relationship than manufacturers, which implies that strategy in the sectors is, or may need to be, different.

Other academics from the hospitality field do not, however, agree that the hospitality industry is different enough from the manufacturing sector to warrant different theories, tools and strategic management processes. For example, Harrison and Enz (2005) state that due to its competitive and structural evolutions, many of the differences that are assumed to exist between hospitality companies and other types of businesses have disappeared. They suggest as evidence of this that hospitality companies also have competitors, rely on markets for human resources, customers, capital and supplies, can be studied in terms of their cash flows, and are affected by economic, political, societal and technological trends and challenges just like non-hospitality businesses. For them "there are more similarities than differences between hospitality firms and firms
of other types" (p.26) and as such "the general strategic management process
does not require substantial modifications to be applicable to hospitality firms" (p. 26).

The above discussion suggests that while there are not only different views
among researchers about the degree of difference between the hospitality and
'mainstream' industries, there is also an important divergence in their opinions
as to the modifications that hospitality companies must enact with regards to
their strategies and strategy processes as a result of these sectoral differences.
In essence, the hospitality field’s strategy literature has not yet explained nor
justified how service industry characteristics impact hospitality organisations’
strategy formulation and implementation processes (Okumus & Wong, 2005b).
The next section thus reviews the relevant literature and draws some inferences
with regards to how and why strategy processes and tools may be used
differently in the hotel industry as a result of the service and hospitality
industries’ contextual factors.

3.4 Service Industry Implications for the Strategic
Management of Hotel Companies

The service sector is said to have a variety of unique characteristics that are
substantially different from those of the manufacturing sector and which
represent particular environmental constraints on hotel companies and the hotel
industry’s overall market structure in terms of entry barriers, competitiveness
and growth (Matovic, 2002). This different market structure, in turn, implies that
as service businesses, hotel companies may “often require different competitive
strategies from those of product-oriented companies” (Thomas, 1978, p.159). Strategy for the service industry is also said to be different since service industry
characteristics have significant implications for strategic planning (Thomas, 1978;
Carmen and Langeard, 1980; Schmenner, 1986), though as Okumus and Wong
(2005b) note, the literature does not explain how the industry’s characteristics
impact strategy formulation in hospitality companies. Strategy-making may thus
not be so different across the industries since, as Olsen (2004) writes, hospitality
executives, like their counterparts in non-service sector firms, also "seek to align
their organisations, both internally and externally, in order to seek opportunity
and avoid threats posed by the environment” (p.412).

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There is, therefore, substantial disagreement about the need for strategies and strategy-making to be different for companies in the different sectors, though it appears that managers within non-hospitality organisations may see the strategic management process similarly to those within hospitality companies. In order to better understand why there may be differences between the way strategy is viewed and practiced in the hospitality and manufacturing industries, this thesis now identifies the commonly-cited differences about these industries, and the contextual characteristics of the hotel industry that may impact strategy and strategy-making within hotel companies.

The last 30 years of literature on the service industry (e.g. Carman & Langeard, 1980; Ford & Bowen, 2002; Kotler et al., 2006; Shoemaker et al., 2006; Thomas, 1978) has continuously pointed to a similar set of attributes which delineates the fundamental differences between the manufacturing and service industries. Together many of these issues can be seen as being part of the complex service production and delivery system that characterises the service sector. As these issues have been discussed extensively in many publications (see the citations above, for example) they are only briefly summarised in Table 3-2.

Table 3 - 2 Fundamental Sectoral Differences

<table>
<thead>
<tr>
<th>Service Sector Attribute</th>
<th>Manufacturing</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibility</td>
<td>Products are material objects with defined properties that are possessed as tangible goods Products are easy to replicate, describe and standardise according to pre-determined features</td>
<td>As acts or experiences that are directed to customers, the immaterial nature of service makes it difficult to measure, describe and standardise them Quality is judged by customer's perceptions and standards Service used as stage to engage individuals and create memorable experiences</td>
</tr>
<tr>
<td>Simultaneity of production and consumption of service experience</td>
<td>Physical goods inventoried for purchase/consumption Defects generally identified and corrected before consumption</td>
<td>Experience not produced before guest interacts Cannot investigate service before consumption Service defects must be solved on the spot generally by front line employees Forces service chains to provide their services wherever customers are located</td>
</tr>
</tbody>
</table>
Due to the above characteristics, a particular challenge facing companies that sell and compete on services is that of repositioning themselves in the market due to the inherent difficulty they have to create competitive positions that can be protected (Thomas, 1978). Within the hotel industry, innovative ideas are also hard to protect and this results in a more dynamic and uncertain competitive situation which is said to make developing successful strategies especially difficult (Olsen et al., 2008). The issues in Table 3-2 can, for example, have important implications on service quality variability which can impact a hotel company’s growth rate and be possible barriers to entry for companies that lack the ability to manage these complex and complicated service systems (Matovic, 2002). Thomas (1978) notes, however, that people-based service business are malleable and this means that even after they have been introduced into the marketplace strategies can be modified for minimal cost.
The service sector also has some important differences and complications in the supply-demand relationship, including demand patterns, the perishability of the product, fixed capacity and the wide geographic dispersion of many companies' subunits. These are said to be some of the key reasons why manufacturing models are not directly applicable to service industries (Olsen et al., 2008). Table 3-3 provides a synthesis of these differences across the two sectors and includes some strategic implications for hotel companies.

Table 3-3 Differences and Implications of the Supply and Demand Relationship

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Manufacturing</th>
<th>Service/Hotel</th>
<th>Hotel Industry Strategic Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Patterns</td>
<td>Demand is somewhat constant and determined by current market demographics</td>
<td>Difficult to aggregate hotel demand in a particular period as it is very temporal and less influenced by macro-demographic features while based more on local conditions and competition</td>
<td>Hotel forecasting and analysis is often suggested to be decentralised as demand tends to be local. Local situations are constantly in flux and subject to local environmental variables</td>
</tr>
<tr>
<td></td>
<td>These patterns make it easier to estimate sales expectations and produce quantities that are economical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perishability of product</td>
<td>Consumer goods can be inventoried, and their prices adjusted, to meet fluctuations in demand and supply</td>
<td>Not possible to stock services such as hotel room nights</td>
<td>May create an impression that urgent new or improved marketing or yield management functions are needed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Difficult to recover lost service opportunity; inability of customer to &quot;return&quot; hotel stay experience if unhappy</td>
<td>Similarly, an extended period of inefficient room sales can also lead to an underperforming property which would possibly suggest an earlier market exit since room nights are lost forever</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>On the other hand, by limiting perishability through higher room occupancy, hotel companies improve their asset utilisation and financial performance and thus their potential to grow</td>
</tr>
<tr>
<td>Fixed Capacity</td>
<td>Can expand production and supply when demand increases</td>
<td>Hotels have a set number of rooms and thus their supply is limited in the short term</td>
<td>Too little supply may encourage competition when a hotel property or brand demonstrates strong performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expansion and diversification of auxiliary services/products seen as solution</td>
<td>Too much supply could suggest an underutilisation of the properties which could in turn facilitate divestiture of the hotel asset or its conversion to other uses such as office space or apartments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>When a hotel expands its core offering (rooms) to include peripheral services (e.g. restaurants, spa, conference)</td>
</tr>
</tbody>
</table>
The above characteristics suggest that there are some fundamental issues which affect the hotel industry and, therefore, possibly the structure, strategies and strategy-making of its companies. These issues are examined in more detail in the following section.

### 3.5 The Hotel Industry: Structure and Strategies

Zhao and He (2008) suggest that forming a competitive strategy has become more complex in the international hotel industry due to such issues as large changes in the global business environment, intensive competition in the lodging market, changing demands from lodging consumers, higher returns required by investors and the increasing necessity for foreign expansion. Olsen et al. (2008), meanwhile, suggest that strategy in the hospitality industry is particularly challenging and important not only because of the service industry characteristics detailed above, but also due to the distinctiveness of the current hotel industry structure. The industry’s current structure, which, among other things, is fragmented, capital intensive, and involves great deals of real estate that are not

<table>
<thead>
<tr>
<th>Multiple Locations</th>
<th>Ability to manufacture in one or few facilities which provides cost advantages for raw materials and production efforts</th>
<th>For chain hotels service is decentralised and provided at multiple locations often times with wide geographic dispersion, making cost economies and logistics (as well as service consistency) more difficult</th>
<th>Incremental capital required for each hotel’s infrastructure not as efficient as adding variable capacity in the manufacturing industry, and this in turn means that such capital and logistical concerns can inhibit a brand’s growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Centralisation and standardisation of processes used to combat weakness</td>
<td>Hotel companies must coordinate multiple departments at their different properties that provide a wide variety of products and services, recruit and train a large labor pool in many different areas, and stay current of many macro-environmental and local industry trends and developments</td>
<td></td>
</tr>
</tbody>
</table>

(Adapted from: Carman & Langeard, 1980; Combs et al., 2006; Ford & Bowen, 2002; Kotler et al., 2006; Matovic, 2002; Olsen et al., 2008; Schmenner, 1986)
generally owned by the people or companies who manage them, is the product of over three decades of changes to and in the industry.

Many of today's largest companies were, according to Olsen et al. (2008), founded by visionary entrepreneurs, and their drive for growth meant investments in an increased number of hotel units. The authors state that the need for growth continues to be the primary challenge for today's hotel industry executives as they must increasingly respond to investor demands. International growth, meanwhile, is particularly necessary for many hotel companies as a better traveled and more globalised customer base are always threatening to defect if they do not find their preferred brand in all their desired locations (Shoemaker et al., 2006). Business growth and International expansion of hotel companies involve making strategic choices about key business objectives such as attracting the correct mix of new and profitable customers, the right selection of services and products to offer, and the appropriate geographic markets in which to compete (Bender, Partlow, & Roth, 2008).

A number of additional factors currently influencing the strategic situation and challenges for the hotel industry and its companies have been identified. These include the changing ownership model, increased brand consolidation, simultaneous and conflicting pressures for concentration and diversification, the role of international expansion, the evolution of niche markets as new sources of growth and the need for differentiation in light of an increasingly commoditised hotel product (Bender et al., 2008; Harrison, 2003; Harrison & Enz, 2005). While it is beyond the scope of this thesis to examine the overall hotel industry situation, several of the just-stated issues are briefly examined below as they likely make up the key task environment issues facing most hotel companies (Bender et al., 2008) which may impact their strategy-making processes and practices.

**Brand Proliferation**

Brand proliferation and segmentation is one outcome of the above-stated need for growth (Harrison & Enz, 2005). The creation and growth of new brands over the past 30 years resulted as companies determined that their current brands were at a mature stage of their lifecycle and had reached saturation levels. In order to continue to demonstrate their growth potential these companies needed a way to attract new customer types and also to add more hotels to their existing
portfolios and markets without stealing demand from their existing hotels. Due to an increased rate of consolidation of hotel companies in recent years (Olsen et al., 2008) there has been an increased rate of merging and repositioning hotel brands in order to create product lines that are diversified and cover all different price points, with some brand strategies focusing on standardisation and others on differentiation (Bender et al., 2008). Brand segmentation has become such an important strategy that, according to Bender et al. (2008), the primary business of many hotel companies is now brand management.

The increased number of brands is said to make managing the larger hotel companies more complex as strategies must be created for multiple brands that compete at very different price points, attract a wide range of customer profiles, and compete in multiple destinations, including an increasing amount of international locations (Shoemaker et al., 2006). As international expansion on a large scale is relatively new for many hotel companies, their corporate structures have only recently evolved to include a corporate presence in international locations (Harrison & Enz, 2005) which could be expected to help facilitate effective strategy implementation through decentralisation and more inclusion of middle managers in the strategy process (Floyd & Wooldridge, 1992).

Ownership-Management Structure
The growth and profitability of independent hotel companies and properties over the past few decades led to acquisitions and investments in the hotel industry from external investors and the public capital markets who took over control and ownership of these companies (Olsen et al., 2008). During the early 1990s the U.S. hotel industry experienced the beginning of a shift in strategies among the largest companies from one of profits through hotel asset ownership to one where the real estate holdings were divested. This shift in strategy was precipitated by the risk/return assessment from the capital markets, an interest by institutional owners (such as private equity groups and real estate fund and investment trusts) in hotel asset ownership, and the slow process of trying to expand hotel brands by relying only on internal equity (Slattery et al., 2008). This latter point is especially true in a market as big as Europe which continues to be much less branded than in the United States (see Slattery et al., 2008).

Sometimes called an 'asset light' strategy, this real estate divestment has been adopted by many companies in the industry over the past fifteen years (e.g.
Marriott, Kempinski, Hilton, Starwood and Intercontinental). It is also often referred to colloquially as the separation of ‘the bricks and the brains’ since the properties ('bricks’) are owned by institutional or private investors while the hotel companies ('brains') manage or franchise them. These hotel companies have therefore shifted their strategy from one of profits through hotel ownership/management and, in Europe, leases, to one comprised almost exclusively of fees through management and/or franchise agreements.

Like the market segmentation and proliferation of brands previously mentioned, this ownership-management evolution implies potential additional challenges, or at least developments, for strategy formulation practices within hotel companies. The implications can be linked to the fact that companies whose businesses are more weighted towards the fee-based model have many more stakeholders, such as franchisees, property owners, investors and their respective lenders with whom they must work (Brookes & Roper, 2008) and from whom they must garner support. Owners have, for example, become ‘far more influential and involved’ in certain areas of decision-making (Gannon, 2008). Whitla, Walters and Davies (2007) suggest that hotel owners maintain an important degree of control over their properties even when they are not the managers and that they often put their own interests above that of the hotel group. Convincing franchisees and owners to make investments that benefit the brand but which may decrease their own short-term profit is, therefore, a challenging obstacle to effectively implementing corporate or brand-specific strategic decisions for hotel companies (Bender et al., 2008). Similarly, these owners may not be open to sharing information and resources with other hotels in the chain. These property owners and franchisees may also have similar business relationships with other hotel brands from different companies, and this may mitigate the differences and advantages one company has over another through greater transparency, which, in turn, reduces a hotel company’s ability to leverage resources and know-how (Bender et al., 2008). Bender et al. (2008) note that another challenging development resulting from this ownership-management separation is due to the fact that the hotel employees who are interacting with guests are more than ever the employees of hotel owners and not of the management companies, and as such achieving brand ‘buy in’ from the employees is also more difficult. Whitla et al. (2007) suggest that such a situation means that “The separation of hotel ownership and management thus poses obvious constraints to the adoption of Integrated global systems and strategy in the hotel industry” (pp. 789-790).
**Plural market entry methods**

Brookes and Roper (2008) note that plural forms for entering markets have existed in the hotel industry for several decades with most large U.S. companies using at least three modes and European companies increasingly relying on management and franchising for their expansion as they simultaneously move away from leasing and owning hotels. The use of ownership, franchising and management contracts have also, to different degrees, played important roles in the growth of other segments of the hospitality industry such as spas (Hodari & Jaeger, 2009) and restaurant chains (Harrington, 2004; West & Olsen, 1989).

Studies of how restaurant and hotel companies use multiple management methods to grow and manage their companies point to the fact that the strategy processes in these companies may also be influenced by the way the company-franchise relationship is managed. They also suggest that the hotel and restaurant industries may not realise the same benefits or use the relationship in an identical way even though they rely on similar expansion methods. Bradach's (1997) study of the simultaneous use of franchising and ownership methods in the chain restaurant industry, for example, identifies that one of the key ways chains create systemwide adaptation to changing markets is through mutual learning (the others being socialisation, ratcheting and franchisees mimicking corporate structures). With regards to mutual learning, he found that franchisees "contribute to the strategy selection process uniquely by challenging the assumptions and business logic of decisions proposed by the chain" (p.296). In addition, they prove to efficiently pass information from their local areas to the key decision makers at the corporate level. He also found, however, that the chain managers claim that an important drawback to the involvement of franchisees in the strategy making is that it slows down the strategic decision-making process.

Unlike Bradach (1997), Brookes and Roper’s (2008) study of the internationalisation of hotel chains did not find any evidence that any mutual learning, such as organisational processes that help record or test new ideas from franchisees, takes place between owner-leased-managed (OLM) and franchised portfolios. This lack of mutual learning, they say, is partly due to a limited amount of coordination and communication processes between the divisions. They note that their corporate informants even cite a "distinct lack of interest in
franchisee innovations or best practice" (p.16). Instead, the chains seem to rely on learning from their own experiences which Ingram and Baum (1997) have found provides both advantages and disadvantages for hotel chains. These researchers found, for example, that while hotel chains benefit from small amounts of their own experience they are harmed by large amounts of it. They suggest this is because of the "inertia that develops from exploiting a given set of routines, ultimately leading the organisation into a competency trap" (p.93). They believe that the multiunit nature of hotel chains can make it difficult for companies to accumulate and apply their experiences across their units, especially when these are spread out over wide geographic areas.

Besides not necessarily learning as much as possible from them, hotel companies may also not involve their franchisees in the strategy process in the same way they may their owned or managed properties since franchising, according to transaction cost economics, implies a higher risk of proprietary knowledge leakage than do ownership and management contracts (Chen & Dimou, 2005). Thus, managers from different properties may be involved to different degrees in the strategy process of hotel companies based on the contractual relationships.

Just as they may not involve franchisees or their general managers in their strategy-making practices, there may be reasons why hotel organisations do not involve their own employees in their strategising even though hospitality companies are thought to likely achieve greater success if they have more involvement from their members who have information to provide during the strategy process (Peng & Litteljohn, 2001; Teare, Costa, & Eccles, 1998). For example, a strategy process where issues are discussed and decisions are made only at the company's top levels generally suggests a process with less involvement of organisational members and is said to facilitate faster decisions while helping to save valuable resources, such as employee time, for more productive uses (Harrington, 2004). A closer look at the limited extant research about the strategy process of hotel companies is explored in the next section.

3.6 Strategy-Making in the Hotel Industry

There has been very little research on the strategy process within hospitality companies (Harrington & Ottenbacher, 2009; Okumus, 2002; Okumus & Roper,
1999; Woods, 1994). In his review of the strategic hospitality management literature published between 2000 and 2003, for example, Olsen (2004) does not mention any articles about the behavioural side of strategy, such as strategy-making processes, even though he discusses normative recommendations about the prescribed analytical steps within the strategy process. This could perhaps suggest that the author did not believe that the literature was worth reviewing, that his contingency approach to reviewing the literature prevented him from doing so, or as this researcher's literature search suggests, that there was nothing written about the subject during the period.

One reason why there has not been much research into the strategy process of hotel companies is that these companies do not in fact employ formal planning practices. That is, even though strategic planning may help hotel managers to better implement company objectives by closing the gap between themselves and the hotel corporations’ different management levels (Slattery & Clark, 1988), and even though Phillips, Davies and Moutinho's (1999) research suggests that hospitality firms which practice strategic planning may outperform their rivals who do not, in reality the situation might be one of "non-existent planning practices in hospitality organisations" (Okumus, 2004, p.136).

While the limited extant research into the formal strategy planning processes of hotel companies does little to clarify the reality of it its use within the industry, there has been more work done on the role of environmental scanning (e.g. Costa & Teare, 2000; Jogaratnam & Wong, 2009; Jongaratnam & Law, 2006; Olsen, Murphy, & Teare, 1994; Teare et al., 1998). Environmental scanning is, in fact, said to be the most popular topic in the strategic hospitality management literature (see Okumus, 2004; Olsen, 2004; Olsen & Roper, 1998) with Okumus (2004) identifying 29 articles published on the subject between 1980 and 2003. It is beyond the scope of this paper to fully examine the environmental scanning literature as it pertains to the hospitality industry. However, the literature that demonstrates evidence of, or theoretical reasons for, its role (and non-role) in the strategy processes of hotel organisations is explored as this provides a way to infer a more general understanding of the way strategy-making is and is not practiced in the hotel industry. As such, this may provide some understanding of how (or even if) strategy tools are actually used during the strategic management process of hotel companies.
3.6.1 Environmental Scanning

According to the classical view of strategic planning, environmental scanning is the stage in the planning process when emerging changes and trends are monitored and evaluated for their likely impact on the corporation and its decisions. It usually involves dividing the external environment into different categories such as political, economic, social and technological, which are the categories of the PEST framework (Hill & Jones, 2005). While it has consistently been considered to be one of the most important elements of the strategic analysis phase in both the mainstream (e.g. Fahey, King, & Narayanan, 1981; Hambrick, 1982; Jain, 1984) and strategic hospitality management literatures (e.g. Harrington, 2004; Harrison, 2003; Harrison & Enz, 2005; Olsen et al., 2008; West & Olsen, 1989), not everyone believes that formal environmental scanning is necessary for hotel companies. Okumus (2004), for example, suggests that from a complexity theory point of view one may argue that the complex and dynamic reality of the external environment means that hospitality organisations may, instead of predicting their environment, be better served by learning to quickly adapt their operations and services to it. He also suggests that as explained by Mintzberg (1994) and Stacey (2000), formal management activities can eliminate any creativity in the lower levels of organisations.

Similar to the earlier discussion about the lack of research confirming the validity of generic strategy tools in the hospitality industry, the literature on the role of environmental scanning in the industry has also been faulted for applying the traditional normative planning school's environmental scanning frameworks without questioning their relevance and practicality in hospitality companies (Okumus, 2004). Olsen (2004), meanwhile, claims that recent strategic hospitality management research on the subject has done little to advance knowledge or theory. He criticises it for continuing to be descriptive and prescriptive and for simply adopting, transferring, and reworking mainstream strategy research into a hospitality context. He says that the environmental scanning models presented during this period provided "only limited evidence of the validity of the model in a hospitality context or none at all" (p.414). The practical use of scanning frameworks may be attributed to numerous attributes of organisations and individuals and these issues are briefly examined below according to the limited extant research.
**Individual Management Style**

Rather than demonstrating evidence of formal, detailed environmental analyses linked to long-range plans, research on international hotel companies has consistently demonstrated that the companies which do scan the environment employ an informal and general approach linked to short-term decisions (Costa & Teare, 2000; Olsen et al., 1994; Teare et al., 1998; West & Olsen, 1989). Olsen et al. (1992) suggest that hospitality management practitioners take this approach because they see scanning as “time taken away from more tangible pursuits” (p.58). They go on to say that:

> Active problem solving is much more rewarding to (hotel) managers than time spent in such ‘soft’ activities as scanning. The hospitality industry is generally recognized as a ‘doing’ industry filled with managers possessing an entrepreneurial spirit not given to engaging in ‘time-wasting’ activities (p.58).

Okumus (2004) similarly suggests that the limited use of environmental scanning methods in the hotel industry may be due to the fact that hospitality firms tend to employ “individualistic people who prefer a ‘hands on’ management style ... rather than following methods of structured formal analysis” (p.138). The ineffective use of environmental scanning is also, he says, a result of the hospitality industry’s tradition of relying on “entrepreneurial traits of initiative and intuition” (p.138). Williams and Tse (1995) similarly note that entrepreneurs do not use the same formal analytical techniques as large companies. Hotel development directors, for example, must be very entrepreneurial for international franchising to achieve its growth objectives (Altinay & Roper, 2005).

**Organisational Culture**

A hotel company’s culture may also impact its use of formal environmental scanning techniques and tools. Okumus (2004), for example, suggests that its limited use in the hospitality industry is related to the fact that the industry’s firms overwhelmingly have informal, organic structures in which verbal and lateral communication predominate (Wood, 1994). Costa and Teare (2000) similarly argue that:

> The lack of a long-term perspective coupled with a commitment to immediate tangible pursuits, and a strong reliance on quantitative data are deep reflexes of the existing organisational culture among hospitality organisations (p.158).
They suggest, therefore, that it may be an organisation's culture, rather than any link to the strategic planning process, which enables environmental scanning activities to be successfully implemented in hotel companies. According to them, an implication of this is that it is up to managers to justify the need for more formal scanning within their organisations in order to improve decision-making and planning. One suggestion for more successfully developing and implementing meaningful environmental scanning processes within hotel companies is for these companies to choose participants for the process from the organisational members that are exposed to the relevant information (Teare et al., 1998). In his study of the hospitality industry's food service sector, Harrington (2004) found, for example, that as environmental complexity increased, managers accessed their organisational members' knowledge at more organisational levels.

**Internationalisation**  
While they note that there is a general lack of sophisticated scanning in the industry, Olsen et al. (1994) believe that because they face a larger diversity of environmental conditions, hotel companies that operate in multiple countries may be more aware of the importance of environmental scanning than single-nation hotel firms. Harrison and Enz (2005) also claim that as the industry evolved and internationalised over the past two decades, the "mind-set of managers moved to a more strategic way of thinking about the business" (p.26), which suggests an important role for environmental scanning according to their classical perspective of the strategic management process. There has also been a view, not yet confirmed by the research, that as hotel companies' environmental complexity increased along with their growth and internationalisation, they would place a greater emphasis on conducting environmental scanning, strategic decision-making and strategic plan development at the unit level (Olsen, 1989). The broad rather than detailed scanning behavior found in many studies of the environmental scanning practices in international hotel companies might, however, reflect that these companies take a more pragmatic, rationally bounded approach during their Internationalisation (Litteljohn, Roper, & Altinay, 2007).

**Organisational Size**  
Most of the strategy hospitality management literature is based on strategy models meant for large businesses even though the industry consists primarily of
small rather than large businesses (Sharma, 2008). As a result, many hospitality industry companies may not use, or not effectively use, the environmental scanning frameworks or techniques associated with these strategy models. Similarly, since smaller hotel firms may be more flexible in responding to changes in environmental conditions (Olsen et al., 1994), they may also believe they have less need to be proactively scanning the environment. Larger companies may also conduct more strategy analysis involving environmental scanning frameworks since, as Harrington (2004) suggests, they may have more resources to allocate to involving more members in the strategy process. He also suggests that larger companies may have more knowledge spread throughout the company and that this, in turn, should mean provide an additional reason for more breadth (across departments, for example) and depth (across hierarchies) of employee participation in the strategy process.

3.7 Chapter Conclusion

Several important issues for this study emerge from this review of the strategic hospitality management literature's limited original strategy process research and its lack of industry-specific strategy tools.

(1) The strategic hospitality management literature is largely based on ideas and tools from mainstream research.

(2) The classical rational-linear perspective of strategy is the principle paradigm in the hospitality industry's academic and business domains, much as it is for non-hospitality segments.

(3) The generic tools from strategic management’s mainstream classical perspective are the most prevalent ones in the hospitality literature.

(4) This transfer of mainstream strategy concepts and tools to the hospitality industry has been undertaken by academics without apparent consideration for how service sector, hospitality industry, and hotel segment differences may affect the relevance, usefulness and pragmatic validity of such tools.
This above scenario may be providing a disservice to strategists in the hotel industry since the service sector and, more specifically the hotel industry, are based on different value-adding activities and are structured differently, both of which may render these tools ineffective and affect the way in which they are used by the relevant stakeholders. That is, the strategy-making processes and practices may be contextually bound by, for example, organisational structures, management styles and cultures, each of which is exacerbated by the fact that the growth of hotel companies in size and scope has led them to work in partnership and alliances with a large number companies and individuals, each with its own culture and structure. The industry’s ownership structure may similarly influence the way strategy is made in the hotel industry and help explain why it may be practiced differently than in other industries. For example, hotel companies may involve property owners, franchisees and their own general managers differently within the corporate strategy process, and this implies that the way strategy tools are used with these stakeholders may vary accordingly. Organisational cultures and management styles may also impact the reasons why, and manners in which, strategy tools are used. For example, because the industry has been populated with practitioners who prefer hands-on work rather than analytical tasks, there may be differences in how strategy tools are used in the industry as opposed to others where systematic analysis may predominate.

On the other hand, the literature also raises doubts about the extent to which such tools are even used in the industry since there is little research demonstrating that hospitality companies use formal strategy processes. The notion that there is “limited use of sophisticated management methods in hospitality organisations” (Okumus, 2004, p.136) suggests that there is reason to suspect that in the hotel industry there may be a correspondingly limited use of formal strategic management tools. This limited or non-existent use may also, of course, be the result of the industry’s particularities as summarised above.

While they recognise that hospitality managers should understand strategy’s most important generic theories because they are likely to use, or will use, the related management models and frameworks, there is a dominant view among strategic hospitality management researchers that is nicely captured by Okumus and Wong (2005b) who state that:
There is an essential need for more in-depth and rigorous research in order to explain and justify whether the models, frameworks and theories on strategy developed for the manufacturing industry can be used and the extent to which they need to be modified (for the hotel industry) (p.267).

As was identified in Chapter Two, previous studies have suggested that patterns in strategy-making exist at both the organisational (Bettis, 1995) and industry levels (Spender, 1989), and the use of strategy tools may be influenced by intra and extra-organisational contextual factors (Johnson et al., 2007). This thesis thus aims to demonstrate how contextual factors influence how and why hotel companies’ senior, middle and lower-level managers, and support staff use modify, create and/or reject strategy tools. The study's three research questions are therefore:

1. Why do practitioners use strategy tools when strategising?
2. How do practitioners use strategy tools when strategising?
3. How do contextual factors influence the use of strategy tools?

The following chapter explains how this researcher has gone about trying to answer these questions.
Chapter 4 Methodology and Research Design

4.1 Introduction

A research methodology is first determined by a study's research questions and then by the current level of knowledge in the relevant literature (Janesick, 1994). The previous chapters presented both of these. This chapter now explains the logic that links the study's research objectives, research methods and data collection and analysis techniques (Yin, 2003). It sets out and justifies the research design that represents the investigative plan used to seek and suggest answers to the research questions posed within this particular study (Easterby-Smith et al., 2002).

This chapter is structured as follows. Section 4.2 explains the study's underlying research philosophy and section 4.3 the reasons for its qualitative approach. Section 4.4 then discusses the case study strategy and the reasons for its use in this study. Section 4.5 explains and justifies the particular research design and process used in this thesis. Section 4.6 reviews and explains why and how the researcher used documents, interviews and observation to collect the empirical evidence. Section 4.7 explains and justifies the data analysis process the researcher used to draw out and verify the conclusions. The conclusion to the chapter is presented in section 4.8.

4.2 Research Philosophy

According to Guba and Lincoln (1994), decisions about which research method is the most appropriate can only be made after answering questions related to "the basic belief system or worldview that guides the investigator, not only in choices of method but in ontologically and epistemologically fundamental ways" (p. 105). The SasP researcher's first decision is also about where s/he should be positioned among the different research orientations (Johnson et al., 2007), therefore this researcher examined the key differences between the two alternative research paradigms in social science research, positivism and social constructionism, which underpin the choices a researcher must make among different research methods.
Positivism holds that a reality exists which can be apprehended and confirmed, and positivist research thus attempts to verify hypotheses as facts or laws through mathematical propositions about the functional relationships between variables (Guba & Lincoln, 1994). Adherents to this view tend to believe that only quantitative data are meaningful and valid, and because its basic posture is deterministic and reductionist, positivist research findings are often generalised to larger populations and are intended to explain and ultimately predict or control phenomena (Guba & Lincoln, 1994).

The constructionist approach, meanwhile, takes a relativist rather than realist ontological position (Guba & Lincoln, 1994). It holds that reality is not determined by objective, external factors, but rather that it is socially constructed and given meaning by people (Easterby-Smith et al., 2002). As such, Easterby-Smith et al. (2002) suggest that when researching from this perspective, the researcher’s task is to “appreciate the different constructions and meanings that people place upon their experience” (p.30). This involves examining and identifying both individual and shared meanings, considers there to be multiple realities, emphasises the perspectives of different actors, and takes into account the studied phenomena’s context. Research from this interpretive method seeks to “understand and explain why people have different experiences rather than search for external causes and fundamental laws to explain their behaviour” (Easterby-Smith et al., 2002, p.30). It aims for knowledge construction rather than discovery, and because it relies on individual interpretation of data rather than a causal explanation of data relationships, its results must be seen as an interpretation and not the interpretation (Miles & Huberman, 1994).

An epistemology implies certain assumptions not only about the most appropriate ways to study the nature of the world or any of its phenomenon (Easterby-Smith et al., 2002), but also about how such knowledge can be demonstrated (Mason, 1996). Positivists generally rely on quantitative methods to study and demonstrate a pre-existing reality. However, given that the use of tools in organisations implies that use is socially constructed (Jarzabkowski et al., 2007), the researcher did not assume any pre-existing reality that could be
positively or quantitatively determined but instead sought to "understand how people invent structures to help them make sense of what is going on around them" (Easterby-Smith et al., 2002, p. 34), which is a more phenomenological or interpretivist standpoint. An interpretive framework thus guided the researcher's actions and beliefs about how the research questions should be studied and understood (Denzin & Lincoln, 1994). The gap in the knowledge about how and why strategy tools are and are not used in practice, and the importance of understanding how this may vary in different contexts, further led the researcher to take a phenomenological approach and see the topic from the subjective, socially constructed viewpoint (Easterby-Smith et al., 2002). This approach is in line with established strategy as practice researchers who, while they aim to describe and explain practitioners' actual activities, understand that these individuals' reflexivity and views about how and why they do what they do (and do not do) are critical to such an understanding (Balogun et al., 2003; Johnson et al., 2003).

Since the most appropriate methodology largely depends on the researcher's ontological and epistemological positions, and because research methods should be fitted to the study's methodology (Guba & Lincoln, 1994), this study adopted a qualitative research approach which is often associated with the phenomenological position and SasP research. The reasons for this approach are further explained below.

4.3 The Qualitative Research Approach

A number of different reasons support the use of a qualitative approach to studying strategy practices in this thesis. These include the field's current level of knowledge, the exploratory and descriptive nature of its research questions, the importance of context and the relationship required between the researcher and practitioner. These issues are examined further below.

The Limited Extant Literature and Descriptive - Exploratory Nature of this Study

Theorising about strategy as practice is still in its infancy (Johnson et al., 2007), and extant SasP empirical studies have generally been exploratory and have examined particular issues for the first time, almost always using qualitative data.
The use of qualitative research in these studies is considered appropriate since it is most effective when seeking to describe and explain particular phenomena that have not been previously studied (Guba & Lincoln, 1994) and when building rather than testing theory (Easterby-Smith et al., 2002) as is the case with most SasP research.

This also holds true for thesis since knowledge about how and why strategy tools are and are not actually used in practice is virtually nonexistent. As Table 4-1 demonstrates, the majority of studies that have directly investigated tools have assumed a positivist approach and focused on identifying which, and in certain cases when, different strategy tools are used during the strategy process (e.g. Clark, 1997; Frost, 2003; Oliveira et al., 2008; Rigby, 1993, 2001a, 2001b, 2003; Rigby & Bilodeau, 2005; Spee et al., 2008). Other studies have looked quantitatively at the use of one specific tool (e.g. Dyson, 2004; Speckbacher, Bischof, & Pfeiffer, 2003). The few studies that have looked qualitatively at the introduction or implementation of a particular tool (Chesley & Wenger, 1999; Hill & Westbrook, 1997; Kaplan & Jarzabkowski, 2006) have not considered many of the issues that this thesis seeks to explore. For example, they have not (1) compared use across organisations, (2) compared use across organisational levels, or (3) looked at firms in the hotel industry. In addition, these studies have not taken a practice perspective of (1) who uses them, (2) how or (3) why the tools are used, (4) how their use is linked to intra and extra-organisational influences, or (5) how their use is related to the strategy formulation process within the organisation.

**Context and the Researcher-Practitioner Relationship**

Qualitative research techniques facilitate the study of phenomena in their contextual surroundings, and this helps researchers to “make sense of, or interpret, phenomena in terms of the meanings people bring to them” (Denzin & Lincoln, 1994, p. 2). Qualitative fieldwork allows the researcher to immerse him/herself into the study's setting and thereby examine the full contextual situation and develop a closer working relationship with practitioners, something that is critical for studies of practice (Balogun et al., 2003; Johnson et al., 2007).

According to Whittington (2004), because understanding strategy practice “demands intimate engagement” (p.66) and the production of rich descriptions, researchers should study how practitioners interact with both the social and
physical in the everyday activities that make up their practice. Similarly, Jarzabkowski (2005) notes that since all strategy "activity is situated activity, actors cannot be considered separately from the context or situation in which they act" (p. 21). SasP scholars have thus adopted qualitative research as the fundamental methodological approach for studying strategy practices since it best provides the required details and rich descriptions.

This thesis is concerned, in part, with answering contemporary 'how' questions, and thus its research takes place in contextual settings (Easterby-Smith et al., 2002) such as the organisational and sectoral environments in which tools are used and the strategy is 'made.' Close observation and dialogues with practitioners is also required in order to understand their use of, and views about, strategy tools, which are thus further justifications for taking a qualitative approach.
<table>
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<tr>
<th>Authors</th>
<th>Research Methods</th>
<th>Sample</th>
<th>Key Objective</th>
<th>Conceptualisation of Strategy 'Tool'</th>
<th>Comments / Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aldehayyat &amp; Anchor, 2008</td>
<td>List based aggregate survey</td>
<td>All companies on the Amman Stock Exchange (203)</td>
<td>Determine which tools are known and used and the relationship between size, age and nature of business and use of tools</td>
<td>&quot;Just on the tools and techniques most commonly identified in the literature (p.283).&quot;</td>
<td>Focus only on top executives in one country. Only PEST analysis use found to be statistically different across firms in industrial, service and financial sectors.</td>
</tr>
<tr>
<td>Knott, 2008</td>
<td>Interviews</td>
<td>10 practicing managers CEO, MD, GM</td>
<td>How managers use tools during strategic thinking, decision-making and implementation</td>
<td>&quot;Full range of approaches, concepts, ideas and techniques that structure or influence strategy activity (p.26).&quot;</td>
<td>Limited number of interviewees in one country and across industries; focus only on top managers. Wide operationalisation of &quot;tool&quot; concept.</td>
</tr>
<tr>
<td>Oliveira et al, 2008*</td>
<td>List based aggregate surveys; follow up interviews with 10 executives</td>
<td>Largest companies in Portugal</td>
<td>Popularity of tools in companies</td>
<td>Any artefact (conceptual, process oriented or physical) that is used by managers to engage in some kind of strategic work (p.4). Focus on the ones normally presented in strategy manuals.</td>
<td>1 country; focus on firm use; respondents only top executive</td>
</tr>
<tr>
<td>Spee et al, 2008*</td>
<td>List based aggregate surveys</td>
<td>Top managers in 3 countries</td>
<td>Tool adoption across individuals</td>
<td>Adopt Clark's (2007) – see above.</td>
<td>Surveys operationalised &quot;tool&quot; differently and focused only on top managers</td>
</tr>
<tr>
<td>Wither and Chau, 2008</td>
<td>Documents and interviews</td>
<td>2 public firms</td>
<td>Approaches for implementing Balanced Scorecard in organisations</td>
<td>N/A; focus on Balanced Scorecard</td>
<td>Different methods across both firms with one real-time and one retrospective; single tool</td>
</tr>
<tr>
<td>Gunn and Williams, 2008</td>
<td>List based aggregate survey</td>
<td>CEOs of UK firms in one economic region</td>
<td>Popularity of tool use across top managers in multiple industries</td>
<td>&quot;Methods of simplifying and representing a complex situation ... any systematic approach or technique that the strategist has employed to further inform their strategic decision-making (p.201).&quot;</td>
<td>Focus only on CEO use. Important difference between academically and practically trained executives established.</td>
</tr>
</tbody>
</table>

Table 4 - 1 Research Methods in Extant Literature on Strategy Tool Use
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Methodology</th>
<th>Setting</th>
<th>Description</th>
<th>Findings</th>
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<tbody>
<tr>
<td>Hodgkinson et al, 2006</td>
<td>Survey about strategy workshops</td>
<td>Members of UK Chartered Management Institute</td>
<td>Role of Strategy Workshops in Strategy Development</td>
<td>Analytical tools (e.g. SWOT, scenario planning, PEST(EL), five forces, market segmentation)</td>
</tr>
<tr>
<td>Meadows and Franco, 2006</td>
<td>Action Research and Follow-up Interviews</td>
<td>UK Business School</td>
<td>Role of tools in supporting strategic conversations during strategy workshops</td>
<td>N/A (e.g. SWOT analysis and TOWS matrices)</td>
</tr>
<tr>
<td>Kaplan and Jarzabkowski, 2006*</td>
<td>Observations, with supporting interviews and document</td>
<td>One high-tech organisation</td>
<td>Introduction and use of two tools</td>
<td>Artifacts around which activity and organizing takes place; (e.g. five forces, BCG growth-share matrix, seven S's, strategic group maps)</td>
</tr>
<tr>
<td>Matzler et al, 2005</td>
<td>List-based aggregate survey</td>
<td>German, Swiss and Austrian Consultants</td>
<td>Expected future popularity of management concepts and tools</td>
<td>Based tools on Rigby's (2001, 2003) most popular tools</td>
</tr>
<tr>
<td>Rigby &amp; Bilodeau, 2005</td>
<td>List based aggregate survey of 25 tools and techniques; some follow up interviews</td>
<td>Executives and top managers</td>
<td>Popularity of tools in firms</td>
<td>&quot;Tools range from broad processes such as strategic planning and benchmarking to highly focused initiatives such as RFID tags&quot;</td>
</tr>
<tr>
<td>Stenfors et al, 2004</td>
<td>Questionnaires, emailed and phoned answers, seven interviews</td>
<td>Top executives at 500 largest companies in Finland</td>
<td>Executive use of strategy tools and identification of areas not supported by currently used tools</td>
<td>Management tools that support strategy-work (e.g. Balanced scorecard, WOT, EIS, Six Sigma)</td>
</tr>
<tr>
<td>Study</td>
<td>Methodology</td>
<td>Respondents</td>
<td>Tool Use in SMEs</td>
<td>Comments</td>
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<tr>
<td>----------------------------</td>
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<tr>
<td>Frost, 2003</td>
<td>List based aggregate survey with some open ended questions</td>
<td>Managers in SMEs in Australasia;</td>
<td>N/A; (e.g. SWOT, budgeting, financial ratio analysis, KSF, mission statements)</td>
<td>Large list of tools on survey (75) may have led many not to be identified by respondents; provides information about when during strategy process tools are used</td>
</tr>
<tr>
<td>Speckbacher et al, 2003</td>
<td>Survey questionnaire</td>
<td>200 'most important' publicly traded firms in Germany, Austria and Switzerland</td>
<td>Implementation of Balanced Scorecard</td>
<td>Survey only of top managers at largest publicly traded firms ignores use by private firms or lower-level managers; found that small minority of firms use limited parts of the tool and that larger firms are more likely to use it and that they do so at the corporate rather than business level</td>
</tr>
<tr>
<td>Rigby 2001 (representative of annual survey)</td>
<td>List based aggregate survey of 25 tools and techniques; some follow up interviews</td>
<td>Executives and top managers</td>
<td>Popularity of tools in firms</td>
<td>Wide operationalisation of term 'tool' means it includes many concepts and techniques not associated with analytical frameworks; finds that tool popularity changes over time and that the most popular are considered the most effective by users</td>
</tr>
<tr>
<td>Chesley and Wenger, 1999</td>
<td>Single longitudinal case study</td>
<td>Government Organisation</td>
<td>Introduction of the Balanced Scorecard</td>
<td>Focuses on introduction of one analytical framework into one public sector firm; does demonstrate that tools and organisations need to 'co-evolve' for tool use to be effective</td>
</tr>
<tr>
<td>Clark, 1997</td>
<td>List based aggregate surveys; follow up interviews</td>
<td>Members of Strategic Management / Planning Societies in New Zealand and UK</td>
<td>Tool use popularity and purposes related to strategic tasks</td>
<td>Wide operationalisation of term 'tool' encompasses more than analytical frameworks; focus on top managers neglects notion of lower level managers using tools</td>
</tr>
<tr>
<td>Hill &amp; Westbrook, 1997</td>
<td>Site visits, document analysis, structured interviews</td>
<td>20 firms participating in UK Manufacturing and Planning Implementation Initiative</td>
<td>Use of SWOT</td>
<td>Focuses only on SWOT but does provide qualitative information about how tool is used and 'misused'</td>
</tr>
</tbody>
</table>

* denotes unpublished study
4.4 The Case Study Research Strategy

In their study of trends in strategy research topics and methodological choices, Hoskisson et al. (1999) note that the recent shift back towards more qualitative research includes a greater use of case studies. This choice is particularly true in the SasP domain as its proponents have often employed the use of qualitative case studies in their research (e.g. Jarzabkowski, 2000; Maitlis & Lawrence, 2003; Regné, 2003). Johnson et al. (2003) credit this, in part, to the fact that strategy's process school previously legitimised case studies based on the small in-depth samples that are also required if one is to successfully study the minute details associated with micro-strategy practices. The SasP field's case studies have included many variations, including, for example, some that are single-industry/single-nation, retrospective/longitudinal (Jarzabkowski, 2003), single in-depth supplemented with 'lighter' retrospective cases (Regné, 2003), single, longitudinal (Maitlis & Lawrence, 2003), and multiple cross-industry (Langley, 1990). The case study method has also been used in a few of the limited number of doctoral theses that examine how strategy is practiced (Jarzabkowski, 2000; Langley, 1988). As such, it is a valid and recognised method for strategy research and doctoral work in SasP.

As with the discussion on qualitative research above, issues of context, researcher-practitioner relationship, and exploratory, descriptive research are also important criteria for choosing the case study method. One can easily see the natural link between case studies and SasP by examining Yin's (2003) definition of the case study method and the important role that the issue of context plays in it. He begins by stating that case studies investigate "a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (p.13). He also sees that an important advantage of the case study method is the ability to examine the "holistic and meaningful characteristics of real life events" (p. 2) when the researcher believes that contextual conditions may be very pertinent to the study's phenomenon. As already discussed, studying the use of strategy tools means investigating their use within practitioners' work contexts as the relationship between context and tool use remains to be investigated, and thus the case study method provides a framework for doing so. The limited extant literature has not investigated the relationship between context and strategy tool
use, and thus it is important to recognise that the phenomenon of strategy tool use should not be assumed to be the same across firms but rather to be highly linked to context until 'proven' otherwise (Johnson et al., 2007).

The exploratory and descriptive nature of this study also helped the researcher to determine that taking a qualitative, case study research approach was appropriate. The case study approach taken is exploratory in that the research tries to reveal something about phenomena that are not well-understood (Yin, 2003). It is also, however, descriptive, in that the case studies are primarily informational and the researcher tries to 'paint a picture' of the topic within each case. This type of case helps to identify "salient actions, events, beliefs, attitudes, and social structures and processes occurring in phenomenon" (Marshall & Rossman, 1999, p.33). The case study approach taken is thus both exploratory and descriptive as it tries to develop thick descriptions of relatively unexplored and complex issues. Thus, because the use of tools cannot be separated from the real-life context and 'situatedness,' and because this is an exploratory and descriptive project that focuses not on what tools are used but rather how and why strategy tools are used, the case study method using qualitative research is an appropriate choice.

Qualitative case study research has some important limitations that have been identified and, as far as possible, addressed in this study. These limitations are often identified as lack of validity, generalisability and reliability. As these issues are explained in detail in many works on management research, and due to space limitations, the researcher does not provide a detailed explanation of each. However, Table 4-2 presents a brief explanation of each issue and the reason why it may be considered a limitation In general, its applicability to case study research, and the way the researcher attempted to mitigate its potential limitation.
<table>
<thead>
<tr>
<th>Design Criterion</th>
<th>Definition and Link to the Case Study Method</th>
<th>Application to Case Study Method</th>
<th>Methods to minimise limitations in this study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct Validity</td>
<td>Refers to extent to which operational-level variables that are being measured represent a conceptual-level variable. Determines the correct operational measures for concepts under study.</td>
<td>Considered one of the bigger challenges with case study research</td>
<td>Data triangulation through multiple sources of evidence (documents, observations and interviews). Established chain of evidence.</td>
</tr>
<tr>
<td>Internal Validity</td>
<td>Establishes a casual relationship in which certain conditions are demonstrated to lead to other conditions.</td>
<td>This test is not considered applicable in descriptive and exploratory case studies.</td>
<td>None</td>
</tr>
<tr>
<td>External Validity</td>
<td>Attempts to address the ability to generalise findings beyond cases used in study.</td>
<td>In exploratory and/or descriptive research understanding rather than generalisability to a larger population is emphasised. In case studies generalisability is not through statistical but rather through analytical generalisation.</td>
<td>Replication logic using multiple cases / Cross-case analysis. Thick descriptions. Triangulation of sources. Predetermined questions.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Demonstrates that a study’s operations, such as operationalisation of data collection, can be replicated to produce the same results.</td>
<td>Case study protocol where documentation and field notes are maintained and where researchers operationalise and document as many steps taken as possible.</td>
<td>Triangulation through multiple sources of evidence and multiple cases. Detailed review of key theories and ideas. Case study protocol. Observations and actions recorded whenever possible. Patterns of findings across multiple data sources identified.</td>
</tr>
</tbody>
</table>

Adapted from Brookes, (2007, p. 119) and Yin, (2003, p. 34)
Even though these limitations are often used to deride qualitative research, Denzin and Lincoln (1994) point out that not everyone believes that the standard criteria mentioned above and which are generally applicable for positivist researchers need to be applied to phenomenological research. For example, Sandiford and Seymour (2007) identify that **reliability** may not be applicable to qualitative research when the phenomena being investigated is socially constructed. Similarly, they note that **replicability** is not necessarily a relevant concern for interpretivist researchers because of the many assumptions such researchers must make about social phenomena. Denzin and Lincoln (1994), meanwhile, note that the proponents of the constructivist perspective often replace internal validity, reliability and objectivity measures with ones of 'trustworthiness' and 'authenticity' (p.480). Nevertheless, the following section explains in more detail how the study's research design and process helped ensure valid and reliable findings.

4.5 Research Design and Process

Although there are many different recommendations for designing a research project around the case study method (e.g. Eisenhardt, 1989; Stake, 1994; Yin, 2003), this thesis' research design did not follow any single recommendation. Instead, keeping in line with suggestions about conducting SasP research (Johnson et al., 2007) it drew on the different aspects that together best suited the researcher's particular situation and the particularities of the research topic while still addressing the key elements that are commonly addressed in all case studies, such as the link between a study's questions, unit(s) of analysis, and the criteria for interpreting the findings. These issues, as well as several other choices the researcher made to conduct the case studies, are now examined.

4.5.1 Research Questions

Johnson et al. (2007) note that SasP researchers differ about the amount of theoretical and conceptual framing that is required before entering the field. This can range from, for example, only identifying theoretical angles and specific research questions after data collection is underway (Eisenhardt, 1989) to having clear, open-ended research questions right from the start (e.g. Gioia & Pitre, 1990; Langley, 1989).
Eisenhardt (1989) argues that in order to avoid becoming overwhelmed by an overabundance of data it is important for the researcher to have some preliminary research questions when hoping to build theory from case studies. Similarly, Johnson et al. (2007) "recommend all researchers to enter the field with clear research questions and some conceptual handles with which to bound the focus of their study and to structure their data collection and analysis" (p.57). Following their advice, several research questions were formulated:

1. How do practitioners use strategy tools when strategising?
2. Why do practitioners use strategy tools when strategising?
3. How do contextual factors influence the use of strategy tools?

4.5.2 Variables

In line with Yin's (2003) comments about the importance of having a sound theoretical framework when conducting research using the case study method, the researcher identified several possible variables prior to the data collection. Eisenhardt (1989) notes that though not common in theory-building studies, identifying such variables can assist the researcher in more accurately measuring (and later triangulating) important constructs during data collection. Some of the variables identified by the researcher include:

- Industry structure
- Organisational structure, culture and size
- Organisational history (strategy making, life cycle)
- History of tool use within the organisation
- Strategy-making (formulation, decision making) policies within the firm
- Managerial backgrounds (education, work experience)

It is important to note that even though certain research problems and variables were identified as possibly important and relevant to the investigation, in order to limit any potential bias in the findings the researcher did not enter the field with the idea of any specific relationship between the variables and theories (Eisenhardt, 1989). In addition, no attempt was made to identify all relevant variables prior to the data collection. The researcher instead remained open to the fact that some would only emerge once data collection began.
4.5.3 Multiple Case Studies

The research project followed a multiple case study approach (Yin, 2003) for several reasons. First, the researcher did not identify a crucial, extreme or typical case that would support the choice to undertake a single case approach (Yin, 2003). Multiple cases also means that findings may possibly be replicated which can help provide for more compelling evidence (Yin, 2003) and assist in building theory (Eisenhardt, 1989). More specifically, Balogun et al. (2003) argue that insights from SasP case studies tend to only go part of the way to producing the data necessary for understanding strategizing practices and micro-processes because they are rarely multi-site and/or multi organisation. Johnson et al. (2007), for example, suggest that Oakes, Townley and Cooper’s (1998) study into the roles of business plans would have been substantially more useful had the researchers engaged in a more ‘systematic comparative analysis’ (p.163) of organisations, departments and managers who were either especially proactive or resistant to the use of business plans. By comparing what influenced the responses of different managers they believe that the researchers would have then been able to “tease out the conditions and activities required to implement business planning effectively” (p.164). Since many organisations apparently use tools and the use and views of them can be compared across them and their members, this study followed attempts to provide wider resonance by locating its fine-grained study within a wider context by conducting its research across a variety of organisations and organisational contexts.

4.5.4 Selecting the Case Study Organisations

Eisenhardt (1989) notes that cases in a collective case study can be chosen randomly, and Stake (1994) says that they can be chosen without knowing in advance whether or not they reflect certain common traits; as such they may or may not be similar, redundant or reflect variety. Stake (1994) argues that the choice of cases should reflect the researcher’s belief that by studying them s/he can acquire a deeper understanding of the phenomena being studied and thus possibly produce a greater degree of theorising. The theoretical sampling (Yin, 2003) followed in this thesis means that although the selection of cases was not random, the researcher believes that the organisations studied provided an opportunity to extend the limited extant theory. By aiming for replication logic
(Yin, 2003), the author hoped to develop patterns that would, going forward, help predict either similar results (literal replication) or contrasting results for predictable reasons (theoretical replication).

Following Remenyi et al.'s advice (1998), the researcher decided that participating firms should be good research sites and, if possible, have certain some similar criteria. Table 4-3 provides a list of these criterion and the reasons for them.

4.5.5 Gaining Access

This researcher's experiences confirms Okumus, Altinay and Roper's (2007) observation that gaining access is one of the most challenging aspects of conducting in-depth qualitative case study research in hospitality organisations. This is also one of the particular challenges associated with SasP research, such as this study, since it involves close and extended contact between researchers (Balogun et al., 2003) and may not necessarily offer any direct, obvious and immediate benefit to the participating firms (Langley, 1986).

An effective study of tool use implies attending and/or participating in meetings and strategy workshops, and as Paroutis and Pettigrew (2007) identified, such episodes are often off-limits to researchers due to the sensitivity of topics being discussed. Similarly, access to internal documents is also important and sometimes difficult to access due to concerns of confidentiality. The above are perhaps reasons why many studies of strategy tools and practices have to date been conducted within academic institutions (e.g. Dyson, 2004; Jarzabkowski, 2000; Jarzabkowski & Giulietti, 2007) or other public sector organisations (e.g. Chesley & Wenger, 1999; Langley, 1986, 1989; Lozeau et al., 2002) where, as Johnson et al. (2007) note, there are less concerns about competitive positions and confidentiality and which Kaplan (2007) notes is one of the limitations in the extant empirical SasP research since there is little evidence that strategy practices in such industries are the same within the private sector.
### Table 4-3 Company Criteria

<table>
<thead>
<tr>
<th>Issue</th>
<th>Supporting Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s primary business is the operation of hotels</td>
<td>Researching within a single sector helps minimise any potential variance due to cross-industry comparisons (Jarzabkowski, 2003)</td>
</tr>
<tr>
<td></td>
<td>Responds to multiple calls in the S-A-P literature for single industry studies (e.g. Johnson et al, 2003)</td>
</tr>
<tr>
<td></td>
<td>Most strategy tools were created for manufacturing and consumer goods industries; the applicability to the service sector has not been thoroughly investigated or proven (Becker &amp; Olsen, 1995; Okumus &amp; Wong, 2005)</td>
</tr>
<tr>
<td></td>
<td>The study’s principle research questions concern the role and usefulness of generic strategy tools in the hotel industry</td>
</tr>
<tr>
<td>Headquarters within close geographic proximity</td>
<td>Geographic proximity to researcher can enhance quality of case study research work (Stake, 1994)</td>
</tr>
<tr>
<td></td>
<td>Researcher is part-time student and full-time employee based in Switzerland and so geographic, time and cost constraints are relevant and of concern.</td>
</tr>
<tr>
<td>Company’s business, including meetings and documents, should be conducted in English</td>
<td>Enhanced accuracy of data analysis due to a lack of need to translate primary material (interviews, documents)</td>
</tr>
<tr>
<td></td>
<td>Time and/or cost spent on translation can be eliminated</td>
</tr>
<tr>
<td>Company has a currently ongoing strategic issue for which generic strategic tools have been created by academics and/or consultants</td>
<td>SasP studies should focus, if possible, on contemporary rather than historical phenomenon (Whittington, 2006)</td>
</tr>
<tr>
<td>Company helps to identify such an issue and encourages the researcher to study it</td>
<td>Practitioners will provide greater support if they help to identify what issues to examine; identifying which activity is strategic should be done with practitioner input; such involvement should likely help researcher develop understanding of micro-activities (Balogun et al, 2003)</td>
</tr>
<tr>
<td>Company is large enough to have a structure that includes top and middle managers as well as corporate and unit level staff</td>
<td>Helps the researcher to respond to the call for studying strategy practices (the use of tools) at multiple organisational levels and organisational units (Johnson et al, 2003) as well as at different sites for the same company (Balogun et al, 2003)</td>
</tr>
<tr>
<td>Firm and its practitioners (participants in study) should be enthusiastic to participate in the study</td>
<td>Practice based studies require close participation, and thus practitioners need to be interested in project (Balogun et al, 2003)</td>
</tr>
<tr>
<td>Firm willing to grant researcher sufficient access to its materials, meetings and employees</td>
<td>Qualitative research requires access to such materials and people (Denzin and Lincoln, 1994)</td>
</tr>
</tbody>
</table>

As the number of hotel management companies with the desired characteristics (see Table 4-3 above) is rather limited, and given the level of participation this studied required, securing the necessary involvement of multiple firms was not an
easy task. Through his role in creating and organising a distinguished lecture series at the hotel school where employed, the researcher is fortunate enough to have a good professional relationship with many top corporate managers in the hotel industry and was able to approach high-level executives in five firms and, through them, eventually secure their firms' commitment to participate in the research study.

4.5.6 Participating Firms

Stake (1994) has recommended choosing cases "from which we feel we can learn the most" (p. 243). This, he writes, includes considering which cases provide the best opportunities for the researcher to learn about the investigated phenomenon. With regards to SasP studies, Johnson et al. (2007) also suggest that because the sample size in such studies is necessarily small, there should be a conscious effort to "maximize the value of the information obtained in terms of the types of inferences or insights that can be drawn from it" (p.61). The researcher attempted to do this when approaching and 'selecting' the firms within which to investigate the use of tools in this study. Based on the recommendation of the supervisors and other academics, the researcher eventually limited himself to data collection in three rather than five firms.

After comparing the selected three firms, the researcher was confident that most of the issues identified in Table 4-2 were present in all of them and declined the offer of involvement of the two firms that seemed to at least meet the established criteria. The one exception was the recommendation for close proximity (both to one another and to the researcher's base of operations) which implied increased financial and time-related costs. While rendering the field work more difficult, and perhaps limiting some aspects of data collection as is discussed further below, the researcher accepted this as an unavoidable situation. Please see Table 4-7 for a profile\(^1\) of each firm.

---

\(^1\) In order to protect anonymity and respect confidentiality agreements, the author is unable to provide more specific details and has altered some figures but believes the information provided conveys enough description to demonstrate that the contextual variables are present and to provide the reader with a clear picture of each firm's size, scope and history.
Table 4-4 Company Profiles

<table>
<thead>
<tr>
<th>Company</th>
<th>BigCo</th>
<th>MediumCo</th>
<th>SmallCo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Hotel</td>
<td>Hotel</td>
<td>Hotel</td>
</tr>
<tr>
<td>Principle business</td>
<td>Management and Franchising of Hotels</td>
<td>Management of hotels</td>
<td>Management and ownership of hotels</td>
</tr>
<tr>
<td>Headquarters</td>
<td>USA</td>
<td>Europe</td>
<td>U.K</td>
</tr>
<tr>
<td>Ownership Structure</td>
<td>Publicly Traded Firm</td>
<td>Subsidiary of Publicly Traded Firm</td>
<td>Privately held firm</td>
</tr>
<tr>
<td>Size # properties</td>
<td>2,000 plus hotels</td>
<td>Nearly 70 hotels managed and under development</td>
<td>Approximately 20 Hotels and another 10 under development</td>
</tr>
<tr>
<td>Size # rooms</td>
<td>Over 300,000</td>
<td>Over 10,000</td>
<td>Over 2,000</td>
</tr>
<tr>
<td>Size # of Brands</td>
<td>Over 10</td>
<td>1 (then 2)</td>
<td>2</td>
</tr>
<tr>
<td>Size # of countries</td>
<td>Over 50</td>
<td>Over 20</td>
<td>1</td>
</tr>
<tr>
<td>Size # employees</td>
<td>Over 100,000</td>
<td>Over 10,000</td>
<td>Over 2,000</td>
</tr>
<tr>
<td>Age (years)</td>
<td>Over 50</td>
<td>Over 50</td>
<td>Over 10</td>
</tr>
<tr>
<td>Initial Contact Person(s)</td>
<td>Executive Vice President of International Development, EMEA</td>
<td>Chief Executive Officer</td>
<td>Chief Executive Officer; Group Director for People Development</td>
</tr>
<tr>
<td>Assigned Gate Keeper(s)</td>
<td>Senior Vice-President Business Intelligence; SVP Brand Management</td>
<td>Special Assistant to Chief Executive Officer (Stage 1); Chief Executive Officer of Subsidiary JV company (Stage 2)</td>
<td>Group Director for People Development</td>
</tr>
</tbody>
</table>

Compiled from company information, annual reports and individual research (all figures as of January 2009)

4.5.7 Unit of Analysis

A unit of analysis refers to the research study’s precise object about which one hopes to draw conclusions (Yin, 2003) and SAsP researchers are recommended to identify “particular units of analysis that can contribute to the more general” (Johnson et al., 2003, p.17). Whittington (2006) notes that although many strategy practices are unique to organisations (e.g. specific planning routines), many other strategy practices, such as away days or the choice of a specific tool, are common across organisations. He thus says that from a practice perspective,
it is advisable that these “common practices become the units of analysis and it is their performance, rather than that of particular organizations, that needs to be explained” (p. 629).

For Johnson et al. (2007) identifying such units of analysis is particularly difficult in SasP studies since it is difficult to ‘draw boundaries’ around strategising incidents (p.58). They state that this is even more difficult when a study’s perspective assumes that both top managers and other organisational members contribute to the strategising efforts since the concept of strategising is then even more open-ended. In other words, research design in micro-studies can be challenging since the scope and units of analysis must be constrained (Johnson et al., 2003) and because even after the main unit of analysis has been chosen, it is difficult to sufficiently bound it in order to permit systematic empirical research (Johnson et al., 2007).

In order to manage these difficulties, Johnson et al. (2007) suggest that when adopting an interpretive perspective, as is the case of this study, one may need to deliberately maintain a sense of ambiguity with regards to the unit of analysis. They state that “the research itself must reflect the ambiguity present in the empirical situation, even including the ambiguity in its object” (p.60). At the same time, they suggest that at times it is necessary to take a more 'reductionist' approach by employing “isolation tactics characterised by a focus on narrowly defined objects that exclude ambiguities” (p.60). They argue that a useful tactic may be one that is 'middle range' whereby the research explicitly admits variation and mobilizes this within the research design. Yin (2003) similarly states that with the case study method the researcher can revisit the unit of analysis, modifying it as a result of findings the researcher makes during the data collection. The researcher’s definition of a unit of analysis reflected these challenges and certain suggestions to slightly modify the unit of analysis were adopted as is explained below.

Following the different advice and recommendations cited above, this thesis’ unit of analysis was slightly modified during the research study in as far as the conceptualisation of ‘tool’ was bound. The concept of tool was slightly modified and ‘opened’ due to early discoveries during the research process. For example, the term remained ambiguous to the first interviewees who, even though provided a definition of the term during the interview when it was requested,
interpreted it to include other types of tools than conceptual frameworks (i.e. financial models, spreadsheets, software). Similarly, many documents also contained reference to these kinds of tools that did not fit the research objectives. The researcher dealt with this ambiguity of the term ‘tool’ by creating a list of exclusion criteria that helped him to avoid focusing on or collecting excessive information on other types of tools (e.g. financial ratios, operational tools and computerised decision support systems) while at the same time accepting that variation in the nature of different sources of data (e.g. interviewees and documents) would not always see or refer to conceptual frameworks identically.

The study’s practice perspective means that it is not the tools themselves but rather their use by practitioners that is of interest, and the determination of unit of analysis reflects this. The choice of tools-in-use as the unit of analysis follows Jarzabkowski’s (2005) suggestion that ‘practices-in-use’ can be considered as valid units of analysis for strategy as practice studies and reflects Orlikowski’s (2000) rationale and approach for studying technologies-in-use. As Kaplan (2007) notes is generally the case in SasP, the level of analysis is the actor and not the firm itself.

4.5.8 Strategic Issue Focus

Yin (2003) notes that regardless of the specific topic that is studied, the researcher must establish boundaries to define the case. In order to focus the research the researcher decided to limit the investigation to the use of strategy tools as they relate to one specific strategic initiative within each firm. A focus on one specific project was also requested by two of the three firms so that they could better manage the researcher’s access to sensitive information and secure their participation. Following Langley (1986), the terms ‘issue’ and ‘initiative’ rather than ‘decision’ were used as the latter connotes a deliberate (rather than possibly emergent) process and also implies a closure (i.e. a made decision) and as the different projects had not yet been completed, it was important not to insinuate that any decision would be made or implemented, nor that any realised action would be the result of a deliberate process.

The choice of issue was decided upon together with the contact person(s) at each firm it was hoped that this would help guarantee an enthusiastic and supportive assistance from the firm (Balogun et al., 2003; Jarzabkowski, 2005; Langley,
In all three companies the researcher asked the principal contact to identify an ongoing and important strategic issue (Langley, 1986) with which s/he was familiar, that involved the work of multiple individuals from across hierarchical levels, and to which the firm was dedicating substantial resources. Please see Table 4-5 for an explanation of the criteria and rationales used for deciding upon the specific strategic issue(s).

Table 4 - 5 Strategic Issue Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic issue (case) is recommended by company</td>
<td>Balogun et al. (2003) suggest that a research agenda which is jointly set by researchers and practitioners – as opposed to one set by the researcher alone – will likely create a greater sense of importance about the research project within the firm which will in turn help facilitate the researcher’s understandings of the firm’s micro activities.</td>
</tr>
<tr>
<td>Strategic topic that is discussed in academic literature and for which tools have been recommended</td>
<td>Increases the likelihood that practitioners will use — or consider using — established tools. Similarly, allows for such tools to be adapted rather than simply created, meaning justification for the latter would be a reasonable topic to also investigate.</td>
</tr>
<tr>
<td>The issue is a current and important topic of concern within firm</td>
<td>The SasP literature recommends studying contemporary rather than historical topics (Johnson et al., 2003). The more important the topic is to the firm, the more likely resources (people, time, materials) will be dedicated to it, thereby increasing the material for the researcher to examine.</td>
</tr>
<tr>
<td>Involves a variety of persons at different organisational levels</td>
<td>One of the objectives of the study is to study tool use by people at multiple levels in the firm.</td>
</tr>
<tr>
<td>Similarity across firms</td>
<td>Comparison of tool use across firms will be easier and more valid if the strategic issue they are (or are not) applied to is similar.</td>
</tr>
</tbody>
</table>

After the first firm (MediumCo) identified a new brand concept that it was currently developing and which involved the work of multiple individuals (both inside and outside the firm due its creation as a joint venture), the researcher asked the other firms about similar topics and each identified a key, similar issue which also met the above criteria. It should be noted that the scope of the study at BigCo and SmallCo were slightly modified as is discussed later in Chapter 5, and the issue at MediumCo was eventually replaced with another per the company’s request. Please see Table 4-6 for a description of the strategic issues that eventually helped bound the case studies.

Table 4 - 6 Strategic Issues

<table>
<thead>
<tr>
<th>Company</th>
<th>BigCo</th>
<th>MediumCo</th>
<th>SmallCo</th>
</tr>
</thead>
</table>
4.6 Data Collection

This section explains how within each of these organisations the researcher operationalised the data collection through various instruments and processes in order to triangulate the data and thus improve the study's design, validity and reliability.

4.6.1 Multiple methods

By building on a variety of empirical resources, methods, participants and perspectives, the case study researcher can access more sources of evidence and thus reveal greater depth of analysis within the phenomenon being studied (Stake, 1994). The resulting triangulation, or converging lines of enquiry, can help produce rigorous, meaningful results that add credibility to the findings of case study work (Eisenhardt, 1989). Multiple methods help provide the necessary breadth of information which can produce a holistic picture of both strategy process (Pettigrew, 1997) and practice (Jarzabkowski, 2000). As this thesis' topic is very contemporary there is no precedence for the most appropriate, specific data collection tools for its specific focus. Johnson et al. (2007), however, recommend that because it is imperative to get close to the phenomena under investigation, researching SasP:

Implies doing observations in organizations to capture the in-vivo experience of doing strategy, conducting interviews and other forms of interaction with organization members to understand the Interpretations that people place on these activities, and collecting the artefacts of strategizing such as minutes of meetings, reports, slide presentations, objects, etc (p.52, italics added).

The decision was made to rely on documents, interviews and observations since, in part, these are the methods most often employed in strategy as practice studies (Balogun et al., 2003; Johnson et al., 2007).

4.6.2 Documentary Evidence

Company documents, as material traces, are particularly important in sociological studies (and thus SasP studies) because "what people say" is often very different from 'what people do'' (Hodder, 1994, p.395). In this regard they help primarily to confirm, support, verify, clarify or contextualise evidence acquired from other
means, such as observations or informants’ verbal accounts and personal recollections (Hodder, 1994; Remenyi et al., 1998). Johnson et al. (2007) note that there has not been much attention paid to the role and use of documents in studies of strategy practices, and they suggest that such artefacts should not only be used as a peripheral data source but should play a fundamental role in understanding strategising.

For this thesis documents such as internal memos, meeting minutes, company reports and presentations provided a pragmatic solution (Mason, 1996) because evidence of some aspects of strategy tool use was not otherwise available. That is, these documents provided access to (and information about) certain episodes and processes which the researcher could not observe and for which he would, if not, have had to rely only on oral reconstructions. This is particularly important in this study which looks at tool use across multiple levels within organisations since “many areas of experience are hidden from language, particularly subordinate experience” (Hodder, 1994, p.395).

Company documents are in themselves literal evidence of practitioners’ use of tools, as they include (and, for that matter, do not include) allusions or specific reference to strategy tools and their use. Furthermore, when ‘read’ (Mason, 1996), the texts could be interpreted to reveal something deeper about the organisation and its practitioners’ use of strategy tools. More importantly perhaps is the fact that the study’s central interest in the practice of strategy and use of tools means that a relevant question concerns the processes and practices by which these documents are produced and consumed, and through these documents the researcher could infer something about the underling practices and norms (Mason, 1996) related to the use of tools. For example, by following different drafts of strategic plans one may be able to see how workable strategy documents are generated through the involvement of multiple participants and how the meaning of emerging strategies can change to become either more or less focused, as well as more or less ambiguous, as the related texts are written and rewritten (Johnson et al., 2007). From an epistemological stance, therefore, documents and texts both are and provide evidence of the above ontological properties as they provide information that simply could not be ‘known’ or captured in other ways or mediums (Hodder, 1994).
Documents were collected throughout the research process. This included documents that had been identified through preliminary interviews and which helped set the context for subsequent discussions and interviews within each organisation (Remenyi et al., 1998). By whenever possible identifying, obtaining and reviewing documents before conducting interviews with key personnel, the researcher was better able to identify when and where key tools were or were not used and thus better focus the interview questions. Given the above, some questions that the researcher posed (to the practitioners and/or himself) about each document (and its tools) can be found in Table 4-7.

Table 4 - 7 Sample Questions about Documents

<table>
<thead>
<tr>
<th>Question</th>
<th>Examples of where answers might be found</th>
</tr>
</thead>
<tbody>
<tr>
<td>What kinds of documents related to the strategic issue exist?</td>
<td>Business Plan&lt;br&gt;Annual Reports&lt;br&gt;Corporate publicity material&lt;br&gt;10K Report and Quarterly Filings&lt;br&gt;Evaluation Analyses/Reports &amp; Internal strategy documents (reviews, analyses)&lt;br&gt;Marketing Plan&lt;br&gt;Status Reports&lt;br&gt;Working Papers&lt;br&gt;Emails/Memos (between company employees)&lt;br&gt;Emails/Memos (between company and externals)&lt;br&gt;Internal Presentations (i.e. PowerPoint)&lt;br&gt;External presentations&lt;br&gt;Meeting minutes&lt;br&gt;Proposals to external parties&lt;br&gt;Personal correspondence between informants (emails, memos)&lt;br&gt;Externally Generated Reports (i.e. consultants)</td>
</tr>
<tr>
<td>What level of detail do they provide and how complete an account/perspective do they provide?</td>
<td>Document analysis and cross-document analysis</td>
</tr>
<tr>
<td>What other types of data are necessary in order to make sense of them?</td>
<td>Organisational charts&lt;br&gt;Job descriptions&lt;br&gt;Working drafts and comments</td>
</tr>
<tr>
<td>What contextual information is necessary in order to make sense of them?</td>
<td>Organisational Structure&lt;br&gt;Company Information&lt;br&gt;Dates&lt;br&gt;People Involved</td>
</tr>
<tr>
<td>Why were they prepared?</td>
<td>Interviews&lt;br&gt;Documents</td>
</tr>
<tr>
<td>How many copies were distributed? Who received them?</td>
<td>Interviews&lt;br&gt;Memos</td>
</tr>
<tr>
<td>Why and how were they used?</td>
<td>Interviews&lt;br&gt;Observations&lt;br&gt;Data analysis</td>
</tr>
<tr>
<td>When were they used?</td>
<td>Interviews&lt;br&gt;Observations</td>
</tr>
</tbody>
</table>
The researcher was unable to access as many documents as he had hoped for due to some bureaucratic obstacles and privacy concerns on the part of some organisational members. He was also not permitted to keep copies of most documents and/or permitted to copy only non-sensitive parts. Nevertheless he did manage to source documents that were both publicly available (secondary sources) and also private to the firm (primary sources). See Table 4-8 for a list of these documents per firm.

Table 4 - 8 Documents per Company

<table>
<thead>
<tr>
<th>Document Type</th>
<th>BigCo</th>
<th>MediumCo</th>
<th>SmallCo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal strategy documents</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Business Plan</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Annual Reports</td>
<td>Y</td>
<td>N/A</td>
<td>Y</td>
</tr>
<tr>
<td>Corporate publicity material</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Marketing Plan</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Project Status Reports</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Emails/Memos (between company employees)</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Emails/Memos (between company and externals)</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Internal Presentations</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>External presentations</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Source Type</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Meeting minutes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposals to external parties</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Job Descriptions</td>
<td>N</td>
<td>N/A</td>
<td>Y</td>
</tr>
<tr>
<td>Reports from Consultants</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Newspaper and magazine articles</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

While many of the primary sources were very useful for uncovering aspects of the use of tools, the secondary sources were generally only beneficial for providing information about the firm and, at times, the strategic issues being studied as part of the cases. Some documents were collected during and after interviews as the researcher was only then made aware of them by interviewees. Other documents were collected since they were mentioned in previous ones. These documents proved useful for modifying future interviews as well as for shedding light on earlier ones.

4.6.3 Interviews

Most previous qualitative research on SasP has made extensive use of Interviews as the principle data source since these are a fundamental source for collecting practitioners' feelings about events (Johnson et al., 2007). Worren et al. (2002) similarly suggest that asking tool users about their opinions is a valid approach for investigating their perceptions about the pragmatic validity of tools and their use.

From this researcher's ontological stance, interviews are a critical data collection method since practitioners' experiences, knowledge, views, understandings, interpretations, and interactions are important clues to how and why strategy's tools are actually used when strategising, and, as such, epistemologically, interaction with practitioners, including talking and listening to them, is necessary in order to gain access to their accounts and expressions (Mason, 1996). This research project's interpretive and constructivist epistemological paradigm implies that its interview questions were intended to help uncover the interviewees' own experiences in a story-telling fashion through open-ended and semi-structured interviews during which the researcher sought facts and insights into certain occurrences (Remenyi et al., 1998) about how and why strategy tools are and are not used.
While structured interviews attempt to capture precise data that can help explain behaviour within pre-established categories, unstructured interviews are used when a researcher wants to understand more complex behaviour without imposing limitations through *a priori* categories (Fontana & Frey, 1994). In between these two poles are semi-structured interviews which were deemed to be the most appropriate interview method for this study given the epistemological assumptions the researcher made about his relationship with the interviewees. For example, the contextual and situational nature of the evidence provided by each person meant that the interviews needed to be somewhat flexible and sensitive to the specific dynamics of each interview (Fontana & Frey, 1994) while still attempting to gather information about the same topic and to answer the same questions. Similarly, because the phenomena being studied is somewhat complex, and was probably not too clearly formulated in the minds of the interviewees, short standardised questions were not appropriate (Mason, 1996). In addition, as an important part of the interview is to see how practitioners work out and articulate their understandings and responses, the researcher needed to take cues from them about what to ask, and when, so as to build on their responses and follow their narrative (Fontana & Frey, 1994; Mason, 1996).

The researcher pre-tested the questions and question-asking style by interviewing several former students and colleagues who worked with firms not associated with the empirical research in this thesis. These individuals not only made suggestions about the interview style (for example, to smile more often and nod less often), but also provided information about how they understood/misunderstood the questions (e.g. needing a clearer definition of 'tool' and examples as well as not providing a definition of 'strategy' or 'strategic'). This allowed the researcher to better ensure that the interview questions and style would in fact solicit the appropriate type of information and response.

The researcher also attempted to ensure the success of his interviews by limiting as much as possible the use of technical or academic jargon that would perhaps be misconstrued or misunderstood by the interviewees (Fontana & Frey, 1994). At the same time, due to his own professional experience in the hotel industry, he was able to 'speak the same language' and refer to his own experiences when necessary (for example, during casual conversation at the opening of the
interview) and this is thought to have played a positive role during the interview process. The researcher considers that this sense of 'shared experiences' also served to help gain the interviewee's respect and trust which are critical for ensuring an interviewer's success (Kwortnik, 2003). This trust was also reinforced through the use of confidentiality agreements with each firm and through a 'Participant Information Sheet' that required each respondent's informed consent and which demonstrated concern for their rights to privacy, including the promise to provide them with anonymity, as well as through a document from the researcher's university testifying to the fact that the researchers project had been subject to an ethical review policy and had received approval from the University Research Ethics Committee. (Please see Appendices A and B for copies of these documents as well as the Consent Form the interviewees were requested to sign).

For each interview the researcher followed a similar though not identical format, which is consistent with the advice on semi-structured interviews. Within each organisation the latter interviews tended to have a few more specific questions based on documents the researcher had acquired following previous interviews. Getting the respondent to answer questions honestly and freely is fundamental to the interviewer's success (Kwortnik, 2003), thus the researcher attempted to build a rapport with each respondent so that they would not feel the need to offer socially desirable answers to please him, nor to omit relevant information in order to hide something (Fontana & Frey, 1994). The advice of Fontana and Frey (1994) to conduct the interviews like an informal conversation was followed. Thus, the tone of the interviews was similar to a 'friendly chat' but without entering into a conversation where the researcher answered his own questions or offered opinions. The researcher began the interviews with some background information about himself and the general focus and purpose of the research and at this time requested permission to audio record the interview. He then moved on to three sets of questions. First some general ones about the firm which helped 'break the ice' and then more specific questions focused on the topic of inquiry. In order not to seem intrusive the researcher withheld biographical questions until the end when Kwortnik (2003) suggests they are likely to be more comfortably accepted as the encounter comes to a close. A summary of the

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2 Permission was only denied three times during the course of the field work, and in several other instances interviews were arranged spontaneously when the interviewer did not have his recording device with him. In these instances the researcher took more copious notes and then wrote additional ones as soon as possible after the interview.
Interview topics can be found in Table 4-9, while a sample interview transcription can be found in Appendix C.

Table 4-9 Sample Interview Topics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Sample Interview Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Information</td>
<td>Organisational culture: Values and Norms</td>
</tr>
<tr>
<td></td>
<td>Organisational Structure</td>
</tr>
<tr>
<td>Strategic issue</td>
<td>Explanation</td>
</tr>
<tr>
<td></td>
<td>Documents involved before, during, after</td>
</tr>
<tr>
<td></td>
<td>People involved</td>
</tr>
<tr>
<td></td>
<td>Role played</td>
</tr>
<tr>
<td></td>
<td>Tools used</td>
</tr>
<tr>
<td></td>
<td>Thoughts about the strategic issue</td>
</tr>
<tr>
<td>Company Strategy-Making Process</td>
<td>Definition and explanation</td>
</tr>
<tr>
<td>Tools Identified as used</td>
<td>Explanation of tool</td>
</tr>
<tr>
<td></td>
<td>Purpose for using tool</td>
</tr>
<tr>
<td></td>
<td>Who was involved in using it</td>
</tr>
<tr>
<td></td>
<td>Why it was used</td>
</tr>
<tr>
<td></td>
<td>How it was perceived (document, tool)</td>
</tr>
<tr>
<td></td>
<td>History of personally using it</td>
</tr>
<tr>
<td></td>
<td>History of its use in company</td>
</tr>
<tr>
<td></td>
<td>Who created it and why (if internal)</td>
</tr>
<tr>
<td></td>
<td>How the tool has been changed (if external)</td>
</tr>
<tr>
<td></td>
<td>Perceived benefits and weaknesses from using it</td>
</tr>
<tr>
<td>Tools not used</td>
<td>Knowledge of tool</td>
</tr>
<tr>
<td></td>
<td>Reasons for not using it</td>
</tr>
<tr>
<td></td>
<td>Benefits/weaknesses from not using it</td>
</tr>
<tr>
<td>Interview Participant</td>
<td>Information regarding position(s) held, time spent with company, education background, job description</td>
</tr>
<tr>
<td></td>
<td>Thoughts about strategy tools in general</td>
</tr>
<tr>
<td></td>
<td>Role played in strategic issue development</td>
</tr>
</tbody>
</table>

(Adapted from: Fontana & Frey, 1994; Jarzabkowski & Giulietti, 2007; Langley, 1986; Mason, 1996; Remenyi et al., 1998; Silverman, 2001)

Even though strategy processes (Floyd & Wooldridge, 1992; Westley, 1990) and strategising practices (Johnson et al., 2003; Regnér, 2003) increasingly involve more people from different organisational levels than ever before, previous practice-based doctoral thesis’ have focused on top managers (e.g. Jarzabkowski, 2000; Stenfors, 2007). Similarly, as demonstrated above in Table 4-9, the limited empirical work on strategy tools has also focused on questions directed at top managers. Since this thesis sought to examine the use of strategy tools related to one strategic issue within each firm, it was important to be as thorough with this as possible, and as such it was necessary to involve people across multiple organisational levels and departments in order to provide a variety of perspectives and a greater breadth and depth of information. The researcher, following Langley’s advice (1986, 1988), not only interviewed pre-determined
persons but also, when permitted, 'tracked down' employees and managers identified through other interviews and documents as being involved in any capacity related to the strategic issue discussion and development. Such roles included requesting information or analysis, gathering or providing the information, undertaking the analysis or related research, creating documents, reviewing the work, decision making involvement, and, at times, implementation. The targeted participants included Board members, top executives, senior and mid-level managers and their staff analysts/assistants. In addition, as the hotel industry is a multi-business industry, this also included hotel General Managers (GMs) as another example of middle-management personnel. Corporate interns and management trainees were also interviewed when appropriate. The selection of interviewees was thus not driven by any attempts at generalisability.

Following Kwortnik's (2003) advice, the decision about the number of informants needed within each case was not predetermined but instead was based on the research process whereby new interviews were conducted until a level of redundancy, also known as theoretical saturation (Yin, 2003), was reached. The number of face-to-face interviews was subject to time and space constraints. Some limitations were due to issues of accessibility to potential informants since in some cases certain informants were not available for interviews during the researcher's field visits (though some were later interviewed by phone or answered emailed questions). Interviews took, on average, 50 to 60 minutes, and though a few lasted only 30 minutes and others lasted up to 90 minutes. The researcher took notes during and after the interviews so as to take note of the interviewee's non-verbal messages as well as to remind him of follow-up questions that came to mind during the interview. 'Contact summary' forms (Miles & Huberman, 1994) of approximately one-half page were produced for many interviews. A sample copy of such a form can be found in Appendix D. Several persons were interviewed more than once with the additional interviews generally conducted by phone though several persons were interviewed multiple times in person.

A list of interviewees conducted by firm can be found in Table 4-10. In order to protect anonymity, the researcher has, whenever possible, slightly modified or disguised the exact organisational department for each the interviewee. For example, while the code for several BigCo interviewees suggests that they work within the Finance Department, their actual titles refer to sub-departments.
### Table 4 - 10 List of Interviews BigCo

<table>
<thead>
<tr>
<th>Title and Department</th>
<th>Code</th>
<th>Academic Background</th>
<th>Years with firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Financial Officer</td>
<td>CFO</td>
<td>Business Law (M)</td>
<td>10+</td>
</tr>
<tr>
<td>Executive Vice-President, Development</td>
<td>EVP-D</td>
<td>Hotel (BA)</td>
<td>20+</td>
</tr>
<tr>
<td>Executive Vice-President, Development</td>
<td>EVP2-D</td>
<td>Business (B)</td>
<td>30+</td>
</tr>
<tr>
<td>Executive Vice-President, Development</td>
<td>EVP3-D</td>
<td>Business (B)</td>
<td>30+</td>
</tr>
<tr>
<td>Senior Vice-President, Development</td>
<td>SVP-D</td>
<td>Law (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Vice-President, Development</td>
<td>VP-D</td>
<td>Hotel (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Executive Vice-President, Marketing</td>
<td>EVP-M</td>
<td>Business (M)</td>
<td>20+</td>
</tr>
<tr>
<td>Senior Vice-President, Marketing</td>
<td>SVP-M</td>
<td>Business (M)</td>
<td>10+</td>
</tr>
<tr>
<td>Vice-President, Marketing</td>
<td>VP-M</td>
<td>Business (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Vice-President, Marketing</td>
<td>VP2-M</td>
<td>Business (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President Finance</td>
<td>SVP-F</td>
<td>Hotel (M)</td>
<td>10+</td>
</tr>
<tr>
<td>Vice-President, Finance</td>
<td>VP-F</td>
<td>Business (M)</td>
<td>1+</td>
</tr>
<tr>
<td>Vice-President, Finance</td>
<td>VP2-F</td>
<td>N/A</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President, Operations</td>
<td>SVP-O</td>
<td>Hotel (B)</td>
<td>10+</td>
</tr>
<tr>
<td>Senior Vice-President, Business Intelligence</td>
<td>SVP-BI</td>
<td>Business (M)</td>
<td>15+</td>
</tr>
<tr>
<td>Director, Business Intelligence</td>
<td>D-BI</td>
<td>Business (M)</td>
<td>10+</td>
</tr>
<tr>
<td>Senior Vice-President, Investor Relations</td>
<td>SVP-IR</td>
<td>Business (B)</td>
<td>20+</td>
</tr>
</tbody>
</table>

(M) Indicates Masters or other graduate degree; (B) indicates Bachelor's degree

### Table 4 - 11 List of Interviews MediumCo

<table>
<thead>
<tr>
<th>Title and Department</th>
<th>Code</th>
<th>Academic Background</th>
<th>Years with firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>CEO</td>
<td>Hotel (B)</td>
<td>10</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>CFO</td>
<td>Business (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Chief Executive Officer (JV)</td>
<td>JVCEO</td>
<td>Business (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>COO</td>
<td>Hotel (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President Strategic Planning</td>
<td>SVP-SP</td>
<td>Hotel (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President Human Resources</td>
<td>SVP-HR</td>
<td>Psychology (B)</td>
<td>1+</td>
</tr>
<tr>
<td>Senior Vice-President Development</td>
<td>SVP-D</td>
<td>Hotel (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President Marketing</td>
<td>SVP-M</td>
<td>Liberal Arts (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President Information Technology</td>
<td>SVP-IT</td>
<td>Engineering (B)</td>
<td>5+</td>
</tr>
</tbody>
</table>
Table 4-12 List of Interviews SmallCo

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Code</th>
<th>Academic Background</th>
<th>Years with firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>CEO</td>
<td>Hotel (B)</td>
<td>10+</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>CFO</td>
<td>Business (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President, Brand Management</td>
<td>SVP-BM</td>
<td>Business (M)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President, Human Resources</td>
<td>SVP-HR</td>
<td>n/a</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President, Operations</td>
<td>SVP-O</td>
<td>Hotel (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Senior Vice-President, Food and Beverage</td>
<td>SVP-FB</td>
<td>n/a</td>
<td>5+</td>
</tr>
<tr>
<td>Executive Chef</td>
<td>EC</td>
<td>Culinary Arts</td>
<td>10+</td>
</tr>
<tr>
<td>Vice-President, Project Management</td>
<td>VP-PM</td>
<td>Engineering (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Director, Revenue Management</td>
<td>D-RM</td>
<td>Liberal Arts (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Director, Marketing</td>
<td>D-M</td>
<td>Business (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Director, Marketing</td>
<td>D2-M</td>
<td>Business (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Director, Marketing</td>
<td>D3-M</td>
<td>Business (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Director, Design</td>
<td>DD</td>
<td>Art/Design (B)</td>
<td>5+</td>
</tr>
<tr>
<td>General Manager</td>
<td>GM1</td>
<td>Hotel (B)</td>
<td>1+</td>
</tr>
<tr>
<td>General Manager</td>
<td>GM2</td>
<td>Hotel (B)</td>
<td>3+</td>
</tr>
<tr>
<td>General Manager</td>
<td>GM3</td>
<td>Hotel (B)</td>
<td>5+</td>
</tr>
<tr>
<td>Management Trainee</td>
<td>MT1</td>
<td>Hotel (B)</td>
<td>1</td>
</tr>
<tr>
<td>Management Trainee</td>
<td>MT2</td>
<td>Hotel (B)</td>
<td>1</td>
</tr>
</tbody>
</table>

(M) Indicates Masters or other graduate degree; (B) indicates Bachelors degree

While this detail is not shared with the reader, the researcher believes he retains the important issue with regards to the overall department and that this is a suitable compromise between his ethical and legal responsibilities and the
Importance of providing the reader with important information. This modification was also necessary in light of the fact that the researcher refers to their exact hierarchical position for each interviewee since this is a critical issue for this study. That is, how are tools used by organisational members of different hierarchical levels. Due to the different titles used in the different countries, the researcher has used commonly accepted terms from the United States for all three firms. He verified with the individuals from the other countries to ensure that the translation was appropriate. In some cases positions did not exist or their functions were part of another's responsibility. The researcher has also withheld some other personal information, such as gender, and provided an approximate rather than exact number of years each interviewee has spent with the firm so as to better protect their anonymity.

To the extent possible the researcher attempted to conduct as many of the interviews on-site (i.e. company headquarters and hotel properties) and with a specific focus on the practitioners' everyday strategising activities (albeit with as much reference to the specific strategic issue that focused the data collection) since, as Balogun et al. (2003) point out, people can generally better describe what they do in detail when they are in their work context.

4.6.4 Observation

From the very beginnings of SasP Whittington (1996) argued that for researchers to better understand strategising they would need "close observation of strategists as they work their way through their strategy making routines" (p. 734). To date, however, in-vivo observations are said to be an underused data source in SasP studies even though they are considered a particularly important method for studying and understanding strategising (Johnson et al., 2007). Close observation is beneficial because in order to discover and understand the micro-activities involved in strategy practices one cannot rely only on what practitioners think (or say) they do as this might be very different from what they actually do (Hodder, 1994). For this study this can be extended to the fact that they may not even be aware of which tools they employ.

In observations of strategy tools-in-practice, the researcher worked from the idea that because he was interested in qualitative information, he needed to try and uncover large trends, patterns and behavioural styles (Johnson et al., 2007) in
the way tools are and are not used. Observation, because it was used in conjunction with in-depth interviews, was meant to not only help produce particularly strong rigour but also enhance consistency and validity through triangulation (Denzin, 1989). Thus, rather than rely on it as the only or primary method, the researcher integrated it with other methods, which has been suggested as an appropriate use and one that provides a powerful means of validation (Adler & Adler, 1994).

By spending time within the organisations in an observer capacity, the researcher's primary goal was to better understand the organisations and their behavioural processes and contexts (Remenyi et al., 1998). Qualitative observation takes place within natural contexts of occurrence, and with the people who would normally be involved in whatever is being witnessed, and as a result, it "enjoys the advantage of drawing the observer into the phenomenological complexity of the world, where connections, correlations, and causes can be witnessed as and how they unfold" (Adler & Adler, 1994, p.378). In other words, through observation the researcher attempted to access the phenomena of tool use, and as much of its complexity as possible, in the most natural, rich manner available.

Ontologically speaking, from an interpretivist position observation was an important data collection method for this thesis since interactions, actions and behaviours, and the way these are interpreted and acted upon by people (Mason, 1996), are all central to understanding how people use strategy tools. Observing presentations and conversations in certain settings and contexts, for example, provided valuable empirical evidence. Similarly, the researcher's epistemological position posits that settings, situations and interactions helped reveal data that the researcher could not only interpret but also know since he himself had experienced (observed) the event or moment (Mason, 1996). Furthermore, observation also allowed empirical evidence to be generated with the researcher present, rather than only gathered through retrospective accounts (interviews) of such interactions.

Mason (1996) points out that the researcher planning on conducting observations must prepare not only for the process and technique of observation, but also for social interaction. She suggests that the settings, situation and interactions involved in observations make the task complicated and messy due to the
numerous different things that can be happening at the same time. Following her advice, therefore, the researcher considered numerous questions about observation and his use of it. Please see Table 4-11 for a list of some of these questions and the researcher’s theoretical and operationalised solutions.

The researcher was, unfortunately, not able to attend as many formal meetings and strategy workshops as he had hoped. This was due to two fundamental reasons: (1) The reluctance on the part of some informants to permit his participation even though this had originally been agreed upon with the gatekeeper. In order not to alienate the informants, and because access to people and documents had, in most cases, been very generous, the researcher was unable to press the issue further. (2) Logistically, since the researcher had to travel internationally for much of the field work, and was thus required time off from his full-time job for the site visits, he was unable to increase the opportunities for attending additional meetings. Nevertheless he did observe some formal meetings and workshops as well as ad-hoc meetings and presentations (both on and off-site), and these are listed in Table 4-12. For each formal meeting or workshop observed the researcher:

- Determined which meetings would most likely be valuable and feasible and which he could attend due to the schedule limitations
- Gained access through gatekeeper authorisation
- Recorded observations in a free-association form, making explicit reference to participants and interactions (Denzin, 1989)

Whenever possible before these meetings and presentations, the researcher attempted to secure the relevant documents and other materials that could help him to better understand the context behind the planned meetings. When permitted, he took notes during the meeting or presentation that he then transformed into a condensed version of the actual meeting/presentation and its discussion topics. A copy of the handwritten notes from one workshop can be found in Appendix E. In some instances copies of the PowerPoint presentations were obtained and treated as documents by the researcher.
### Table 4 - 13 Observation Issues

<table>
<thead>
<tr>
<th>Question/Issue</th>
<th>Answer/Justification</th>
<th>Example in Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different roles possible for the researcher to play when observing:</td>
<td>Researcher opted to act as much as possible as a complete observer, since he wanted to limit his influence on which tools were used and how these were viewed and constructed by individual practitioners. By interviewing key personnel he at times could be considered more of an observer as participant.</td>
<td>Interacted casually while engaged in his observational pursuit. Did not provide answers to questions during observation (i.e. meetings) and did not discuss meetings during casual encounters. Followed the flow of events and allowed behaviours and interactions to proceed as if the researcher were not present. Did engage in casual discussions to build rapport with participants for future interviews. Did not at first tell practitioners that it was the tools, necessarily, that were of interest (relied more on words such as “practices” and “techniques”). Gradually moved to more specific questions about tools.</td>
</tr>
<tr>
<td>What kind of identity, status and role did he wish to adopt?</td>
<td>Identified self as observer/researcher</td>
<td>Introduced at meetings and encounters as student researcher. Acted in very accommodating way, attempting to provide favourable impression so as to continue to receive necessary access and data, including interviews and documents.</td>
</tr>
<tr>
<td>How should the researcher develop relationships in the setting? How will researcher know if he has been accepted?</td>
<td>Practitioner-researcher relationships are particularly critical in SasP studies (Balogun et al., 2003; Schultz &amp; Hatch, 2005; Whittington, 1996)</td>
<td>Researcher’s professional background as hotel manager, consultant and management company owner helped to provide the ‘same language’ and basis for respect and acceptance. As non-participant observer, issues of acceptance are more related to being provided maximum access, information (documents) and honesty possible.</td>
</tr>
<tr>
<td>How are settings and situations decided?</td>
<td>SasP literature suggests meetings (Balogun et al., 2003; Jarzabkowski &amp; Seidl, 2008) and workshops (Hodgkinson et al., 2006).</td>
<td>Researcher proposed attending meetings and strategy workshops ('off-sites') that discussed strategic issue in its different stages and was then either invited to particular meetings or provided a list of potential meetings to attend. Meetings were either announced and scheduled, or ad hoc and informal, sometimes occurring as a result of another meeting or conversation. Such ad hoc meetings were generally not accessible due to geographic/time constraints which were one of the research limitations.</td>
</tr>
<tr>
<td>Where is the location (in time, space and place) for what the researcher is interested in? Is access to such settings feasible?</td>
<td>Casual observation of individuals at work seemed too time-consuming given the constraints and little likelihood that tools would be constructed individually or ‘on-the-spot.’</td>
<td>Must have some sense of what he is looking for (selective), some critical awareness of how this has informed (perspective) what he will have observed, found interesting and relevant. Linked research questions to those he wanted to ask and observations he would like to make. Particularly interested in relations between individuals (social interaction) and their collective use of tools during meetings.</td>
</tr>
<tr>
<td>What is the researcher interested in (what should he observe?)</td>
<td>Cannot just &quot;hang around&quot; and &quot;soak up&quot; relevant data. Should have a procedure for making situated decisions about what to look for next, whom to speak with next, what to record and follow up.</td>
<td>Looked first for any evidence of tools, and if not of situations/issues for which tools could have been used (according to literature). Researcher kept field notes and special marks about possible &quot;leads&quot; regarding whom to speak to, which meetings might be available to attend, which documents could exist, who has been involved in works, etc.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>How does the researcher generate data within the setting? Where does the data come from?</td>
<td>Methodological issues about what methods to generate relevant data, and to be in right place at right time to collect data and make observations</td>
<td>Used other data generation methods such as ad hoc observations and meetings, unplanned interviews, casual encounters. Collected individual notes from meeting and workshop participants when possible.</td>
</tr>
<tr>
<td>How and when should researcher record observations? What should be recorded?</td>
<td>Must make such decisions in context of grounded critical judgments about what the choices offer the researcher his research. Observation notations should include references to participants, interactions, routines, rituals, temporal elements, interpretations and social organisation.</td>
<td>Notes taken during observation. Field notes written up as soon as possible afterwards. Audio recording of meetings was not possible. Researcher took note of room layout (who was sitting where, next to whom), material objects (documents, plain paper, pen, computers, flip charts, post-it notes), who was present, verbal and non-verbal communication, interaction between individuals during and outside formal meeting (e.g. coffee break) meeting routines (verified through interviews), and timing.</td>
</tr>
</tbody>
</table>

(Adapted from: Adler & Adler, 1994; Denzin & Lincoln, 1994; Guba & Lincoln, 1994; Mason, 1996; Remenyi et al., 1998; Silverman, 2001)
Table 4 - 14 Observed Meetings and Presentations

<table>
<thead>
<tr>
<th>Observed Sessions</th>
<th>BigCo</th>
<th>MediumCo</th>
<th>SmallCo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy Off-site Workshops</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Executive Team Meetings</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ad hoc meetings</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Presentations</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>7</strong></td>
<td><strong>4</strong></td>
</tr>
</tbody>
</table>

4.6.5 Operationalisation of the Data Collection

The case study method's research design is very interactive and flexible. It is an iterative process, and as such the researcher made use of new knowledge acquired during the process and modified the data collection instruments early on during the research process (Eisenhardt, 1989; Yin, 2003). Such modifications permitted the researcher to seize opportunities and examine new, emerging themes that revealed themselves in a given situation, and thus he hoped to be able to continue to improve the validity of the study (Eisenhardt, 1989). While some researchers question any modification of the data collection instruments or processes while a research study is underway, Eisenhardt (1989) argues that such changes to the research design are acceptable if they are consistent with the study's purpose and objectives. Given the exploratory nature of this study, being flexible proved to be a necessary and valuable option for the researcher.

The nature of the study's unit of analysis, tools-in-use, implies action, and thus the researcher intended and attempted to witness tools being (and, as a corollary, not being) used. Similar to Johnson et al.'s (2007) view that SasP studies need evidence and reflection on 'actions' such as people working and meeting together, regardless of whether or not their interaction was successful, the ideal situation would have been to report on as many real-time observations of specific or sequenced episodes as possible in order to demonstrate what difference strategy tools make in practice. However, as discussed above, this was not as feasible as he had wished, and thus the researcher relied more than expected on what Johnson et al. (2007) consider the next best option, which is
tightly focused interviews with multiple participants and which are substantiated with support from documentary evidence.

The researcher did not 'complete' one case before moving on to the next, but did, whenever possible, focus his efforts on one particular case at a time. However, given the schedules of the participants and researcher, as well as the fact that because neither the researcher's process, nor for that matter the topic he was studying, were necessarily linear, researcher flexibility was required. For example, after he had thought that his data collection was complete, the researcher was invited by the CEO of MediumCo to attend another meeting and witness a presentation about the company's growth strategy. Since attending these could increase knowledge about the strategic issue being studied, as well as the study's specific topic, the invitation was accepted. Flexibility also allowed the researcher, take advantage of a 'snowball sampling' technique with interviews that Oakes et al. (1998) used in a study of the use of business plans.

In his fieldwork, the researcher thus followed leads to additional documents and informants based on the advice and comments from original and/or scheduled respondents (i.e. interviewees, participants in meetings). This was also particularly important since, throughout the data collection, the researcher worked iteratively looking for common themes through the documentary material collected, the observations turned into field notes, and the interviews transcribed, in order to better focus data collection efforts. At times it was noted that interviewee comments, written documentation and certain observations either contradicted other comments or materials already collected, or raised questions about the initial thoughts tentatively forming about the material being collected. Thus, this 'serpentine' process of data collection permitted not only more information to be gathered, but important evidence which helped to corroborate or identify inconsistencies in how tools were and were not used in the three organisations and in how the researcher was interpreting the empirical evidence. A visual representation of how the data collection was operationalised for each case can be found in Figures 4-1 through 4-3.
Figure 2 Field Research at MediumCo
4.7 Data analysis

Sandiford and Seymour (2007) reference an Economic and Social Research Council report that found that the management research literature emphasises the methods used to collect and/or create data but not as much focus on the analytical techniques used to interpret the data. They similarly point to the fact that the hospitality management research literature generally provides limited discussions of the analytical techniques and approaches used in its qualitative studies. This situation may be due to the fact that there are not explicit and easy-to-follow rules one can follow for analysing qualitative data. While the objective of this section is not to provide an overview of different techniques possible for analysing qualitative data, it does set out to explain the process used in this particular research study.

The data analysis phase of a case study is not only very iterative but also requires that the researcher ‘play’ with the data (Yin, 2003). The data analysis objectives are to provide convincing conclusions and, if possible, to eliminate other explanations (Eisenhardt, 1989; Yin, 2003). Miles and Huberman (1994) have identified that there are three important processes for qualitative data analysis: data reduction, data display and conclusion drawing and verification. The researcher undertook these activities as part of his data analysis and these are now briefly explained.

4.7.1 Data Reduction

Data reduction is a necessary step in qualitative data analysis because of the large quantities of data that are generated through the studies’ open-ended questions (Eisenhardt, 1989). Through data reduction the researcher cannot only protect him/herself from data overload, but also ensure that important pieces of data are not disregarded or lost. An important element that contributes to success in data analysis is the ability for the researcher to store and retrieve the data in a systematic fashion. The researcher did this by inputting interview transcriptions, field notes and collected documents into NVivo which is a computer assisted qualitative data analysis software programme (CAQDAS). This facilitated the ability to follow Yin’s (2003) advice by being able to carefully manipulate the case data while making sure that they maintained their original meanings and context. Here the researcher chose, focused, simplified, condensed
and/or structured the data into more easily manageable units for later analysis as suggested by Miles and Huberman (1994).

As with Jarzabkowski's (2000) doctoral thesis on putting strategy into practice, and Langley's (1986) doctoral thesis about the roles of formal analysis in strategic decision making, the data collected for this thesis was reduced and coded using a method of thematic categorisation (King, 1998; Miles & Huberman, 1994). This is also sometimes referred to as 'codebook analysis' and 'template analysis.' King (1998) argues that qualitative researchers who take a phenomenological stance are sceptical that 'real' internal states exist and that they can be discovered through empirical research, and because of this they often opt for a template analysis as it is more conducive to this position. The approach’s essence is one where the researcher creates a list of codes that represent different themes identified in the data. Given the precedence for using this approach in SasP studies, and its applicability to the researcher’s research philosophy, template analysis was employed.

Some codes were identified a priori (with some later modified), while others were added as the researcher read, reread and interpreted the texts (King, 1998). King (1998) suggests that this method falls between content analysis which requires predetermination of all codes, and grounded theory where no codes are identified a priori. Due to its middle ground, he suggests that the ensuing template, which started with only a few defined codes, can be used in a very flexible way in order to interpret the texts.

The researcher’s work here was informed by the practice perspective of strategy while remaining open and alert to other emerging ideas. Through this approach the researcher was able to work inductively with the data, and as such was able to slowly and gradually identify different conceptual categories by systematically searching for correlations, links and patterns between the different pieces of code. This systematic coding was developed gradually as the researcher immersed himself in the data through repeated readings of documents, field notes and interview transcriptions.

The researcher used NVivo for storing, sorting and coding the data. Here a code is understood to be a label given to a piece of text (i.e. interview, document, field note) that corresponds to a particular theme or issue the researcher believes was important for his analysis. According to Kwortnik (2003) the process is one
where the researcher begins by "deconstructing the text line by line, and in some instances word by word by word, to 'mine the data' for concepts that will form theoretical categories and relationships" (p.125).

Following King's (1998) advice, many of the codes were primarily descriptive while other codes were more interpretive. The researcher began by descriptively coding the data using the themes he had previously identified through the literature, including the different variables he had identified as potentially important. Codes were then added that emerged from the data but which had not previously been identified in the literature. For example, some documents referred to an intended audience of 'investor relations' and thus the researcher added this code.

The researcher then engaged in interpretive coding whereby he further coded the data according to concepts and themes that emerged from both his and his informants' views about the topic under investigation. For example, some early interviews suggested that the interviewees believed that the large amounts of work they had, and the need for fast decision making, meant were both reasons that tools were not used, and thus the researcher coded some data with the terms 'workload' and 'speed'.

As the coding progressed the process gradually shifted from one of open coding to a more iterative process of "constant comparative analysis" (Kwortnik, 2003, p.127) as 'new' data was compared and corresponded with similar and previously coded data. While the researcher created and kept the data and codes for each case separate, he did work in an iterative fashion by returning to each case periodically to look for data that corresponded to codes that emerged within the other 'later' cases.

At this stage the researcher was working with what NVivo terms 'free nodes' as they are not linked to other nodes and because they correspond to individual cases. The researcher here established a description of each node in order to make sure that the code remained consistent over time and across cases. An example of such a free node in this study is a participant's educational background since it corresponds to each informant but does not relate to any other free node.

The researcher also used NVivo to create 'tree nodes' in order to help identify emerging themes within and across the codes and to create a hierarchy of
Interrelated nodes. The constant comparison of data and codes facilitated the researcher's efforts to group concepts into more abstract categories which are meant to help result in a more profound understanding of the issues (Kwortnik, 2003). Here the researcher combined codes by collapsing some themes (or nodes) into common ones that described the same types of data while making sure that any subtle differences were not lost. For example, references to innovation, differentiation and creativity were grouped together. The researcher also discarded some codes that were deemed unnecessary (Walsh, 2003) such as 'computer' and 'office space' since they were only mentioned once and did not resonate with either the literature or other sources of empirical evidence. The resulting codes were then later used to create the 'overarching themes' that helped guide the researcher's conclusion drawing and discussion.

4.7.2 Data Display

Data display is the system by which data are presented and communicated. A challenge, once again, is for the researcher to preserve the data's original meaning and context. The presentation of the data must be done in a manner by which not only the researcher but other readers can see the information in a clear and concise manner so that they can then draw valid conclusions from it. Such data displays are useful for within and across-case analyses since there is a cyclical relationship between the display and analysis processes. That is, data display can suggest further analysis which can then lead back to even more data displays (Miles & Huberman, 1994). Tables, charts and lists are often recommended and used to display the data.

Force field analysis is an example of one type of tool for displaying data. In it one presents the forces for and against an issue, such as, in this case, the use of strategy tools. In this study the force field analyses allowed the researcher to effectively document and communicate the factors that favour and disadvantage the use of strategy tools within each firm, including the characteristics of each organisation and their environments that support and allow for the use of strategy tools. It also helped identify any 'negative' attributes that served as obstacles to the use of strategy tools within the firms which helped restrict their use or larger adoption. The researcher first did this for each interviewee and observation and then for each firm using all the themes and codes that emerged from the data reduction. An example of the force field analysis table used by this
researcher at the firm-level can be found in Table 4-13 and a completed table for one firm can be found in Appendix F.

Table 4 - 15 Strategy Tool Force Field Analysis

<table>
<thead>
<tr>
<th>Forces Supporting and Encouraging the Use of Strategy Tools</th>
<th>Obstacles Limiting and Preventing the Use of Strategy Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>SmalI Co</td>
<td></td>
</tr>
<tr>
<td>Medium Co</td>
<td></td>
</tr>
<tr>
<td>BigCo</td>
<td></td>
</tr>
</tbody>
</table>

This procedure allowed the researcher to compare and contrast findings across individuals within a firm, across individuals with similar backgrounds (e.g. hierarchical position) in and across firms, and across the three firms themselves. By comparing the similarities and differences across all three firms the researcher was more easily able to later draw some conclusions at the industry level. This approach also helped to ensure that the data was as exhausted as possible and to increase the reliability and validity of the findings. The tables also helped the researcher to avoid being overly influenced by any particular data or informant (such as those interviewees who were more loquacious or adamant in their ideas), of ignoring contradictory data, and of first impression biases. Once these tables had been completed and reviewed several times for missing or mistaken data, the researcher reached closure with the data display and believed that there would only be very minimal improvements or additions if he continued with the process (Eisenhardt, 1989; Yin, 2003).

4.7.3 Conclusion Drawing and Verification

Conclusion drawing and verification is the final step in the data analysis and it is one where the researcher interprets the data displays and induces meaning while protecting himself from any threats to analytical validity (Miles & Huberman, 1994). Although there is no one ideal method for analysing qualitative data and
drawing and verifying conclusions from case study data, some of the more common and useful ones involve comparison/contrast analysis, pattern matching and thematic analysis (Miles & Huberman, 1994; Yin, 2003).

Due to its qualitative nature, the researcher used inductive analysis not only to develop themes, patterns and categories from the data, but also to interpret the data. Janesick's (1994) suggestion to locate key phrases and statements within the data that address the phenomenon in question was followed. This then helped to create and substantiate the themes that emerged from the researcher's interpretation of the empirical evidence.

During this stage of the data analysis the researcher did not rely on NVivo but instead analysed tables manually. Here he was guided by several criticisms about the use of computer programmes for this stage of the research endeavour. For example, in the 1991 edition of their book Easterby-Smith et al. were:

> sceptical of many of the computer packages available for qualitative research; and there is no package that can substitute for the interpretive skills of the researcher. Many of them can alleviate much of the clerical task of sorting words, concepts and passages contained in transcripts; but the identification of significant themes, patterns and categories still has to be done by the researcher (p. 113).

With their 2002 edition Easterby-Smith et al.'s view has changed slightly as they now recognise some of the benefits of using computer programmes for the data analysis, yet they still have their reservations. They point out that such programmes cannot replace the researcher's judgement, that it may be easier to analyse data by hand, and that such programmes tend to emphasise the quantification of categories' frequencies rather than understanding the quality of the different ideas and experiences contained in the data (Easterby-Smith et al., 2002). Yin (2003) similarly suggests that these tools are generally useful for helping to find meaning and insights from quantified word usage and frequencies, which was not the approach taken by in this study. As such, the researcher, as previously mentioned, use the software NVivo to help store, manage, and retrieve the raw and coded data, but his conclusion drawing and verification was done manually.

The researcher's use of thematic analysis was realised by creating lists of emerging themes and foci for each person and firm (the latter being an example
of Yin's (2003) "within-case" analysis and by comparing the themes within and across the firms ("between-case" analysis) in order to achieve further triangulation and validation. The cross-case analysis helped force the researcher to develop a more robust understanding of the phenomenon being studied (Eisenhardt, 1989; Yin, 2003). Thus, from the different within-case and cross-case analysis, the researcher identified a variety of themes, patterns, concepts, relationships and overall impressions (Eisenhardt, 1989). Rather than breaking down the qualitative data to find underlying meanings as was the case during the coding phase, the interpretation process here was one of combining the data in emergent categories and mapping these the relationships across these different abstractions in order to arrive at an understanding of the topic (Kwortnik, 2003). For example, the interpretation helped to find the patterns and themes that described, explained and unified the informants' experiences (Kwortnik, 2003) with strategy tools. During the iterative process followed during this stage of verifying conclusions, the researcher followed recommendations to, as far as possible, triangulate findings (as well as the data) by relying on multiple sources of evidence, to search for negative cases, and to investigate any potential inconsistencies and unsubstantiated evidence (Miles & Huberman, 1994).

Once the above was (initially) completed researcher was able to return to the literature and compare findings and search for agreement, contradictions and validation. Creating links to the literature to confirm and/or contradict his findings provided an important way for raising theoretical levels and drawing valid conclusions from the research (Eisenhardt, 1989). In line with Johnson et al.'s (2007) recommendations about SasP studies, for example, the researcher contrasted findings in his descriptive narrative account of the use of strategy tools with the "received view", i.e. with the normative accounts promulgated in practitioner sources and business school teaching" (p.72). The researcher thus attempted to balance description with interpretation (Janesick, 1994) and analysed the data until he believed he reached a point of saturation (Eisenhardt, 1989).
4.8 Chapter Conclusion

This chapter explained and justified the research design, methods and analysis methods employed within the study. It argued that a qualitative and inductive approach was the most appropriate in order to identify the dimensions and variables associated with strategy tool use so that the research aims and objectives could best be accomplished. It also presented the specific research methods used during the operationalisation of the research. The collected empirical evidence is based on:

- 35 documents analysed
- 53 interviews conducted
- 16 meetings and/or presentations observed

The chapter also justified why a thematic analysis was an appropriate choice. The following chapter presents the findings for each of the three case studies based on the above research methods.
Chapter 5 Research Findings

5.1 Introduction

This chapter presents the findings from the three case studies. Section 1.2 presents the findings from BigCo, and sections 1.3 and 1.4 present the findings from MediumCo and SmallCo respectively. Within each section, the background information for each firm and the specific strategic initiative is first introduced. Whittington (2006) has suggested that SasP research should focus on the interrelationship between practices, praxis and practitioners. As such, the findings about the practices (use of tools) are provided according to the strategy praxis (i.e., meetings, workshops) and according to the practitioners (i.e., interviewees) and in light of the organisational context given the role it is assumed to play in determining how tools are used (Johnson et al., 2007).

5.2 Case 1: BigCo

This section provides background information on BigCo, the strategic initiative studied, and findings related to the use of strategy tools during the initiative and more generally within the firm.

5.2.1 Company and Project Background

BigCo is headquartered in the United States where the vast majority of its more than 2000 hotels are located. It is one of the world's largest hotel companies in terms of number of rooms, properties, revenue, and market capitalisation3. Its portfolio of owned, managed and franchised hotels currently is distributed across more than a dozen brands, ranging from the luxury to the economy segments, in nearly 100 countries. Although the company has, at times, diversified into related hospitality industry businesses, such as contract catering, restaurants and senior living, it has over the past 20 years shed its non-lodging businesses. Like many of its competitors, BigCo has recently divested itself of most of its owned properties and has focused instead on managing and franchising hotels. In the

3 Due to confidentiality agreements, the author has been required to not present fully accurate numbers and details about each organisation. The figures and information presented, however, are accurate enough to present each company's situation and particularities as close as possible and thus do not affect their overall presentation.
words of its SVP-IR\(^4\), because the company is publicly traded, "The (Wall) Street rewards us for not being in the real estate business and for only focusing on running hotels."

Beginning in the spring of 2006 BigCo initiated several projects aimed at identifying and developing strategic initiatives to exponentially expand the number of affiliated hotels so as to meet its promise to investors of double-digit earnings growth. With thousands of hotels in the United States, but only a few hundred internationally, the company's top management determined that its current international development plan was not producing the expected and necessary growth. This was especially troublesome as an ever increasing percentage of BigCo's expansion would need to come from international areas, including Europe, the Middle East and Africa (EMEA), if it was to maintain its recent historical growth levels (EVP-D; CFO).

To revise its European growth strategy, BigCo initiated an internal project called the European Strategy Project (ESP)\(^5\). The project was meant to produce specific action plans for increasing the company's market share and growth rate in Europe (SVP-BI; ESP Workplan), and its formal objectives were to:

- examine the company's current status in Europe
- review its current action plans for the region
- study the European hotel market and macro-environmental situation
- determine the firm's opportunities in Europe
- develop an action plan for expanding in Europe (ESP Workplan)

The project managers (PM) and chairperson agreed that based on previous experience it would be hard to organise and execute the work if the core team was composed primarily of 'seconds in command' or their delegates. Instead, they needed to have "thought leaders and change agents" (SVP-BI) working on the project in the same room. The project's members and their roles are identified in Table 5-1.

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\(^4\) Please see Table 4-10 for the explanation of each title's abbreviation.

\(^5\) The project was later renamed "European Development Strategy (EDS)" to "reflect (the) modified focus on growth and development action plans for the European Region" (ESP September 12 Recap of ESP September 5th meeting). For the sake of simplicity, the project will continue to be referred to as ESP throughout the study.
### Table 5-1 ESP Members and Roles

<table>
<thead>
<tr>
<th>Project Members’ Roles</th>
<th>Titles of Project Members</th>
<th>Function/Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsors</td>
<td>CFO; COO; EVP2-D</td>
<td>Mandated project for their use in ‘decision-making discussions’ with company Chairman and, perhaps, BOD</td>
</tr>
<tr>
<td>Chairperson</td>
<td>EVP-D</td>
<td>Responsibility to oversee project and deliver study to sponsors</td>
</tr>
<tr>
<td>Managers</td>
<td>SVP-BI; D-BI</td>
<td>Responsible for determining and overseeing the specific processes and practices used during the project</td>
</tr>
<tr>
<td>Team Members</td>
<td>19 members from 7 departments</td>
<td>Intentionally created as cross-functional team of department heads and ‘change agents’ to represent diverse views and improve later execution of strategy that would affect most company areas (SVP-BI).</td>
</tr>
</tbody>
</table>

Rather than have weekly meetings, which would likely never achieve a full turnout due to the number of people needed to represent the different departments, their geographic dispersion and their ‘day job’ workloads, they planned a few full-day meetings and several shorter ‘virtual meetings’ using teleconference technology. Please see Table 5-2 for a synthesis of each stage of the project as identified through documents, interviews and observations of presentations about the firm’s international growth strategy.
<table>
<thead>
<tr>
<th>Time Period</th>
<th>Stage</th>
<th>Objective and Main Activities/</th>
<th>Roles and Tasks</th>
<th>Tools/Role of Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2006:</td>
<td>First Meeting: Project Launch/ kick-off meeting</td>
<td>&quot;Organize and mobilize the project&quot; by engaging the team and aligning its members on the project’s objectives and scope (ESP Work Plan and Timeline). Reviewing the outcomes of an &quot;away day&quot; session from the previous year that had addressed the company’s then-current status in Europe.</td>
<td>PM structured meeting around findings from previous work session.</td>
<td>No evidence of tool use from earlier meeting whose outcomes were presented as a list of bullet point hypotheses about the company, the European hotel market, and the firm's position and opportunities there (Project Launch Minutes). No information or analysis that had helped arrive at these earlier conclusions was provided to the current team members.</td>
</tr>
<tr>
<td>May 2006:</td>
<td>Inter-meeting Work</td>
<td>Data Collection and Analysis Collect, consolidate and analyse updated information about: - European macroeconomic situation - European lodging industry (Size, projected growth, segmentation) - Competition (distribution, positioning approaches to growth) - BigCo’s distribution and brand strengths in Europe - BigCo’s business, operating and valuation models (ESP Workplan Part 2)</td>
<td>Individual team members and with PM PM’s task was to: &quot;collect all the information in everyone’s heads, all their ideas and data, and put it together into some sensible (and) nice tight format&quot; (D-BI). PM conducted &quot;interviews&quot; with team members, though more often than not with their direct reports instead; some meetings were &quot;virtual&quot; but most were face-to-face PM made final decisions about what information to present in consolidated frameworks</td>
<td>&quot;Traditional PEST approach&quot; to collect and collate their information in order to help the team members to consider and understand the region’s nuances and complexity (SVP-BI) Business Profile Framework (BPF): ongoing basis, competitor and macro environmental information from secondary sources (e.g. print media), as well as from the experiences of the management team (e.g. during their travels), was inputted for later reference and analysis *formal recording and analytical tools to help them compile the information</td>
</tr>
</tbody>
</table>

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6 This meeting was held in 2005 and as it was not directly part of the ESP it is not reviewed here. Documents related to that meeting were not made available for the researcher.

7 Some aspects of this had been outsourced (see above) while others were performed internally.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Details</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2006:</td>
<td>2nd Team Meeting</td>
<td>Brainstormed opportunities for the firm pertaining to its growth in Europe.</td>
<td>Summarised Sheets from previous frameworks and templates</td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>Discussed consolidated frameworks compiled before meeting (June Meeting Agenda; ESP Workplan).</td>
<td>No tools used during meeting to structure discussion or record ideas.</td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>Discuss and come to conclusions about the current status of the:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>- European Economy and Lodging Industry,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>- Competition,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>- Firm's distribution/strength,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2nd Team Meeting</td>
<td>- Business and operating models (June Meeting Agenda).</td>
<td></td>
</tr>
<tr>
<td>June to August 2006</td>
<td>Inter-meeting work</td>
<td>Data collection and analysis draw inferences from a broad range of data, but yet be very specific about what that means for specific brands and properties (SVP-BI)</td>
<td>Round 2 of interviews by PM, primarily with team members but also with some direct reports.</td>
</tr>
<tr>
<td></td>
<td>3rd Team Meeting</td>
<td>Complete the assessment on the future state of the European market and the company's position there.</td>
<td>Brand portfolio framework (created by BM team for other projects)</td>
</tr>
<tr>
<td>September 2006:</td>
<td>3rd Team Meeting</td>
<td>Complete the assessment on the future state of the European market and the company's position there.</td>
<td>PM led discussion by focusing on the outcomes as consolidated in these frameworks since:</td>
</tr>
<tr>
<td>October 2006:</td>
<td>4th Team Meeting</td>
<td>Reach a final agreement on the proposed action plan. Determine a way to secure senior management's commitment on the proposed approach for going forward</td>
<td>The final report cited several key vehicles for growth, areas to focus on, and was quantified with very specific growth numbers and expected financial results.</td>
</tr>
<tr>
<td>November 2006:</td>
<td>Presentation to the Top Management and BOD</td>
<td>Gain financial commitment for implementing proposed action plan</td>
<td>Project chairperson (EVP-D) makes presentation</td>
</tr>
</tbody>
</table>
A procedural and practical challenge for the ESP PMs was that BigCo does not have an established, formal or deliberate process for working on strategy-related projects ever since the Chairman/CEO eliminated (for the second time) the firm's centralised Strategy Department and instead made functional executive vice-presidents responsible for their departmental strategies. This led to many planning challenges within the firm and for projects like the ESP since "there are some strongly different opinions throughout the company about how we should do this kind of strategy work" (SVP-M). For example, while he acknowledged his support for the Chairman, the CFO also believed that within the top management team:

We're schizophrenic, because there are other folks here in the company who would say we really need to be deliberate about having strategic thought, and having strategic plans, and go through strategic exercises.

External consultants were not contracted for any strategic analysis since the company had had many negative experiences with external strategy consultants, and within BigCo these firms and their tools had:

A bad reputation from a lot of the 70's and 80's McKinsey kind of engagements that were all these, you know, big pie-in-the-sky stuff, and that didn't ultimately resonate with operations (SVP-BI).

The SVP-BI described the overall ESP process as:

Basic and classic strategy development ... We start broadly with what we think the market conditions are, and sort of the environmental situation. 'What's the opportunity?' and then 'what's BigCo's opportunity within that?' ... to 'okay, what are the obstacles' and 'what's it going to take to succeed', and then following that up with a punch line of 'now, show us the financial projection', and then 'how are you going to actually achieve those results?' But I don't think it's — it's nothing magic. It's just a style of order, if you want, that we're used to looking at things in.
5.2.2 The Role of Strategy Tools during the ESP

This section discusses the role of tools outside of official meetings, then during such meetings and then as a communication tool for the ESP as these are different aspects of the strategy praxis.

*Outside of Meetings*

In between meetings the PM tried, whenever possible, to work directly with the team members and not their direct reports.

Some people really couldn’t get started until (we) created frameworks – fairly straightforward strategy frameworks and matrices - for them to either fill out or pass onto others in their areas to fill out, and then we kind of pull them back together and massage (the results) as a group ... We kind of worked around people’s operating styles, (SVP-BI).

The D-BI referred to the tools used during the ESP as “formal recording and analytical tools” intended to help the team members “frame their thinking and exploration and data collection efforts ... completely a means of organising people’s thoughts and works”. The need for these frameworks was especially important to the PM given the amount of information, the number of persons involved in the project, and the variety of departments they represented:

I needed to have (these) frameworks, because how could I possibly communicate to all these people what information I needed and how can they put it in the context of the overall project unless we have that kind of structure? (SVP-BI).

The frameworks were generally used by the PM or their direct reports who met individually with the team members to gather their information and explore their views since the latter preferred talking to writing and they did not like to fill in boxes since there was not “an interest in being dragged through the mud about it. These people would rather be interviewed” (SVP-BI). The process was described more fully as follows:

What I do is just get them when they have a few minutes and interview them and then later fill out the template according to what they said ... (or they) would give me a call, or send me an email, with their thoughts and then I’d transfer them to the framework as best I could (D-BI).
While these templates concerned very specific issues, such as the competition, brand strength and different business model questions, the PM kept them rather "open" in terms of specific criteria and "sub questions" as they strongly believed in not using:

A canned framework, because then it's just too restrictive ... if you want people to talk ... and you want them to think out of the box, or discuss what's really on their minds. So, if you say, ok, we're going to get to that when we talk about, you know, I don't know, positioning. And then they're like, stifled ... It's better to just let people talk ... and how they want to (D-BI).

The purpose of using these kinds of "open but specific" tools at this point was so that:

We could draw inferences from a broad range of data, but yet be very specific about what that means for specific brands and properties over there (Europe). So the templates were organising, but yet not so directive that it limited creative thought (SVP-BI).

The PM and their direct reports then synthesised the different templates into a single-page version that "best represented the different data and (team members') views" (D-BI) while addressing the key project objectives. The PM also left specific boxes empty when they did not believe there to be a dominant view on any topic or where large differences of opinion existed. Condensing the information without losing the different meanings or opinions was not an easy task:

It was clear that there were a lot of different opinions and information ... some of them thought there was a lot of opportunity with certain brands and others completely disagreed ... The thing is, and maybe this won't seem so strange, was that none of this came up in the meetings we held (D-BI).

During Meetings
The PM had considered spending the first meeting(s) comparing the team members' views on the organisation's current status. The tool they sometimes use for this is similar to a SWOT analysis but one that breaks down the different SWOT elements into smaller more precise categories related to the company's particularities. "This is one (tool) that (names of certain EVPs) like, especially
when they don’t know the current situation” (SVP-BI). However, they rejected this idea because:

Our experience has been, especially in major projects, if you use all your energy on defining current states, at the end of three months, you know, basically everybody’s sick of the project, or they’re like, great, we know how it operates (SVP-BI).

Instead, they structured meeting discussions around the tools but without having people explicitly filling in boxes (such as with flip charts) as this helped them to ensure that everyone was talking about the same issues without taking as much time. The PM’s assistant took notes and the ideas were later put into a table since:

It’s helpful to sort of just let people talk about what they view the strategy as ... And then to put it in a framework, bring it back to them and play it back to them. Then they can say, well, ‘no, that’s not what I want at all’ or ‘wow, you’re right, we didn’t think about this’ (D-BI).

This was seen as particularly important with the ESP since the project was highly cross-functional, involved people from various hierarchical levels, and because the meetings usually had a large number of participants. Without these tools as a structuring device they often found that discussion go off in many directions with certain individuals dominating the meeting and taking the conversation in directions that they want.

The D-BI agreed that by structuring the discussions around what was in the frameworks, she:

Got a lot of clarifications from people, especially when I facilitated the larger meetings and you say, okay, well, here’s how we are today ... here’s what is going on around us, and you actually see a lot of faces go, oh, really? And through that process, I was able to help them set a better future direction because they were on the same page.

By sending them the completed frameworks and templates ahead of meetings, the PM intended to give the team members the opportunity to review the work that had already been done so that when they came together at the work session they could:
As a participant, jump in quickly and react to work that's been done by others by seeing how the work was done and how it was organised. And ... to then react to the content in a way that's parsable [sic]" (SVP-BI).

Some of the team members confirmed this benefit, as for them it was because of the tools that the information could be put "into a format and circulated amongst all the various constituents internally to begin the discussion on what it is that we (were) going to initiate (SVP-O). For the PM, this use of the tools "really helped ... organise and prepare for the discussions that we had and as a result our discussions were much richer and organised and frankly, didn't take on too many tangents" (SVP-BI).

One of the senior management members on the team noted that during his time at the company he had realised that "If you're going to do something that gets people from across functional areas to focus on something that's not their daily job, you have to have tools ... to have a regular communication" (SVP-D). Similarly, others thought that tools were important since they helped the different team members to work together. The tools "(gave us) a foundation to say, 'ok, but why are you doing that' ... a foundation for having dialogue about what's being done and are we really all working in alignment?" (SVP-M).

Similarly, the use of completed templates was said to be useful in focusing dialogues with the senior management on strategic rather than just financial issues. According to the SVP-IR:

'It's a way of getting management to think about the future and where we're going ... to get management focused on what matters ... Management has a tendency to run the numbers rather than think about strategy and to run to things that are easy to fix, rather than things that are hard to fix.

After the team members had read the final document that was over 200 pages long and contained dozens of appendices, the team members gathered to discuss the final conclusions they had drawn. Here the conversation focused primarily on what was conveyed in the tools. According to the VP-F:

We have a lot of stuff in this binder, yet most (of) the discussion in the meeting was on these couple pages ... So the fact that we spent a bunch of hours on a couple of fairly simple looking matrices tells you something, and it really, I think, did
a very good job of helping communicate and align people's perspective.

For the project manager, the tools, while useful in many ways, were not really used or intended to lead to specific decisions in and of themselves. "We never really presented the work in any framework and said 'ok, this is what it means we should do'" (SVP-BI). Her colleague affirmed this. "I wouldn't say we used the tools for much analytical purpose (D-BI).

Communication of the ESP
For many of the staff members and directors, as well as some vice-presidents, using the tools helped individuals to prepare for presentations to the BOD by helping them to anticipate tough questions and provide supporting evidence for when that was requested. Although no presentations to the BOD contained evidence of the tools, interviewees said that visual templates were used to prepare for the presentations so that the person presenting could "walk in with a lot of back pocket items, in case they (the board) want to delve into a certain area" (D-BI).

While a review of the ESP report confirms that the document contains various filled-in templates as appendices, most interviewees agreed that this report was never read by anyone and that only a few copies were printed and bound. Instead, the 5-page executive report, without these appendices, was more widely circulated since there was little interest in spending time reading the entire document. The larger document was, however "there if we need it ... if someone wants to see the evidence" (EVP-D).

5.2.3 Organisational Context and Tool Use
This section first discusses the use of tools according to the type of practitioner. This includes discussions based on different groups of individuals depending on their horizontal and hierarchical categorisation and individual backgrounds. It then discusses tool use in light of leadership, organisational culture, ownership structure and the perception of the industry.
Practitioners

Departmental Differences

While some interviewees acknowledged that tools had been used during the ESP, most did not. Similarly, many interviewees stated that conceptual tools were not regularly used in their departments. Within other specific departments, however, interviewees confirmed that such tools were used (i.e. Marketing, Ecommerce, and Customer Relationship Marketing). They are comfortable working with such tools as efficient means for gathering and thinking about the different criteria and ideas related to the questions they must answer. In Marketing, for example, various tools are used to segment the market and position the brands. "(These) frameworks are not overly restrictive, so there’s still plenty of room, even when you have the frameworks. There was still a lot of room for discussion" (SVP-M). Tools here are seen as part of the “normal operating procedure” (EVP-M).

Other departments (i.e. Finance, Development) are more numbers oriented and their work is less conceptual by nature and thus they did not rely as much on the matrices and frameworks provided by the PM, nor do they use such tools during their other activities. According to the VP-D: "I don’t think that the key people in my area of the organisation consider that those sort of tools hold much merit in getting to a particular answer or conclusion." For them, answers are dependent on the numbers associated with an initiative and not the conceptual aspects. "(It is) very much incumbent on discreet functions to determine whether there’s an applicability and appetite (for formal strategic planning tools)” (SVP-F). The Development Department also used many tools but these were primarily “financial tools for evaluating the returns we could expect and for evaluating the investments we might be asked to make by owners ... not what you’d call ‘strategy tools’ I’d say” (EVP3-D).

Certain functional areas also created their own tools, or modified existing ones (i.e. Brand Management, Marketing, Customer Relationship Strategy). For example, within Marketing the team had created a ‘Business Profile Framework’ which is used to gather and analyse information on competitor products and services and which has a team of 3 persons responsible for inputting and analysing the information. While results are shared throughout the organisation,

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* As this tool is considered highly unique the researcher agreed to disguise its name and not provide extensive details.
the tool remains largely within the control of only a few persons. Similarly, the Customer Relationship Strategy and E-commerce departments have departmental tools they use internally to visualise their process interfaces with customers and across departments, but these are not shared across the firm since "no one needs to know the details" (VP-M). However, while certain departments create their own tools, this is not true for most areas. "I don't think you're seeing all the functional areas coming up with their own qualitative tools. People aren't re-engineering them ... throughout the entire organisation" (VP2-F).

While functional executive vice-presidents were supposed to set their departmental goals, the BI Department was created to help develop and execute these goals by "leading and organising and coordinating and establishing a framework for which the strategy is developed at the company" (SVP-BI). They considered themselves the "arms and legs" of top management who, because they are too busy with their "day jobs" require help when there is a "change of management, a new product or new thing they need to think about" (D-BI). As a department designated to help people establish goals and manage projects, they relied more heavily on tools for "helping the others to apply structure to the project through a set of analytical consulting skills" (SVP-BI).

**Individual Backgrounds**

The PMs recognise that their decision to use certain analytical tools resulted, in part, from their own interest and familiarity in them due to their educational and work backgrounds. "We absolutely used some of the BCG and the McKinsey stuff, because, frankly, that's where we all came from" (SVP-BI). Her assistant put it as follows: "I have an MBA, so I love frameworks, and I love to do cool looking pictures to represent ideas and paths" (D-BI). They explained that many of their superiors did not have the same kind of backgrounds but instead had worked their way up the industry from operations backgrounds, or had non-business degrees "and so they aren't as comfortable with these tools and techniques ... it probably explains their general reluctance to engage with them" (SVP-BI).

Similarly, to use them correctly and comfortably it was thought that:

> You have to be able to be an abstract thinker ... and then bring it down to what you're doing, some people just aren't ... people who are more technical are not as able to do that, so you really
need to sort of hit them over the head ... they don't want to see a matrix because they're not going to grasp it (D-BI).

Others also attributed affection for tools to the background of the persons working in and/or responsible for the departments. For them, it was because people within certain functional disciplines “have probably come up through their career using (certain) tools ... maybe that leads to the fact that it’s the certain individuals within those functions, different skill sets, use them more regularly” (VP-D).

Most interviewees agreed that the Executive Council and Board members would not expect or accept to see a conceptual explanation for the decisions the team had made, and this, they said, was partly due to their backgrounds. According to the SVP-BI:

Our leaders, for the most part, either came up through operations or through their functional areas ... development, accounting, litigation, operations ... they're not ex-MBA types, Harvard professors. That's not (what) they want to see.

Some saw this lack of familiarity and ability to use tools as a drawback for their departments and had taken action in this regard. One had recently hired some people who were “generally BCG kinds of background folks” (SVP-FPA) in order to facilitate a synthesis between the numbers and the strategic concepts that she thought should be driving forward projections. The SVP-M also hired people from outside the hotel industry as they brought with them different ideas and tools.

Subordinates
During the ESP, the PM generally worked with the team members’ direct reports (lower-level associates) in order to compile and process the information in the different templates even though the task had been assigned to the higher-level managers. Most team members who were responsible for their department’s representation on the team and therefore for their information “simply forwarded those (frameworks) to many other people within their operations and said, ‘Tell me about what these mean for you’” (SVP-BI). Others, especially those at the highest level, were known to have their executive assistants forward such requests for information, sight unseen, directly on to their staff level employees. Her belief that "they may not know that this (use of tools) is going on" (D-BI) was confirmed by the higher-level managers who maintained that the specific
tools mentioned and identified through draft documents and other interviews were not used during the project.

Outside of the formal meetings the PM interfaced with many of the team members’ direct reports in order to gather and process the information needed for the different frameworks. Relying on the staff level to work with the tools was also the norm at BigCo since the lower down in the organisation (director level and below), the more standardised was the work and more common the use of such tools. According to the SVP-BI, the staff level members “are totally into tools” and “at the staff level there’s a huge amount of analysis going on with them ... it’s part of the routine.”

Working on the tool-related work with staff members was not, though, without its challenges. For one of the PM, when the work was particularly conceptual she had to acknowledge that she was “asking too much of this person ... and just kick it up to the next level” (D-BI). The PM often noticed that these employees withheld valuable information because they were concerned with sharing too much that was not valuable and being seen as unable to edit their information to provide only what was necessary for the project. Still, involving these staff members in the completion (filling in) of these frameworks was seen as a positive by some higher-level managers because as opposed to the heads of departments who are involved in the meetings, for example, “the people two and three levels down, they can then connect their work to the whole ... ‘I understand how my work drives and plays into the big picture’” (EVP-M).

Some small and important modifications to the tools used at this stage came from these lower-level managers and professional staff members who would often:

＞ Say something like, ‘hey, I wouldn’t look at it like this ... I think it would be more important to look at it like that’ so we add a column, so we add a box that’s not filled out, so it’s highly enabling to people to, first of all, communicate what work or data needs to be collected” (D-BI).

**Middle and Top Managers**

Passing the “first layer of analysis” on to subordinates was the common and accepted practice at BigCo during the ESP and other projects. The view was that individuals at the middle and top layers of corporate management (i.e. SVPs and EVPs) are not the people gathering the data and doing the analysis “since they're
not going to do a lot of homework" (SVP-BI), and so not the people generally using any tools for such purposes.

In fact, most interviewees stated that the top management were not familiar at all with which tools were used in such projects as "they engage people who have the background and the tools and technologies to answer their questions, but they not may be that familiar with what they are using" (SVP-BI). The D-BI once presented some work done in a "2x2 BCG framework and months later, you know, they just said, 'Hey, you know that grid you did.' You know, so they don't really know what it is." She also points out that some top executives do not know that during the project (and other projects) the teams go through such a formal analytical process involving strategy tools. As such, she wonders "how do they think we got to the place we got then if not with these tools?"

**Board of Directors and Executive Team**

This view about the role and use of tools also extends to the firm's highest levels. According to the CFO, for example, there was never any thought about providing the BOD with the details about the analytical process the team went through or the frameworks and templates that had been used by the team, nor any justification for the choice of tools or explanation of their origins since "It just doesn't interest them, nor hold any relevance for them." The very limited use of analytical models above a certain level was considered normal because it was not the job of these people to work with such tools since the issues they faced were less structured and because their experience allowed them to grasp issues without the use of tools, especially since the issues usually repeated themselves over the years. With the ESP not only much of the conclusions of the use of tools and early analysis that the team engaged in were never presented to the BOD since the top managers see many strategy projects and from many different departments and they do not want to have to spend time reviewing what they believe they already know:

> It's the same guys, going over the same thing year after year, they've started rolling their eyes because it is all academic ... (they say) 'let's not validate what we know' (SVP-M).

Past experience had also shown many of the SVPs who report to the Executive Team that there was little point of presenting their ideas or findings in conceptual frameworks since in the end their work is evaluated from a much more practical
business perspective and based primarily on financial projections and not conceptual reasoning. According to the EVP-F for example:

If you were to go in there with a narrative description ... you'd get your lunch handed to you because they don't necessarily care about the words ... there are certain things they want to look at. Numbers.

For his own presentations, including that related to the ESP, the EVP-M tells his team that prepares the presentations to:

Take the jargon out. Take the agency speak out ... the strategy conversation, take that out. Put this in general business terms. Make the same points, but don't use all the terms that the consultants (are using).

The ESP presentation was, like many others, based around bullet points rather than any matrices since as the project:

Moves up the organisation (it) turns into some sort of summary just with bullet points (and) there is still an emphasis that lower down the chains detail analysis using the best tools has been done to come to these conclusions (EVP-M).

A two page executive summary was prepared for the executive council and the chairperson's presentation was short as is often the case at BigCo, even for important initiatives, because for the senior executives "it better be in 20 pages or less and you better go fast because you have an hour and we're going to start asking questions in 15 minutes" (CFO).

Owners, Operators and General Managers

Often the resulting analysis gathered from tools are shared with owners and franchisees since they are often interested in what the company is doing and why BigCo thinks it is important, and thus the company is "constantly having to validate to our owners why we're doing one thing or another" (SVP-BI). The results of the brand segmentation tools that had been used in the ESP, for example, were shared with key owners and though "they may not get it in as much detail ... I think it definitely helps them move with us" (SVP-M). This was seen as being especially critical for BigCo as its stakeholders are largely third parties who own the real estate that BigCo manages, and the process of getting the company to move is unison is not simply a directive that BigCo can give. "It's
(about) selling the idea, the concept to third parties who need to come along with you in order to execute (because BigCo), on its own, cannot execute anything" (SVP-D). The EVP-M also confirmed that all third party owners are provided with analytical outcomes so that those that operate the hotels can also follow the decision-making down to their unit level. For him, it is about “communication and getting that world of people on board in terms of what we want to (accomplish) and what the implications are for their individual asset.” He emphasised that, however, he was often reluctant to share the tools that since the same owners also owned hotels that were affiliated with other companies.

The SVP-O occasionally used basic tools (i.e. SWOT, positioning charts) when working with hotel GMs because he found them to generally be interested in what these tools conveyed. It also helped build relationships of trust since they felt they were being included in the decision-making process even though often times it was more for validation than input. He also found that presentations built around the tools that he was able to share with people in the field were generally quite effective. The information in such tools, and their visually simple way of presenting the key issues, helped these constituents to understand what the implications were for individual properties.

Similarly, the VP2-F used basic tools to gather information from the external communities of owners, and franchisee advisory councils, and also to feed back to them the company’s decisions and rationales. The tools are primarily used only to convey decisions and information. However, they are also used, less often, to collect information from owners and operators, including their advisory councils. The owners “know that at least 10, 15, 20% of their time is going to be involved in helping us make the right decisions as to where our future units are” (VP2-F). Similarly, analytical techniques are used at GM meetings as a training element because it helps the corporate office to say to the hotelier “Let’s start thinking about everything we do in this box in a whole new way” (SVP-M).

Another significant use of the templates and their information is with the developers who sign up hotels to the system, either for franchising or management. Since a developer may represent a variety of the brands, and because each brand is going through periodic and important transformations, sharing the information helps them to:
Be informed and knowledgeable and to be able to convey a persuasive business case to a prospective owner in particular. We have dozens and dozens of developers throughout the world and it's important that they're conveying the same message (VP2-F).

Analysts

Presentations and conversations with stock analysts often draw on the information communicated through the analytical tools, and the expectations were that this would also be the case with the ESP even if the tools themselves were not discussed or presented. For example:

(These analysts) have certain conceptions about how they think that the company delivers value, and so they'll want to know how this (ESP outcomes) fits into our delivery of value ... and I can ... get a good explanation from looking at these (tools) in the appendices” (SVP-D).

According to the SVP-FPA, the analysts are not “clamouring for information that would be communicated readily through these types of tools” and may even negatively see attempts to present critical strategic information through such tools if there is not a financial, numerical component to them. For the SVP-IR, whose job it is to communicate with these external analysts, the tools and the methodology behind them help her explain that “this is a company that has thought out the strategy and the process has shown us what the opportunity is and how we're going to get there.” Because she “get(s) asked all the time, what do you look at?” when it comes to what is behind the strategy, in her presentations she often summarises what she finds in these matrices but as she is never asked to explain the process or the specifics, she does not explicitly use them in formal communications. She pointed out, however, that were BigCo to stray from its current strategy, diversify, or venture in a direction that was new for the industry (rather than just for the firm), then she would get asked a lot of questions and likely be asked to demonstrate the rational through conceptual and data-heavy frameworks and models.

Leadership

Many interviewees stated that the firm did not rely on many standard strategy processes or tools because of the Chairman's views. According to one, the Chairman's "knee will sort of jerk when he sees 'Strategy' written large with a big capital 'S' (CFO). The common consensus was that for the chairman strategic
planning was "a distraction and big waste of time" (D-BI) since it was too often focused on formulation and not implementation, and this had been made clear to the organisation since twice over the past 15 years a centralised Strategy Department had been eliminated and many persons from this department had been made redundant; ever since "There's probably a bit of gun shyness about being known as the strategy person or people" (SVP-D). Many interviewees agreed that people within the firm tended to avoid using the word 'Strategy' and that while there was still a company strategy and strategies were formulated and implemented, "we don't call it strategic planning. It's almost a word that we don't like to say here" (SVP-F).

The chairman's views were interpreted within the firm to explicitly extend to the role of conceptual strategy tools. For example, the chairman is said to "not attribute a high value to strategic planning and therefore the tools which are traditionally thought of as strategic planning tools" (SVP-F). Many respondents who had been at the firm before the elimination of the Strategy Department noted that they had not seen as many (or any) strategy tools being used over the past years ten years though further in the past these had been more popular. The consensus was that the elimination of the Strategy Department had led people and departments to infer that the formal use of strategy tools to formulate strategy was frowned upon.

The EVP-M explained, however, that while terms 'strategy' and 'strategic planning' were not part of the company's language, this did not mean that the firm did not engage in such work:

> What we use brand management for is strategic planning really ... other companies would say to me 'oh, you're in strategic planning.' But we call it brand management because (the chairman) doesn't want me to be just the ideas.

Interestingly, during the latter part of researcher's field work within BigCo the Brand Management and Brand Marketing Departments were reorganised and a new, smaller Brand Strategy (BS) Department was configured and asked to play the "lead role" in shaping the future of each brand, with Brand Management tasked with implementing these decisions in the field.
Organisational Culture

The chairman's mandate that each functional executive vice-president "own the strategy for his department" and be "less theoretical and more athletic" (SVP, M) meant for many respondents that the company values action. "Similar organisations might value coming up with the great thing. This organisation values implementing the great thing" (VP2-M). The department heads were told by the chairman to focus on specific deliverables rather than broader issues, and thus emphasised that people in their areas were supposed to focus on implementing ideas rather than coming up with them, and thus there was not much use of tools since "People here want to be seen as executors, and they don't want to be seen as 'templatisers [sic]'" (VP-M). That is, the tools were often associated with idea generation and this was not the behaviour that was valued or rewarded in general. When the SVP-F who had been recruited a few years back "with a mandate to challenge conventional thinking" suggested that the firm change the planning process to include more formal procedures and tools to synthesise strategic and financial concepts, "the people just gagged. Gagged! And not only that, almost said 'What the hell are you thinking? We don't do that here.'"

When tools were used they were often not called this or recognised as such. For example, the PM confirmed that they didn't refer to the environmental scanning frameworks they used during the early stages of the ESP as a PEST analyses. "I don't think we name things a lot. I think we have an aversion to it" (SVP-BI). For them, providing a name or rationale for using the tool and technique would not have added any credibility since "We've gotten past the point where we need to justify the way we do things ... people just accept that we know what we are doing and trust us" (SVP-BI). Most ESP team members did not acknowledge that a specific tool had been used when gathering the relevant macro-environmental information even though a PEST framework had been used to structure the data collection and presentation, evidence of the latter available in the final ESP report. For them this was just a "common sense approach to identifying what was relevant information."

Due to the aversion of the academic connotations of using tools, certain respondents explained that the tools and techniques they used and had learned in business school were often times 'disguised' and no reference to a tool's academic background was made. Instead, academic tools were used but it was
understandable that many co-workers would not recognise them since the academic context was removed and only the business implications that emerged from the tools was used in formal reports or presentations.

In order to implement tools (e.g. PEST, SWOT, value chain), or parts of these tools, it was extremely important for the PM to find a way to “make the academic practical” (SVP-BI) as, within BigCo there is little acceptance of or value placed on the purely academic or theoretical. Instead, when the strategy tools thought to be academic ones were used they were often placed in the background of a more practical and numerical analysis. For example:

I needed to validate my academic framework with business, real business metrics, when working on the strategy by putting together a business case ... If I were to come in and say ... you've got to build all these hotels in (a certain country), and here's a SWOT analysis of why. And I don't come in and talk to him about the economies of each country and what kind of pro-formas we could be bringing in each of these countries, then he is just going to laugh in my face (D-BI).

The top managers (EVP and above) believe that while BigCo does not explicitly value conceptual or analytical frameworks, or the idea of strategic planning, that it is still very strategic in that it conducts extensive amounts of formal analysis. The ESP was, from the start, expected to rely very heavily on formal data analysis since at BigCo "We just don't go out on instinct" (SVP-IR). This was not unique to the project since BigCo has a "very healthy appetite for information" (SVP-BI) and is "totally data driven" (SVP-M), since "the chairman is just maniacal about numbers and obsessed with figures and data and evidence" (SVP-IR).

Ownership-Management Structure
According to many interviewees, it was BigCo’s relationship with property owners and franchisees that meant certain well-known tools were not applicable since these tools necessitated certain assumptions about the organisation or industry. For example, referring to the BCG Matrix:

Because we work with owner partners, and we have a fiduciary responsibility to our owners to help them maximise their return on their assets that we manage, it just isn't viable for us to be thinking about a certain brand as being a brand that we're cashing out on ... If we owned (all of) them, I think we would have more freedom to look at it differently (SVP-M).
Perception of Industry

Generic strategy tools were rejected for an analysis of the brands in Europe since in the past the Brand Management team had not found these tools to be applicable or particularly useful since there was a "huge difference" between the "complex and multi-faceted" hotel industry and the "packaged goods" industry which was thought to be the basis for most tools (EVP-M). For them, these tools did not apply to the lodging industry, and not just BigCo, because of the well-known particularities of the hotel and service sectors such as manufacturing service in front of guests, doing so with the lowest paid employees, and doing so globally at thousands of points of contact. For them this meant that:

The theories don't apply ... there's something fundamentally different about what it is we sell and how we compete, which ... suggest to me that we would think about our products, what we sell in different ways and would use different tools just for that reason alone ... That alone suggests that we would have to have different frameworks and different approaches to how we think about our business strategy (SVP-M).

The industry' differences were also used to explain why specific generic tools like the BCG growth-share matrix were not used to evaluate which of the brands the company was considering eliminating as part of the ESP recommendations. Unlike with product portfolios for which consumer goods firms can introduce and eliminate brands quite easily, this was thought to not be possible in the hotel industry because here the brands were tied to hard assets.

When a lot of your equity is tied to specific locations and hard physical assets that are going to be there, in many cases for hundreds of years, I think there's something that adds another dimension that's quite different than when you're working with packaged goods (SVP-M).

The firm's respondents also noted that within the Industry most competitors were using the tools that they had been taught in schools, which were based on packaged goods, since there were not any hotel-specific tools. The existing frameworks for industry segmentation, for example, were described as "very rudimentary" as they focused primarily on price points and industry standard terms such as luxury and full-service, and:

That is a joke. That has nothing to do with segmentation... we find that segmentation has many horizontal opportunities. At
the same price and for the same demographic customer, there are three different types of travellers, or four or five (EVP-M).

As a result of these differences and lack of industry-specific tools, BigCo had spent considerable resources to create what it considered a unique way of looking at segmentation. These views, and studies, resulted in a set of frameworks for segmenting the markets that he believed to be unique in the industry and which have been "of immeasurable value" to the firm in projects such as ESP where understanding customers and less-well known competitors in foreign markets was essential.

Much of the need to change and regularly update tools was associated with the fact that the hotel industry is perceived as being too dynamic for static models. "Our industry is in a state of change. There's so much change going on that if we were constantly bound by the same ones (the tools) I think we would be doing ourselves a disservice" (SVP-M).

While many in the brand management and business intelligence areas relied on their own tools, and thought that tools from outside the industry were not as applicable, others on the ESP team disagreed about the industry's differences and the implications for the use of strategy tools.

The lodging industry thinks that it's something special and different from other industries, so perhaps tools that, let's say, a management consultant in the telecom industry uses, we in the lodging industry think that they're not relevant because they're being used for other industries, and that we're different and we're special -- which isn't actually the case (VP-D).

5.2.4 BigCo Case Summary

The findings from this case study suggest that strategy tools are often rejected by the higher levels of management. At the same time, however, lower-level managers use strategy tools as part of their regular strategising activities. Similarly, while tools are not used in certain departments they are part of the normal strategising practices in other areas of the company.

The findings with regards to MediumCo are presented in this next section.
5.3 Case 2: MediumCo

This section provides background information on MediumCo, the strategic initiative studied, and findings related to the use of strategy tools during the initiative and more generally within the firm.

5.3.1 Company and Project Background

MediumCo, one of Europe's oldest hotel companies, is best known for its five-star hotel brand (LUX). Over the past several years MediumCo has grown its portfolio of hotels from less than 40 to almost 70. As of August 2008 it had approximately another two dozen signed management contracts for properties currently under development. MediumCo owns and leases only a few hotels and it does not franchise. Its primary business is the management of hotels on behalf of third-party owners. During its history MediumCo has had various investors and owners and was at one time a public company. In the 1990s it was purchased and privatised by its current owners, a foreign investment entity (FIE) which also invests in different businesses unrelated to the hotel industry.

In 2005, MediumCo's CEO informed his Executive Committee (EC) that he would halt Lux's expansion at 100 hotels but that he wanted the company to explore new growth and diversification strategies (DGS). Although the EC explored some possibilities, no DGS were identified through a formal study or committee. However, a joint venture (JV) with a private equity group (PEG) was established in order to develop and operate a new regional 5-star brand (REG)\(^9\).

The JV did not result by spotting an opportunity through any analytical or formal study. According to the CEO for this JV (JVCEO), who was formerly in MediumCo's Marketing Department, "It absolutely did not come out of our own analysis or initiative ... We hadn't seen the opportunity ourselves but maybe we should have." Instead the PEG approached MediumCo and proposed a JV to create REG that would cater to one market segment with very specific but unmet needs. For MediumCo the proposal was "opportunistic as it came out of nowhere and it was put to us on a silver platter" (JVCEO).

\(^9\) In order to protect the anonymity of the firms the researcher cannot divulge more information about this company, brand or PEG.
The EC members were surprised that MediumCo's CEO considered entering into the JV since he had repeatedly said that he did not want to enter into such arrangements. For one EC member who had been with the company for 10 years this was because the CEO's "gut instinct was we don't do joint ventures because there's risk associated. Why? Because he got burned in a couple of joint ventures before so now he's like 'let's stay from joint ventures.'"

5.3.2 The role of Strategy Tools during the DGS (JV-REG)

This section discusses the role of tools outside of official meetings, then during such meetings and then as a communication tool for the ESP as these are different aspects of the strategy praxis.

**Outside of Meetings**

Before a two-day offsite strategy session during which the CEO announced his 100-unit limit for Lux and his DGS aspirations, the PA prepared a document that listed the company's strengths and opportunities. The PA asserted that the list was arrived at without the use of any tool or analytical technique. Instead "(Name of CEO) told me what he thought they (strengths and opportunities) were and I wrote them down ... like an interview." The CEO preferred to work in an informal fashion and did not include other people's opinions when he presented his view of the firm or industry. For example, even though he had known the CEO wanted to discuss certain topics about Lux's current and future hotels, he had rejected the idea of using any kind of tool or technique to collect the opinions or information from his team. Similarly, the CEO had told the PA to remove the two-by-two matrices he had made about the hotel industry's luxury segment as part of a PowerPoint presentation. According to the PA, "(Name of CEO) said he didn't want people to think inside the box but to be creative and think big picture instead ... he likes to keep things real and practical."

Several members of the EC had prepared some documents and presentations for the strategy session in accordance with a memo that they received which suggested that each would have the opportunity to present their own analysis of their department's strategy and how it fit into that of the company as a whole.

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10 Some respondents requested that their views and actions not be attributed to them in any way and as such the researcher is in certain instances unable to provide more information about their position or department.
For example, the SVP-HR, who had only been at the company for a few months, had worked alone on a "sort of SWOT analysis" for the meeting since "They told us to come prepared to talk about the company and the future ... So I thought we had to prepare something."

During the strategy session the COO requested that two EC members begin to develop a 'matrix' for comparing the hotels in their system so that the company could better evaluate which properties should be eliminated in accordance with the CEO's directive that for every three new properties added to the system, they should eliminate one less valuable hotel in order to improve the brand's overall profile. These EC members later told the researcher that they felt that the matrix would not in fact be used to help eliminate hotels since as long as a management contract seemed profitable the CEO would not forgo its revenue and because, "strategically we still need to have the name out there in as many places as possible."

One interviewee who worked closely with the CEO also did not think that this matrix would ever be used to make decisions, though he did think that the CEO would eventually use it to evaluate the Development Department's work. He hinted that he doubted that the Development team would really want such a tool to exist. Others also did not think that the matrix was particularly strategic and were uncomfortable with the term 'tool'. Instead they referred to it as a grid or template, and often times as operational or developmental, but not as strategic. They suggested that for it to be strategic it would have to be linked to more questions about the company and the industry and would have to help them to make strategic decisions, and this was not the case. Instead they said that its primary purpose would be to help collect and condense information about the different hotels and contracts. Several months later in interviews several respondents could not remember that such a matrix had been suggested during the strategy session while those designated to work on it said they had submitted a draft to the COO but they then never received feedback on it and that the idea of dropping hotels from the system had not been pursued.

The general consensus was that the CEO did not think that such tools were needed. From past experience they had seen such types of ideas to structure the firm's decision-making around concrete issues and criteria as never being fulfilled. When similar ideas about applying tools and structured thinking to strategic issues
had been suggested, the CEO would "get all cynical and say 'it's all bollocks. You can tell me whatever you want. I'm still going to make own mind up at the end'" (SVP-M).

**During Meetings/Workshops**

The two-day strategy session's stated purpose was to "understand the company and its strategy and future" (SA email to researcher). The CEO informed the researcher this was a particularly important event since he wanted to increase the involvement of the EC in setting the direction of the company's strategy by getting them to grow from a collection of individuals into a team that could work together on strategic issues. Though there was no written agenda outlining the specific topics, the EC members had been told to come prepared to demonstrate how their specific departments' strategies fit into that of the company itself since the CEO "is determined that they begin to focus on the big picture rather than only on their departments" (SA email to EC).

The CEO began the meeting by using a PowerPoint presentation (Presentation 1) to explain the company's history which focused primarily on the 10 years since he had assumed the CEO position, on the firm's current status, and LUX's then-current development strategy. The CEO's explanations for why the company had encountered difficult times, and how it had survived, repeatedly made implicit references to the competition, macro-environmental forces, industry-specific challenges, and the company's own internal weaknesses, but these sections were not presented using technical terms or any tools, and the CEO and PA confirmed that none had been used to prepare the presentation. The company's position, for example, was stated, but it was not presented visually via a positioning chart. Similarly no tool was used to compare the competitors. According to the CEO, he was familiar enough with each firm and brand to not need notes or research and he expected his EC to be so as well.

The CEO explained to the EC that when he took over the company it was near bankruptcy and "there was not time for strategy." The owners had given him time, but not money, to turn the company around and so "I created my five year

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11 Understandably over the two days many different topics were discussed but due to space limitations the researcher has not described many of these conversations. Instead he has selected those that he was able to follow up on with later interviews, observations and documentation. None of the other topics demonstrated any use of strategy tools or were particularly revealing about the company's position regarding them.
plan." He explained that because of its financial history and his strategic solution, MediumCo had had to grow quickly and as a result it had had to do so "chaotically and without order." Now, he said, was the time to correct this situation and take the firm forward in "a more productive way."

The CEO asked the team to think about the question of "What business are we in?" Much of this conversation was spent debating the difference between the terms "5 star" and "luxury." A key point that the CEO raised concerned the maximum number of hotels that could carry the name Lux without threatening its sense of luxury and uniqueness. He referred to several competitors and the number of hotels in their systems and development pipeline, and several EC members discussed that they believed these brands were no longer providing a sense of luxury. The CEO said that these brands had grown too big and then he announced that he had decided to "cap the number of hotels in our system at 100." There were no questions about how the CEO had arrived at this decision. The ensuing short discussion largely focused on some operational concerns and implications this decision might have. A few EC members and the CEO began to discuss the hotels that were currently in the system, including a sporadic review of which ones should be slowly removed for not meeting brand standards. Others offered their opinions about specific properties that they had visited.

The CEO expressed his desire for the development team to "sign better deals" and there was quite a bit of discussion about what was meant by 'better deals' and what constituted a 'poor' deal. The EC members offered different opinions and the discussion spanned a variety of topics, such as how long the hotel had been branded by Lux, how big the hotel was, where it was located, and whether the owner made his management fee payments regularly and on time. The CEO ended this conversation by telling the SVP-D that he should switch from the former growth policy of signing 'any deal' in order to generate volume to one of being more selective. The CEO then suggested that the development team should try to "drop poor hotels from the system in order to fix the portfolio's quality problem." He stated that as the firm's objective was to reach and remain at 100 hotels, the development team should work to make sure that these were the best hotels it could possibly add to the system. He stated that the idea for the next few years was to sign 50 to 60 new management agreements and eliminate 20 to 30 current contracts ("up 3, down 1").
At this point the SVP-M and SVP-D asked questions about the implications of the 100-hotel limit and if this had been thought through carefully. The CEO explained that they would create a strategy for what to do at that point in time once they had reached that situation. He then added that they should strive for "30 resorts, 60 business and 10 other." The COO suggested that the development team create a "matrix" that would, for each hotel, explain its (a) fit with luxury concept, (b) relationship with owner, and (c) yield, and then decisions could be taken for each property based on that. The CEO accepted this idea and told the SVP-D and SVP-M to create this "tool." "With this common understanding of our business concept, we can go forward and grow" (CEO).

During discussions about other growth vehicles, such as spas and private residences, there was quite a bit of difference in terms of what different members of the EC meant by 'competitor'. Some of the associates were referring only to hotel properties, others to companies that owned/managed/ hotels that were directly competing in the same markets as MediumCo, while others referred to all large hotel companies, including those that did not have hotels in the same markets or market segment as MediumCo. No one pointed out this discrepancy. Much of this was conversational anecdotes about the strengths and weaknesses of the competitors and MediumCo related to these two businesses.

During the meeting there was no use of any tools to help guide or structure the conversation or record and make sense of the ideas offered by the different members. Several EC members, meanwhile, had at times referred to some of the documents they had prepared for the meeting, however each time the SA and/or CEO said that the meeting was to discuss the issues and not make formal presentations. Similarly, two SVPs (M, D) had prepared presentations but were not asked to present their work. (Later the SA told the researcher that he felt this would hinder the team's ability to bond and openly discuss the issues.)

The SVP-HR said he had also remained largely silent during the two days because he was not from a hotel background and was not always certain about some of the terminology used. He cited the issue of competitors as an example where he did not know all the companies very well and so he had little to offer with regards to them. He felt uncomfortable stopping the flow of the meeting for clarifications. He did not present the SWOT analysis he had prepared for the meeting because:
It was pretty clear from the start that no one was any way prepared with anything more than what they had thought about on the drive over to the hotel ... It was clear that this didn't matter ... (Name of CEO) didn't seem very interested in it either.

**Communication of the JV-REG**

The JV concept was presented differently to various stakeholders due to their particular interests in the project. According to the JVCEO:

> Everyone has different requirements in this area. If you're (the PEG) here, you want obviously this result to look positive ... You've got to make it sound sexy.

Referring to the templates and charts used in the strategic plan shared with certain investors, the JVCEO said "I think the more you have there, the more credible you look. I mean, this is a credible document." The JVCEO believed that in addition to supporting him with the necessary numbers and analysis to believe in the project's future, the tools also helped him to sell the project to potential investors because of the credibility inherent in having provided detailed thinking and analysis. He believes that:

> There's no doubt that the better you can justify assumptions, because we're always talking assumptions, the more credibility you have. And that may be the small print in the back that says we came to this number by doing this, this, this, and we weighted on these, these, these things. We feel that the biggest risk is ... It's not that thorough, but I can show considerations.

He acknowledged that though such supporting evidence and reasoning were present, the JV document had often had mixed results since some investors "look at it and say I'm sorry, you haven’t answered enough of my questions. Others will not even read it." Those working on signing development deals for REG suggest that while certain potential investors do care about how MediumCo arrived at its conclusions "some investors just go by the guts almost." Still, having a supporting strategy document that demonstrated careful analysis, thinking and research was important for ensuring that such investors could be more easily convinced to enter into the project as it often would help them get to the point where they would say:
I think hospitality is great, and these guys seem like they know what they're talking about ... (others are) far more diligent as to really looking into what you're doing ... what's the exit strategy and long term plans.

5.3.3 Organisational Context and Tool Use

This section first discusses the use of tools according to the type of practitioner. This includes discussions based on different groups of individuals depending on their horizontal and hierarchical categorisation and individual backgrounds. It then discusses tool use in light of leadership, organisational culture, ownership-management structure and the perception of the industry.

**Practitioners**

**Consultants**

Consultants were not used by MediumCo or with the JV. “I don’t want to pay $50,000 to be told something that I probably could do myself, or I can work out myself” (JVCEO). Within MediumCo there was a general hesitancy towards using consultants for strategy development which was, according to the SA, because:

Before him (the CEO) the owners had hired some consultants and they had provided a very in-depth strategic plan of action that relied on a lot of formal analyses, and their ideas nearly bankrupted the company before (the CEO) arrived and turned things around.

The PEG, on the other hand, had hired external firms to conduct much of the work behind the JV in order to provide investors into their fund with added assurances and legitimisation. “They want to be able to say to the investors I took a professional organisation and they’ve done this analysis in this way” (JVCEO). The PEG’s own JV documents contained specific uses of strategy tools such as SWOT and competitor analysis matrices for several markets.

**Board of Directors (BOD)**

In its discussions with the BOD, MediumCo explained that the region they would expand in with the JV needed a brand like REG and that the JV agreement was the right way to do this. These discussions did not involve any formal conceptual analyses but were heavily reliant on the data about the market. This was not atypical as the board was described as one that relied primarily on the CEO’s
vision and their own experience. "We have a board that doesn’t study either" (SVP-D).

Instead of a formal strategic analysis, the BOD was primarily interested in seeing if "there was an opportunity there, and that it would benefit MediumCo and LUX ultimately and we were able to convince them of this" (JVCEO). He acknowledged that the BOD perhaps thought that more strategic analysis had taken place than in fact had, but that this was probably because they thought that MediumCo’s EC routinely did more strategic analysis than they actually did.

**Top and Middle Managers**

One EC member told the researcher that he found it “unprofessional” that the CEO would make important strategic decisions without more analysis, input from his EC or by using some proven strategy model to at least confirm his intuition:

(He) said we’re going to limit ourselves to 100 hotels. I mean, that’s the most crazy statement any businessman can make. You don’t limit yourself in business to anything unless there’s a very, very clear, clearly strategic or financial objective and process behind it (SVP-M).

There was a general consensus that though they had been asked to participate in strategy discussions, and that though it may have seemed to the researcher that their views were important to the CEO, they did not feel that this was necessarily the case. "It’s always the same thing. We all talk, some of it gets written down, and then we do what (the CEO) wants us to" (SVP-D).

Most respondents suggested that there was not much buy-in on their part regarding the CEO’s idea to limit the number of LUX hotels since he had not explored the idea with them or provided any analysis that showed this to make the most sense. A common view here was that the CEO did not like to have his ideas challenged and that by not providing any reasoning behind his ideas, other than his thoughts, he helped limit their ability to argue points against his views.

**Subordinates**

The JVCEO explained that he had not personally conducted the different parts of the JV strategic plan but had provided some guidance as from his previous experiences with formal plans “I know how to look at them, and I know what questions to ask.” Instead, junior level staff members and corporate interns had
done most of the work, including the competitor analysis, market studies and development plan recommendations. One corporate intern explained that she had thought there would be more of "what we've seen in school" but that she hadn't seen much use or talk of the concepts she had learned. "I guess there just isn't time for that" she said, noting that it seemed that everyone was constantly "running around late with something."

**General Managers**
The SVP1-O and SVP2-O who were most often in contact with the hotel GMS maintain that the GMS are not involved in strategic-planning for MediumCo or Lux. They also explained the GMS generally have not historically used, or been asked to use, any strategy tools and, until recently, "didn't really do much besides budgeting" (SVP1-O) when it came to anything strategic. This had recently begun to change, however, as most GMs were now being required to enrol in the company-sponsored MBA programme. They were being asked to now think like "businesspeople" rather than "hotel managers" when it came to their investment decisions, and for this the CEO was requiring them to begin preparing business plans based on their operating performances and market conditions.

The GM interviewed, however, was finding it difficult to do this, and said that his peers were also similarly challenged and frustrated and that this had been a topic at the last annual GM meeting. They were supposed to provide the expected economic return for every investment they made in the property or services and could no longer simply say it was important or that the customer wanted such improvements. Instead, the cash-flow impact of every investment needed to be proven. They had been given a "strategy-model" by their instructor which was meant to help them determine the external changes that necessitate their investments, and the means for determining how this would impact their financial returns, but most were simply "faking it" (GM) since for them it was more intangible than tangible or explicit reasons for their decisions. He also suggested that he had yet to see proof that the corporate headquarters were using similar methods and tools and that this was discouraging.

**Partners (PEG)**
As opposed to the CEO who had not requested any formal analysis about the JV and who relied mostly on his own intuition, the JVCEO was pleased that strategy process that he engaged in with the PEG was done "very slowly, very diligently

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without the typical rush of 'okay, we've got an idea. Let's do it tomorrow" Instead he was able to insist on "numbers and analysis for me as I was about to become CEO of that brand that I wanted to be successful.’"

The strategic analysis conducted by the PEG was useful but perceived as limited since it did not address many possibly contentious issues related to the potential markets, economics of the region, its political risks, customers and competitors. For the JVCEO their strategic analysis:

Didn't provide what I would call conclusive evidence that this would work ... So there was potential to do more research, and I think if we were 100% thorough you could have gone down that avenue, but it may have raised questions you didn't like the answer to anyway. It could actually have slowed the process down and then ended up making us doubt ourselves. We all felt that it was a risk worth taking, that even if the answers would mean that we wouldn't do this, the answer was we'll do it anyway because the potential upside is too great ... and the risk minimum.

Individual Backgrounds

Over the past few years the company had also made major changes in its HR recruitment and selection strategy. One major project had been to identify and then train its future managers and executives. As part of this, the company had begun to send these persons to various MBA programmes. This included GMs and EC members, and for them having decided to invest substantial resources in these programmes was proof that the CEO had made a personal decision to shift some of the responsibility to his staff. "He sends us all on MBAs, so that we can sit and make a decision about this business, and him knowing that those decisions are good decisions that are being taken" (SVP-D). For the JVCEO this process:

Means if your new MBA comes in and does some kind of strategic analysis using tools he learned in school, maybe even in a programme you sent him to, it's about having the guts to say if this guy that I hired has done this, and I read it, and I think what he says makes sense, then I should take his recommendation, of course, with a little bit of my own judgment thrown in.

The CEO also created a new position in the firm, Director of Strategic planning (DSP) whose job was to monitor implementation of the CEO's strategies, not to
create them. Many members of the EC this position demonstrated changes within the firm. The SVP-M explained:

Things are starting to change, and he's (CEO) starting to get people behind him that are saying you've got to apply more tools and structure, so I think he's starting to change, but his way of running the business is basically gut instinct.

Another EC member suggested that. "I think bringing in people like (D-SP) on board helped him achieve that because he came with those skills and tools." For the JVCEO it was that the CEO had "started to trust and know that behind him there are people and they have tools and abilities and systems in place."

Alongside this person the CEO had also made major a series of major changes to the EC by recruiting persons from outside the hotel industry and who had more experience in growing and managing larger businesses. The JVCEO states that:

If you look today at our senior management, they have more and more business managers ... For (name of CEO) to change (name of old CFO) was a major thing to do (they were old friends) but he knew deep down that that's what needed to be done to professionalise the company.

A greater introduction of strategy tools and processes was mentioned by several interviewees as directly resulting from the changes in personnel and types of backgrounds these persons had. "Tools and models are becoming a bit more of the culture, but not though him (CEO) driving that, but by the fact that he's recruiting people that have better trained to do that."

**Leadership**

In the past (pre-2007), most decisions were based almost exclusively on the CEO's intuition and were taken with little or no formal analysis. In 2005 the CEO stated to the researcher that he wanted his Executive Committee (EC) to take a bigger role in determining the firm's strategy. Members of the firm's EC acknowledge that there has recently (2007 to 2008) been some movement towards this more inclusive approach. In addition they cite, for example, that they have begun to conduct more analytical studies, many of which include the use of strategy tools, before pursuing new strategic and development projects. The interviewees, meanwhile, agree that the CEO continues to be personally
involved in all strategic decisions and that while he does gather more opinions from his EC than in the past, he continues to take the final decisions himself.

The firm's strategy and strategy process were both said to be results of the CEO's intuition and strong personality, and not of formal analytical studies. MediumCo was, according to the PA, "the wrong company to study if you want to see how strategy gets made in the industry ... It's just (name of CEO) and his ideas that we have to accept and implement." The process was described as the CEO thinking about an idea and then saying to himself "do I like it or not?" (SVP-HR).

Similarly, the CEO claimed that for him no strategy tool or analytical technique would or could have replaced or aided his personal understanding of what the company had needed over the previous 10 years. He explained that not only did he not use such tools and techniques himself, but also believed that too often this type of approach to making strategy was too far removed from the realities of running a struggling business. He suggested that it was naïve to believe that "academic concepts get used in the real world." Instead, he relied on his knowledge, experience and understanding of the company for the reasoning behind his strategic decisions.

According to the SVP-D, this:

Is a leadership thing and it's a cultural thing. ... A new idea comes out and he says "Good idea" or "No." He's (CEO) not going to ask for any backup as to the reasoning ... he doesn't operate that way at all. He feels that, he's got a quite rude expression to describe this sort of strategising and that's been picked up on by [names of other EC members].

For some on his EC this was more than appropriate as they recognised that his ideas had been instrumental in saving and shaping the company. "(His) experience is tremendous and he has an incredible vision for the company. He saved the company from bankruptcy" (CFO). The CEO's SA further clarified this:

We are not using strategic or academic concepts or tools ... when no strategic model is telling you how to come back from hell, how can you structure your vision and what management style can you adopt to make people believe in you and subsequently in the company? (Email to researcher)
When the researcher later asked him about this five year plan the CEO clarified that this was not a written plan that laid out specific steps and timelines about how the company would need to change. "It was more of a vision than anything else" (CEO). He also suggested that the EC did not need to know that he had not actually formalised his vision into a written document. He explained to the researcher that when he had taken over the leadership of MediumCo he had already worked his way up through the hotel industry for over 25 years and had been the CEO of several companies. This experience was enough for him to have intuitively understood the company’s situation and the industry without the use of any strategy tool to guide his thinking. He explained that the strategy he initiated wasn’t based on any strategy tool or technique, but on the understanding of the industry and its leading firms that he had gained from his experience. "I am very much in tune with what is going on around the world and in the hotel industry."

This view was corroborated by other EC members, most of whom had never seen a formal strategy document during their time at MediumCo. Similarly, they had never attended any kind of strategy discussion where tools or documents were used or where such items were produced as tangible outcomes. "He (the CEO) likes strategy meetings but only talking strategy meetings. He hates written strategy meetings" (EC Member). The SVP-M felt the same way:

If I gave him a strategic plan he would never read it. I’ve done strategic plans for different businesses we’re in or looked at, like this, and he’s never read it. He’s got better things to do, in his mind.

**Organisational Culture**

The PA, who had recently finished his MBA (unaffiliated to MediumCo) at a hotel school was not very surprised that he had yet to see anyone at the company apply any of the strategy tools he had encountered in his studies. He believed that these were not used in the company at all and, most likely, in the industry as they were too academic: "It is just not the way people work here." What was valued, according to most interviewees, was making sure that the company was thought of as hoteliers and not just a hotel company. "He (CEO) wants everyone to think like hoteliers, like people who care about service and experiences, and not just about money and returns" (SVP-HR).
This view had begun to change and this was attributed more often than not to the fact that the company had been growing, diversifying and entering into new markets with not only LUX hotels, but also through the several new joint ventures they had undertaken with different partners. Interviewees said that the company had become more complex and this had necessitated certain changes in what the CEO valued. For the JVCEO it was an issue of the CEO realising or accepting that “You can be an entrepreneur up to a point, but then you have to start doing things properly as the business grows.” He believes that previously the CEO vested most strategic thinking within himself because he:

- Wanted to have it as this small company that he could control himself in a way. But that’s changed. I couldn’t say what’s changed him but perhaps the realisation that ... you don’t need to control everything to be successful. I think in a funny way, maybe he even feared that if we grew too much he wouldn’t have that control anymore.

The EC members believed that there had been a fundamental change in the way the CEO approached strategic initiatives and the concept of studying such ideas since the company had grown. For one:

- The culture is now changing. I think (name of CEO) is starting to realise that he can’t make, like God, all decisions ... he has to have business people on the ground making certain decisions in business units now that we’ve grown in numbers and areas.

Much of this change in culture was attributed to the fact that the company was growing in size and complexity as it entered new markets and into new formal relationships with partners. For the JVCEO, part of the reason that he was using SWOT and positioning tools was that the JV was looking at many new and/or “risky” markets and doing so with a new brand. According to him:

- In an emerging market, and/or a market where you’re a newcomer, you need to be very, very focused all of the time and do this much more often ... you look at your position and size and weaknesses and therefore your risks.

For him it was largely the uncertainty of the whole venture and the fact that they had to launch a new brand that had a very particular differentiating factor about it. His strategic plan, for example, contained a positioning map for the luxury
brands in the region, and this, one intern (CI) said, had gone through various versions including different options for one of the axis. For the JVCEO this was a fundamental step in their process because “It comes back to your business school model again. You can have a perfectly positioned brand. You do all your research. But you’ve got to communicate it.”

For him, such tools and studies that relied on them were not necessarily needed on a regular basis with well-known markets and the LUX brand because neither was changing very much. He states that:

You just need to be aware of changes in the market, with customers, and how they impact you ... The reality is that when you’re running a business and things are going okay, its like, why do I waste time doing this. I know my business I know my market. I know my customers. I know my risks. I just keep doing what I’m doing.

This, he thought was one reason why at MediumCo that did not conduct regular studies on its properties and markets other than by looking at some data about occupancy and rates from third-party sources. Still, he thought that even though at such places this didn’t need to be done more than once every five years and at MediumCo “we don’t do it as often as we should because its time consuming.”

Ownership-Management Structure

For the JVCEO, MediumCo traditionally conducted limited formal since the CEO fundamentally looked at projects from the perspective that “this issue really is, is this going to cost us anything, and if not, then good, what can we make out of it?” He explained that as MediumCo had little if any financial risk in many projects since the money to develop hotels and, for example, the PEG, there burden was on them to do this. This was confirmed by the SVP-M who suggested that the lack of a more formal strategic approach to a project such as the JV was not surprising:

I think with (MediumCo) we tend to take the attitude we’re not investing capital, so it doesn’t matter what we do, which can have its merits as well, but can also have its downsides because you’re in the dark all the time.”
The JVCEO explained that he had some arguments with the CEO about this issue as he felt that the project still needed to be examined strategically from various perspectives. He states that:

My argument is you’ve got to assess it from the point of view of the cost involved in actually doing this project, and also brand dilution and credibility and all the other things that go with that. You can’t just look at it from purely the numbers point of view ... someone should be doing this analysis.

According to the JVCEO, the CEO eventually “decided on a whim that we should do it.” The CEO, he said, was fond of saying that MediumCo was “in a simple business (of) providing management services.” And as such he said that for the CEO the decision really came down to a few simple questions and nothing more. “Is the brand one that we as a company can live with? Is it doing any harm to LUX? No. Does it bring us new management contracts? Yes. That’s really the business decision.”

Perception of Industry
The interviewees remarked that since the strategy session there had been some changes in the way MediumCo approached the strategy process and strategic decisions. Previously there was no deliberate strategy process, no use of strategy tools, and the EC had not been much involved in discussing let alone deciding the company’s strategic course. For them this used to be the norm in the industry (although they believed it was changing in many companies) and, for them, MediumCo — to a certain extent — continued to be “an old school hotel company” (CFO) that focused on operations and was made up largely of people who had spent their entire careers in the hotel industry.

Others agreed that the company’s “former” approach to strategy tools and deliberate processes was the norm in the industry as most hotels were small businesses. For the larger firm this, they thought, this had already changed years ago. According to the JVCO:

As the hospitality industry continues to grow and develop are critical ... the hospitality industry has to wake up into the 21st century and realise this is not about good service. It’s not about understanding luxury or understanding what kind of beds customers like. It’s about understanding major macroeconomic factors that are going to affect on the ground the chance of success of your business and if you don’t take it into
consideration, lots of people will fail. In good years everyone gets lucky, but in the odd years, it's the ones who have done their research and through things through conceptually and strategically analytically that will succeed.

One staff member explained that several EC members had, together, recently begun a project where they, the staff members, were busy preparing studies and written reports about each hotel property’s situation, including a more thorough analysis of its market and changes there, as well as how it was positioned against the competition. According to the one of these EC members:

We are trying to do it now with every single project and regularly because the shifting sand of why people travel, and what you’re targeting, and the competition is doing, what you’re going after is enormous ... We’re using certain tools to look at the life cycle of the business, at what point can we achieve market share and what reasons do we think that, in each of the segments that we can achieve market share faster than our competitors can. And I think there you’re going back a little bit to business school, where is my product position, how is my firm stacked up against the competition.

He acknowledged, meanwhile, that while there had been no opposition to this the CEO's view continued, largely, to be one of “Don’t give me all this analysis because you won’t have been able to factor in that something can happen tomorrow and it’s going to change.”

The JVCEO said that for him:

My own experience within MediumCo has taught me that you need to combine well-researched strategic analysis and information with a bit of gut instinct, and a bit of an entrepreneurial spirit. I would, going forward like to think that with all new projects, we will have this sort of assessment ... I see the tools that we’ve been discussing as more and more important for my decision making, and I’ve said to the people around me I don’t want to sign deals unless we do these kinds of thinking exercises. Will MediumCo move in that direction? It has to. It will, definitely.

5.3.4 MediumCo Case Summary

Within MediumCo strategy tools are rarely used and the CEO is quite firm about the lack of value of such tools. His top managers also suggest that they do not use these tools and that strategy is not practiced according to academic theories.
This seems to be changing, however, as the CEO has begun to recruit top executives from outside the industry with other views on strategy-making. The notable example is the JVCEO who, in the context of the JV, has begun to use such tools. Much of this tool work is delegated to his lower-level associates.

The following section presents the findings from SmallCo.

5.4 Case 3: SmallCo

This section provides background information on SmallCo, the strategic initiative studied, and findings related to the use of strategy tools during the initiative and more generally within the firm.

5.4.1 Company and Project Background

SmallCo, a UK-based hotel company, was founded in the early 1990s with the opening of a single hotel. Over the next few years the hotel’s owner opened several more similarly branded (BrandA) properties. The company has since been sold numerous times is currently owned by a UK investment firm (IF). SmallCo now consists of two brands as the IF purchased a second small hotel company (BrandB) several years ago. Both brands are the responsibility of a single CEO and most management team members are responsible for their functional areas within both brands. After nearly doubling the number of properties under each brand in the past five years, SmallCo now comprises approximately 20 properties and 2,000 rooms. All properties are located In the United Kingdom and except for a few that are held on long-term leases, all are owned and managed by SmallCo. The company does not franchise or manage hotels for third-party owners.

In 2007 the company was investigating and implementing several important strategic initiatives.

(1) The IF intended to sell SmallCo, including both brands and the related real estate, by the end of 2008.
(2) SmallCo’s CEO began examining the viability of different international expansion possibilities for BrandA since the growth opportunity within the UK was very limited and it was assumed that any new owner would want to expand the brands internationally.

(3) A current repositioning (RWRI) of BrandA from being known, like most hotels companies, as hotels with restaurants, to a brand that is better known as one of “restaurants with rooms.”

The CEO considered all three ideas to be essential for the company’s long-term success and referred to them as the three parts of the firm’s current and overall Growth Initiative. He also noted that the first two initiatives had just begun and were still considered highly confidential, and that as the third initiative was imperative for either of the first two to succeed, it would be a more appropriate area on which the researcher should focus his empirical investigation.

The decision to reposition BrandA from one known for its “hotels with great food and beverage” to one that was “food and beverage led” (D-D) emerged from a casual dinner discussion between the CEO and members of his management team (MTM). They discussed that SmallCo’s hotels were still regularly outperforming their rivals in most towns, and that while BrandA was achieving occupancy and rates well above its competitors, it would be difficult to improve these figures. The SVP-FB mentioned how a few years back when he was a restaurant manager in a BrandA hotel:

I had a guest that came and ate with us, week in, week out. And when I was leaving to say I was moving to (other city) to open the property, he asked ‘why’ and I said, ‘well, I was going to a bigger hotel with more bedrooms’, and this guest didn’t realise that we have 100 bedrooms above our restaurant. For me, that was just incredible. Fifty, sixty percent of our guests were exclusively diners, and we were known as a good restaurant within the business. It wasn’t just a hotel.

No one suggested that the company should reposition BrandA. They simply discussed “how great our food offering was and that we needed to refocus our efforts on pushing that a bit more” (SVP-FB). The CEO states that while there was no formal suggestion that focusing even more on F&B would help solve SmallCo’s search for increased revenue, he did see the opportunity.
Less than a month later the CEO announced to MTM that “we were going to immediately reposition (BrandA) as restaurants with rooms and no longer as hotels with great F&B.” Within a few days he initiated the RWRI (though at no time was this or any other specific project name used). No formal committee was established to oversee the initiative, nor was any deliberate plan established to implement it. Similarly, no formal study of the company’s current position, competition or growth prospects was commissioned. Instead, the CEO and some MTM (SVP-HR; SVP-FB, EC, SVP-O, SVP-BM, D3-M) oversaw the evolution of the RWRI and its eventual implementation. For the next two months there were occasional meetings to discuss the RWRI, though these were not organised according to any pre-established schedule.

That the decision was made by the CEO and without a formal study or the Involvement of a team is not unusual at the company where most strategic decisions are either initiated or approved by the CEO himself or, at times, with his CFO. For many MTM it was appropriate that an important strategic decision be made by “The people running the business and wanting to expand the business, the people that know the business” (VP-PM). As such, the company is thought to be:

A bit different from other companies where everything has to go to a committee, and everything has to be discussed to death. We’re very much, not seat of the pants, but we are very entrepreneurial (CFO).

5.4.2 The Role of Strategy Tools during the RWRI

This section discusses the role of tools outside of official meetings, then during such meetings and then as a communication tool for the ESP as these are different aspects of the strategy praxis.

*Between Meetings*

As part of their RWRI work SmallCo’s management felt it important to understand consumer trends and market developments. The SVP-BM noted that the market:

Is very important to assess. We cannot ... be strategic in a blind manner, thinking that the market is built around us. Arrogance like that leads to collapse. So what we have to do is we assess what’s currently going on.
This assessment consisted of informal and constant monitoring "through constant talking ... Just chatting to people about what they want" (SVP-FB). By spending time in other companies' hotels and paying attention to their marketing campaigns the CEO recognised that BrandA's current position and marketing focus "weren't that different anymore, because there were a lot of 'me toos' that had come along." The common consensus was that the hotels' F&B business was not as strong a selling point as it had been. "There was no formal analysis in terms of us knowing that food and beverage was becoming a slightly weak point for us" (D3-M). Instead, this view was based primarily on their own understanding of their hotels and restaurants that from their observations many competitors had been making successful improvements to their own F&B offerings.

The MTM said that much of their RWRI work and discussions were very relaxed and productive since they were a small group of people who knew each other well, trusted one another, and did not feel the need to document all of their work and decisions to protect themselves or justify their ideas or contributions. According to the D-D:

We work very closely together, we know each other personally ... and we have direct access to each other all the time, that I think people do understand what goes on without documenting everything.

Respondents also pointed to the fact that their RWRI was relatively easy since they did not need to do much additional research since they were very familiar with the company, including its customers and brands, and because they all knew the UK market well and this was the only region where SmallCo had its hotels. They thus felt very comfortable not using formal analysis or studies to help them have confidence in their views, or to make sense of them.

**During Meetings**

That a critical strategic initiative emerged from such a casual dinner conversation rather than a formal purposeful meeting is not atypical at SmallCo. Future discussions about the RWRI were also conducted through casual conversations between the CEO and MTM, including dinners like this one that the CEO held about every few weeks with them since:
I think, as a company, we might be slightly unique in that we do have these informal discussions and (name of CEO) very often will get the management team together like that so we can just chat ... That's about it as far as how formal our strategy process is, if we have one at all (D-D).

A few days after the dinner the CEO spoke with his CFO about the idea that they should “really put them [restaurants] out in front of the business.” Exploring the idea alone with his CFO rather than with a larger committee, whether formal or informal, was the standard procedure at SmallCo:

It's very clear that we don't run by committee. To be honest with you, [name of CEO] and I will chew the fat over most things, and then the likes of (name of director of operations), and the exec team will come in and we'll have an open conversation about things and it kind of builds itself from there ... But at the end of the day it's us who decides, and more often than not it's [name of CEO] who makes these kinds of decisions alone (CFO).

To discuss the idea in more detail, the CFO and CEO had another discussion with their SVP-FB that “was a couple of glasses of wine, some notes taken on the back of a packet of fags, and that was that” (SVP-FB). The CEO also discussed the idea with the SVP-BM who proceeded to develop a new slogan and marketing campaign for BrandA that clearly suggested that it was primarily focused on eating and drinking and then rooms. The CEO “thought it was just perfect. Perfect ... It really captures who I want us to be.” For him, this slogan, rather than any analytical study, became the prime catalyst for many later specific developments with the RWRI.

The RWRI process and its related meetings were seen as neither formal nor rigid and as more about “getting things done” than about “wasting endless hours in meetings like at other places, doing countless studies that wouldn't really add anything that we didn't already know” (SVP-HR). For them this is one reason that strategy tools were not only not used, but never even discussed. “I don't like to use the term 'parochial' but (we are) very much low key and not very corporate ... (With) none of those corporate tools you see elsewhere” (D-D).

During the management team meetings the discussions were not about whether they should refocus the brand as “everyone had bought into the idea from the start ... We all understood the reasoning and the reasons for it right away” (SVP-
O). Instead the meetings were focused on outcomes and actions. The minutes from this group's meetings demonstrate that from the first meeting the topics discussed were concentrated on outcomes and deliverables, actions that the company could take to implement the idea. No frameworks or matrices of any kind were used to structure the conversations or analyse their work. "We didn't do any kind of SWOT analysis or positioning graphs, nothing like that" (SVP-FB). Their task was not to evaluate the idea but to "make it happen" (SVP-HR).

**Communication of the RWRI**

Once the CEO and his MTM decided how the concept would be realised in the hotels, the CEO communicated the final RWRI plan orally to each functional department head and to many GMs. He did this within the context of the conversations they had with him on a weekly basis. "[Name of CEO] shared the idea with us casually and on an individual basis whenever we were meeting to discuss something, whatever, and just asked us what we thought" (GM1). Sometimes this was in person and other times by telephone.

In order to get persons from different disciplines and hotel properties to have a common understanding of the strategy and the reasons for it, the RWRI, like most important communications "are very much done on a people basis at SmallCo ... You get it through taking the word to the people, almost like a pilgrimage" (SVP-BM). Department heads and GMs were expected to pass the message down through their departments or hotels. For example, the EC met with every chef individually to explain the concept to them, and believed that this helped them to fully commit to it. As with most changes to the brand, the SVP-BM did a rollout presentation where he and his top assistant:

> Went around and talked to the heads of departments and talked to them about the past, present and future of BrandA – where it's going, and what the future is for it, in an attempt to educate them better (D3-M).

To be effective and gain their buy-in, as well as to make sure that persons of all backgrounds understood the concept and reasons behind it, they made this presentation (like most others) orally, not in writing, and without technical marketing concepts or terminology. For the SVP-BM there was no need to explain the reasoning behind the initiative through any tools or documents because “in
terms of the brand, there is only one sounding point – me.” The SVP-BM and his marketing team did not use any positioning charts or SWOT analyses to communicate the changes or the rationale behind them since, in part they were:

Dealing with people who aren’t marketing based, who are experts in their own field, but don’t want to be told that they know nothing. So what you do is you take that message in a people sense, and you go and talk to people about it, and you present it in that manner.

One of his colleagues explained that they:

Felt the need particularly, to go into the hotels and explain to them why there’s a refocus. And as soon as you break it down into really simple terms why it’s emerged in this way, they completely understand it and their buy-in has been great (D3-M).

5.4.3 Organisational Context and Tool Use

This section first discusses the use of tools according to the type of practitioner. This includes discussions based on different groups of individuals depending on their horizontal and hierarchical categorisation and individual backgrounds. It then discusses tool use in light of leadership, organisational culture, ownership structure and the perception of the industry.

Practitioners

Departmental Differences

SmallCo does not customarily hold cross-departmental meetings to discuss strategic initiatives, and several respondents said that as a result they were not as familiar with the terminology, concepts and techniques used in other departments. Instead, some respondents believed that the departments worked with their own concepts and then, when working with members of other areas, held more general conversations “without any academic or technical talk” (SVP-HR). Most respondents suggested that conceptual tools were not used in any area, and that this ranged from the company’s top level (CEO) down through functional areas and to the hotels themselves. Interviews across departments confirmed that most areas did not use any strategy tools regardless of the department in which they worked. “There’s just no need or desire for us to work that way anywhere in the group” (SVP-HR).
Individual Backgrounds

A common view was that the hotel staff, including the GMs, would not appreciate or even perhaps understand the repositioning rationale if it were conveyed through frameworks or matrices. For others who are formally educated in their disciplines and with backgrounds in other firms, this makes some aspects of their work, especially the communication of it, difficult. For example:

I can't even talk brand touch points to a member of sales. You can't get stuck in your own language and believe that you can do that ... people will go, 'What on earth are they talking about?' You have to translate, and you go to the people. You don't bring the people to you. It's hard work (SVP-BM).

The operational backgrounds of the management and operational staff was often cited as a key reason why the company does not believe in formal tools. With regards to the RWRI, for example, many of the key persons necessary to implement it were chefs and those working in F&B, and they were not thought to be “equipped” for a more conceptual or formally analytical discussion of the RWRI. For the CFO, the fact that they were from different levels and types of backgrounds meant that the use of such tools would likely complicate and confuse, rather than clarify, the issue. “Certain of our team just don't have that skill set, and then certain other people do have that skill set. So you would think very differently in terms of what type of tool you would maybe use” (CFO).

The operational background of the management staff was, however, also seen as a major benefit by the interviewees. For them, the fact that most had "come up through the ranks of working in a hotel" (D-D) meant that they not only understood each other better, but also the problems of implementing corporate-level decisions at the property level. More specifically for the RWRI, the team members believed that because they had all worked in hotels they were able to understand what the hotels and the brand needed from them to make the project easy to understand and implement. "There just wasn't any need to complicate things by presenting them, or doing them, with those tools. We just didn't need to do anything like that" (SVP-FB).

The SVP-HR explained the company was hiring more people form more academically-oriented hotel management schools, and that:
These kids want to put to use what they learned in school, what they paid to learn, and if we want to keep them, which we do, we'll have to find the way to let them try out those concepts and tools they bring in their tool-kits.

Owners/Board of Directors
As with most of his ideas, the IF’s BOD did not require the CEO to gather external validation for the RWRI, and he felt no need to engage the services of any external consultants since he did not believe they would offer him any insights. He noted, however, that in other projects involving greater cash investments and loan requirements, such as with the purchase of BrandB, they were required to prepare formal studies for BOD and the banks that would provide the lending. For that project the CEO and CFO worked with external consultancy firms that conducted research and “produced the document and actually did the whole research element to it, so they went through that and basically, by property, strengths and weaknesses.” These reports were, however, “mainly capital/structural plus financial. Not really conceptual, because (the BOD) know (the brands) and the market and don’t need any confirmation about that other than from (CEO) and me” (CFO). For the CEO “these (analyses) were just really ticking the ‘do’ exercises for us to be able to complete the deal and get the funding. We did not do any strategic or market analysis for anyone.” The researcher’s review of documents related to these transactions revealed that while certain strategic issues were discussed, such as the strengths and weaknesses of the targeted company/property, and certain environmental issues such as demographic data and the competitive set, no analysis or presentation of these issues was made through any strategy tool.

While the CEO sees such analysis as purely for banking purposes, the CFO does consider them as “useful for us to double check.” They and their support teams see these studies as serving to back up and justify their own ideas and suggestions and not ever as helping to arrive at their proposed strategic initiatives. With acquisitions and conversions of properties, they are “using the more formal analysis to back up or to reconfirm the initial management decisions” (VP-PM). For example, with the purchase of BrandB:

We did all the strategy about where we wanted to go, how we wanted to get there, how it fit geographically, the reasons ..., that set the scene strategy-wise, where we want to be 1 year,
3 years, 5 years ... and then brought them (the consultants) in to put it together with the market data (CFO).

One reason the company's CEO, CFO and MTM did not use formal analytical tools and written documentation as part of the RWRI was because they were not expected to do so by the IF. Although they had monthly meetings with the IF's BOD who are "comfortable with us, providing we go through the logic of what we're trying to do," such proof was rarely, if ever, demonstrated through the use of strategy tools or formal analytical studies. Instead, the BOD, which is also structured and managed as an entrepreneurial business (CFO), does not expect or want such a level of analytical information in most cases. "As soon as I've started trying to go through lots of detail, they just switch off it and say 'what do I need to know'" (CFO). Instead of using documents and strategy tools to present their arguments, SmallCo's leaders and management team, who also frequently present updates on what their departments are doing, take a different approach. "If you want to talk to them about something, you can just go in and say, look, this is what we want to do, this is where we want to go on that, and you pretty much get decisions" (CFO).

**Consultants**

On the whole, both the CFO and CEO are reluctant to hire consultants for strategic studies as they don't believe that their insights or research will provide much value, especially in a market (the UK) that they believe SmallCo's management team already understands. For them, "a lot of people that come and tell you stuff ... all they're doing is writing up what you already know" (CEO). Instead, the CEO and CFO work through most of the strategic variables and questions themselves, including much of the RWRI. "Certainly we look at from, really strategically, what does it do for us as a business? ... Here's the risk and the opportunities"(CFO).

**Management Level**

The management team members noted that few, if any, strategic decisions are based on input from anyone other than the CFO and CEO who also confirmed that while the MTM's input is sought on certain aspects of their strategic decisions, they are not consulted on the formation of a strategy, but only on its realisation. This work was generally thought of in terms of creativity and not analysis, and it was done by them rather than delegated.
Many interviewees acknowledged that while they were not involved in making key decisions that affected the company, they were given the freedom, trust and responsibility to oversee the work in their departments as they saw fit. As such, remaining outside or on the periphery of the strategic decision-making process was often interpreted by the department heads as a way for the leaders to keep them focused on their 'day jobs,' on running the hotels, and implementing key decisions like the RWRI.

Subordinates
Part of the RWRI action plan was given to a group of management trainees as part of their overall training. They were tasked with redeveloping the lunchtime concept to fit in with the repositioning strategy. This report was, in its first version, much more analytical and incorporated a SWOT analysis and positioning chart for the different items on the menu (Fast Lunch Document). The team was instructed to redo the document to be less academic and more "user-friendly ... not explain so much why, but more what and how" (SVP-HR). According to one management trainee, "They said that it wasn't that they didn't like what we had done ... I got the feeling that they weren't sure what to do with it" (MT1).

Leadership
As a student the CEO had attended a hotel school that, according to him, was more practical than academically focused, and as such he had never been "schooled in anything really analytical." His operational background, including several stints as a GM, was, he said, probably one reason why he did not believe in strategy tools. His MTM believe that his instinctive style of management came "from him being a general manager because you have to think on your feet so much, and he's just brought that kind of thinking into this role, really" (D-D). For him, strategy tools were not at all about strategy but about a way of avoiding or justifying decisions and nothing more.

His MTM and GMs see his insights as more important and more stimulating than any thinking that might come out of the use of tools or formal analysis. "(He) is very commercially aware in the whole marketing and brand management side of things, and that can help stimulate us and he can be ahead of the game in understanding trends and fashions and such" (SVP-FB). For example, the CEO explained that he had recently decided not to purchase and convert a building into a BrandA hotel even though an independent consultancy firm's feasibility
study had shown that a hotel would be successful and provide an acceptable return on investment. Instead, he says, he “walked away from the property because it just didn’t feel right ... you could see it, smell it, feel that the building just wasn’t right ... We just knew. We said no, and that’s hard to do.” According to him, no amount of formal analysis would have persuaded him otherwise, and no strategy tool was necessary to make the decision.

The reliance on intuition was, in many instances, linked by the interviewees to the fact that SmallCo’s leadership style is entrepreneurial, and as such they have a higher propensity to take on risky decisions without formal studies. For example, rather than pre-study the possible value of their RWRI ideas, or test them in controlled settings, they took an approach where they “keep pushing things out and try and see which ones work and don’t” (CFO). According to the CEO, this was possible because the company was small and he could personally observe and keep track of the new ideas as they were implemented. According to the GDRM, SmallCo is “largely intuitive. We’re more of a ... (laughs), a shoot from the hip kind of company.”

While the CEO’s intuition was acknowledged and respected by the interviewees, many calling him a visionary, they also attributed much of the success of his intuitive decisions to his knowledge of every aspect of the company and his understanding of the UK hotel industry. According to the SVP-BM:

The thing you should realise about (name of CEO) is he comes across as a chap who is very intuitive. Everything seems like a gut reaction. A gut reaction, which we believe is doing very well so far, and will continue to. But he has his fingers in every pie, so to speak, and that’s why a lot of it works in the end ... he is informed, but his opinion and his manner as such that might come out, is based upon ‘Yes, I love it,’ but don’t think that he’s not informed also.

The CFO acknowledged that neither he nor the CEO believed that more formal strategic thinking process, or research and analysis, was necessary, because while the strategy was largely driven by “a gut feel ... and maybe that’s wrong, but we’ve not really missed any numbers. We’ve not hit any major issues."

Though some MTMs were asked for their input and ideas, they do not believe that the RWRI decision was a result of their input. “The change in strategy came
about, came from (name of CEO) which was, 'I want us to be a restaurant with rooms" (SVP-BM). This is not atypical since decisions such as this are made "at the top ... They just tell me. It's an 'I say - you do' situation. I just get on and do it" (GDRM). For others it was quite clearly that the CEO "has the ultimate say in whatever we do" (EC). This was never interpreted as a negative by any of the department heads. Many believe that while they may not have certain skills or experience with formal concepts and tools, this did not matter to the CEO. They believe that they are very competent at their work and the CEO recognises and values their individual abilities. "That's probably part of the reason why we're so successful. You employ somebody who's good at their job and you just let them get on with it" (D-RM).

Organisational Culture
Casual conversation involving little or no formal analysis and tools is described as the norm due to SmallCo's informal management style, structure and CEO. As the D2-M explained:

You know, if I need an answer on something, I'll just walk across the corridor to (CFO) office, or I'll go and see (CEO), and we'll talk it through and that's it ... it's quite informal.

Other confirmed that they usually explore ideas individually with the CEO and not as part of larger cross-functional committees or even with other members of their department. For them their relationship with the CEO is "A smaller, more entrepreneurial approach" (EC).

This casual atmosphere was credited with helping get different persons from all company levels to feel involved in the company's progress and projects. Many suggested that the informal approaches at the headquarters also "come through in a more relaxed atmosphere when ... you're in the hotels you're in that kind of working environment" (D2-M). For the SVP-HR if at the headquarters they were to work more formally, or rely less on their feelings and more on formal analysis, then that would likely cascade down to the hotel GMs and their staffs. This would "destroy who we are as a company ... and what we're trying to achieve as a brand" (D-D). For the D2-M, meanwhile:
If you were the type of person who was very structured and very kind of dictated by lists and roles and models and tools than you probably would find it a little bit hard, because we are a little bit haphazard.

This approach pervades the organisation as most interviewees believe that the key decisions in their own areas are also based on 'gut feelings' and 'instinct'. For example, when SmallCo acquired BrandB it was because the IF was "in a hurry to grow" and the decision to acquire BrandB was not based on any formal analytical tools or process but rather "based just on our gut feeling and how we felt the two could fit" (CEO). Others within the company recognised that the CEO believes it important to keep decisions and the decision-making process simple. The expanded use of formal research and tools is thought to be something that would likely contradict this edict and be viewed negatively.

Being able to propose new idea and see them implemented was repeatedly cited as one reason why, even if they are not involved in the highest level of strategic decision making, working at the company did not become mundane or boring for the GMs. They appreciate being able to take initiative without having to present the idea in documents and with analytics and data to support their ideas.

What keeps us going is we truthfully could come up with an idea that could be instilled tomorrow, if it was a good one, and that's exactly how you feel you could add value to the company, and you'd be given the opportunity to do so (GM2).

There is a strong belief that at SmallCo it is by talking about the initiative, rather than writing about it, that there is more "buy in" by the staff. They maintain that even though there is no written record of how the RWRI was arrived at, because of all the oral presentations and informal discussions, "there's complete transparency on why we're doing it, and how we came about the idea" (EC).

Through oral presentations and discussions anyone can ask any question and get an immediate answer, and this is seen as more positive and encouraging than formalising the process through written documents that "people elsewhere use to cover their tracks ... for political power reasons" (CEO). This practice and belief was juxtaposed with those of the larger hotel firms that many of them had worked for and where "you just sit and write reports all day" (D2-M) because "they are much more strict and much more sort of bureaucratic" (D-D). The SVP-BM noted, for example, that while he did not produce a report about the change,
had this been for a firm where he previously worked “it would almost be deemed a suicide if you didn’t have a report for it.” Others echoed this belief, arguing, for example, that such formal analytical studies were either so that employees of larger firms could “justify the reason they’re there” (CEO) or “cover yourself” (CFO). At SmallCo, however, the top managers did not believe that the company had the time or money to afford having their staff or external teams study important issues with the use of strategy tools and prepare what they thought would then likely be “so huge of a report” (CFO).

Continued growth was thought to likely mean that the organisation would have to become more formal with how it shared information. The CFO noted that since it was acquired, BrandB had gone from “absolute total entrepreneurial, no structured documents of any kind, to more base formalisation” (CFO) and that this change would likely continue for both brands as they grew. For him the challenge and in risk in this was going to be:

To keep the heart and soul ... (because) the general managers may end up just being paper pushers, which is so the big hotel kind of structure. You have to be able to cover yourself up. Everything has to have a memo.

The CEO similarly suggested that though he would not want it to necessarily happen, they would likely have more analytical tools and techniques for analysing SmallCo when it grew because as a bigger company “we’ve got to do a lot more checking, a little bit more tick boxing with the checklists.”

One reason for the lack of time spent analysing the RWRI concept with tools was the focus on “coming to market with the new position as soon as possible” (CEO). The RWRI decision took less than three months to go from the initial idea to the formal implementation and this was said to reflect the firm’s value of making and implementing decisions quickly “without wasting a lot of time validating what we already know” (CEO) since they felt that they needed to always be making and implementing strategic decisions quicker than the competition. “We change the way we focus on things more quickly and often ... Probably what could take Marriott four years to make a decision, we’ll jump in 24 hours, and say, oh, that’s not working, let’s change it” (CFO).
This decision-making speed was cited by many interviewees and each described similar instances in which they would discuss an idea they had related to the RWRI with the CEO and then “If he likes it, he will then ask me to cost it up and do feasibility – will it work? And then it’s done” (EC).

The issue of speed was, however, a relative one as there were different views within the team. For the CFO, for example, because “we haven’t got 50 projects going at once ... at the end of the day, we’re not running – we’re walking.” On the other hand, many interviewees stated that because SmallCo was in the midst of opening ten hotels in less than two years, there were far too many projects being managed for anyone to undertake thorough studies. With regards to tools, some thought that “there just isn’t the time for that” (D2-M).

As part of the RWRI the EC and SVP-FB suggested that BrandA launch an individual menu for each hotel that was built around locally grown and sourced foods. The fact that that they were able to propose and implement the idea in less than six weeks was considered critical:

We were the first to commit to it (sourcing local foods) as a large group ... The press about it alone was worth the effort ... and that wouldn’t have happened if we hadn’t been ahead of the others ... (Who) are all starting to do it too now (SVP-FB).

This speed with which the team worked to develop the idea and get it ready for implementation was also linked by many of the interviewees to the fact that the company prides itself on being innovative and the first to market with many ideas and thus the decision-making process needed to be quick and easy. According to the EC:

BrandA is a constantly evolving concept. We’re always looking for new initiatives, new ideas, and if we had to go through a lot of bureaucracy to get things done, our wheels would turn extremely slowly.

The Importance of being different was seen by most interviewees as the company’s main competitive advantage, and for them their jobs, and the mission of the brands, was always to be creative and innovative in every way possible. The common perception of strategy tools that emanated from consulting or academia was that they were too restrictive for the type of creativity and innovation that SmallCo and its management were seeking to achieve. For some
it was about being "a market leader in terms of trying to find innovative new touches ... anything that makes us think in the box or look at things from some pre-set manner isn't going to help come up with those" (D3-M). Others saw the use of such tools as approximating a "systematic structured approach" that would dictate to them how to do their work and how to think about the company and industry and as such is looked at negatively as "something that's not good for us ... as a company and as Individuals" (SVP-FB). Instead, the team members repeatedly stated that they were expected to think differently, to approach problems differently, and with regards to the company's leaders, to "demonstrate to them that we're doing something differently" (GDRM).

For example, within the RWRI the SVP-BM did not rely on any conceptual tools or even basic templates for identifying current or future brand standards. "I don't need to go around with a tick box that says, 'does it need this, does it need this.'" Instead, his approach was more individual and experiential:

I take it in. I see it. I work in the environment. I watch how people talk to staff. I see how the food is presented. I watch how people are checked in. I see how the rooms are presented, as a person who visits it. I live the brand, and therefore I will see how it can be improved.

Others similarly agreed that the lack of tools was a positive part of the culture because it demonstrated faith in the ideas of the staff. For example:

Personally, I see it (not advocating the use of tools) as a positive because I think that it's trusting. I think that it's trusting and allowing our freedom of imagination and creativity (SVP-FB).

SmallCo was described as "not a company that writes lots of reports or anything like that" (D2-M). This lack of formalisation with regards to written explanations and analysis was primarily seen as a positive aspect that was linked to their individuality, creativity, and speed of decision making and implementation. As one director put it:

If we wrote down and documented everything that we were wanting to put into a strategy, then you'd spend just as much time doing that as you do thinking, and then there's no implementation. Suddenly you then become quite, almost too structured, robotic (SVP-FB).
Ownership Structure

The CEO noted that because SmallCo owns and operates its hotels, it is able to try something unusual or what might be considered risky. If an initiative didn't work it was easy to cancel and, if it did work, it can easily be rolled out to all its properties. As the company owned the hotels and managed them, there was no fear of failing in the eyes of external hotel owners. As such, he said, there was less need to study every decision ahead of time with formal analytical tools.

The CFO, meanwhile, also noted that at SmallCo it was easier to make and follow through on strategic decisions like RWRI than it is at larger hotel companies because the latter's organisational and management structures are comparatively complex. In those larger firms, he says, some hotels are owned and:

> Certain hotels work from management fees, or they're a franchise ... And then you start trying to look at what the cost comparisons are and these get very, very murky. And because of that scenario ... what you're analysing isn't going to help you.

Perception of the Hotel Industry

Within SmallCo there was the perception that within the hotel industry too many firms had begun to think that the answers to their strategic questions could be answered rationally like manufacturing firms, and that because the hotel industry was driven by the emotions of guests and employees, and not rational thinking, many firms had as a result suffered. For the CEO the fact that larger hotel companies tend to rely on formalised studies and strategy tools is a key reason why "I don't think that much creative juices go on in these companies." For him, these larger hotel companies are wasting their employees' valuable time by having them produce their many detailed studies. He believes that these firms primarily use formal tools and procedures "because their internal process dictates it." The time and energy spent on formally studying and documenting different options has, in his opinion, also detrimentally led "the big boys into the trap of being quite blind. They're not opportunistic ... because the processes get in the way of function, and that is the problem with all of these (tools and techniques)." As an example he explained how one large international hotel firm had recently sent a team of seven persons to the UK for five days to examine the possibility of
purchasing all of SmallCo as a means to expand in Europe with a new brand and segment. He states that:

And I know that the people who looked at our business were absolutely all for it, and I've spoke with them since, and they just couldn't get it past [name of a top committee member] who was just putting it through the usual core brand tick box, and BrandA is not tick box in a core brand way ... they do that because they've always done it. It's been safe, and it works for them... The hardest thing to say in business is 'no.' By doing that they say that (no) a lot.

While those working in the marketing of the brands appreciated that SmallCo was informal with its brand audits, having never done an actual official one, they also pointed out that it was also understandable that the bigger hotel firms, due to the number of hotels and brands they have, must regularly audit their brands and clarify their positions in writing and with strategy tools.

5.4.4 SmallCo Case Summary

Strategy tools are not used at SmallCo. The CEO rejects these tools as too academic and not practical enough for the strategy work that he undertakes. His top executives and other managers also do not use the tools as they are often not included in the strategising tasks which are generally conducted by only the CEO and his CFO. While some lower-level managers have attempted to use such tools, their efforts have been thwarted by the company's insistence on providing simple answers based on experience and intuition rather than theory.

5.5 Chapter Conclusion

This chapter presented the research findings from each of the three case studies and focused on the use of strategy tools within their specific strategic initiatives as well as a more general overview according to the type of practitioner and influence of different contextual factors. The findings across the three cases suggest that several important issues are present in all the organisations. These include:
1. Strategy tools are often rejected not only by the companies’ CEOs, but also by their top management team members.

2. Lower-level practitioners often do use tools but this is not known to the top management. Similarly, tools are used within specific departments and/or by particular individuals, but this is also not widely known throughout the organisation.

3. Organisational contextual issues, such as leadership, culture and accepted strategising practices influence the use and perception of strategy tools.

4. The hotel industry context also influences the perceived value of tools and limits the ability to use certain generic strategy tools.

The next chapter discusses these findings in relation to the research literature reviewed in chapters two and three.
Chapter 6 Discussion

6.1 Introduction

This chapter discusses the findings in relation to the extant literature and the study’s objectives. Section 6.2 examines why strategy tools are not used within the three firms. Section 6.3 focuses more specifically on the use of strategy tools during the strategy-making processes. The chapter concludes in section 6.4 with a brief discussion of the interrelationship between the two themes and a chapter conclusion.

6.2 The Rejection of Strategy Tools

Strategy tools are created to assist with the strategic management process and most classical tools are intended for the processes’ strategy analysis phase of strategy formulation. Past studies of tool use have found that it is here that more tools are more often used. This study found, however, that strategy tools are often rejected for use during strategy analysis and formulation for several reasons. These include the firms’ approach to strategy formulation and strategy practices, the perception that most generic and industry tools lack legitimacy, and several specific industry characteristics. The following discussion is structured around these three areas.

6.2.1 Strategy Formulation

Top executives are often said to be the organisational members most likely to use strategy tools since they have more strategic responsibilities (see Hill & Westbrook, 1997; Hodgkinson et al., 2006). As such, studies about the use and perception of strategy tools have focused almost exclusively on this group (e.g. Rigby, 2001b; Rigby & Bilodeau, 2005; Stenfors, 2007). This study’s findings revealed, however, that the three firms’ CEOs not only refrain from using any of the conceptual strategy tools commonly identified as the most popular (see Rigby, 2001b, 2003; Rigby & Bilodeau, 2005), but that their views about strategy, strategy-making and strategy tools discourage the use of the latter
within their firms. Reasons why they reject tools for their strategy-making activities appear to centre around the issues of leadership and strategy-making, a focus on the short-term and practical, and the need for fast and creative strategic decisions. These are discussed in the following sub-sections.

**Leadership and Strategy-Making**

Top strategists may use traditional strategy tools to help structure their thinking and guide their strategic decision-making process (Jarzabkowski et al., 2007). This is not, however, the case at either of the two smaller firms studied\(^{12}\) where the CEOs consider the idea that conceptual tools can and/or do aid one's strategic thinking and strategy-making process as 'silly' and 'ridiculous'. They suggest that the term 'strategy tool' is a misnomer since they doubt whether tools such as frameworks and matrices can actually help guide strategists to make the 'right' strategic decision. According to them, tools imply rules and structure but 'real strategic thinking' is about breaking rules and avoiding such structure. For them it is unstructured thinking that separates strategic thinkers from those that are more symptom-oriented, and they thus see tools not only as unnecessary, but also as inconsistent with what it means to think strategically.

According to the CEOs, strategy-making should be built around insights gathered from personal experience. They believe that formal tools, including models and frameworks, are more appropriate for, and perhaps more commonly used by, 'novices' who lack professional experience and/or confidence in their experience. BigCo's CEO, for example, instructs his top executives and their teams to create solutions based on their experiences in the industry and at the company, and not through tools, especially as most top executives have been with the firm for several decades. Similarly, at SmallCo the CEO distrusts ideas that come through the use of formal tools as they do not incorporate the importance of industry experience and in-depth familiarity with the firm's unique characteristics. Such views are consistent with past research which has found that practitioners believe that the use of tools prevent them from deploying knowledge-based experience (Grant, 2003). Although Schön (1982) has noted that prescriptive theories may not convey the full complexity of a situation and that as such practitioners must combine strategic concepts with the practical knowledge they have gained from previous experiences, these CEOs see tools as rigid instruments.

\(^{12}\) As the CEO of BigCo was not interviewed or observed, the researcher refrains from attempting to interpret his personal use of tools, though his perception of tools and strategy, as gathered from documents and the views of others, is used when appropriate.
that either do not lend themselves to personal experience, or which restrict one from drawing on such knowledge. The CEOs perceive strategy models and frameworks as substitutes for experience rather than as complementary tools. Their rejection of tools thus suggests that Hayes and Abernathy’s (1980) observation that due to the complexity of strategic decision-making, strategists may be better served through experience-based insights rather than technical formality and analytical detachment, is perhaps acknowledged in industry even if not yet in academia and consultancy where the analytical role of strategy tools are still popular in business school textbooks and courses (e.g. Mazza & Alvarez, 2000).

Valuing experience over formal analysis and tools influences the strategy creation process since such values affect a firm’s thinking style and can lead to organisational paradigms about how strategy is and should be made (Mintzberg et al., 1998). SmallCo and MediumCo were repeatedly described as entrepreneurial since their strategic management process and decision-making styles are predominantly based on the CEOs managing the process and making most strategic decisions themselves. Both CEOs describe their strategies as based on ‘vision’ and ‘intuition’. For instance, while he cites the importance of financial models, SmallCo’s CEO has rejected development projects where these models have suggested that a project will make valuable economic sense since to him they ‘just didn’t feel right’. The CEOs see the use of tools as contradictory to how leaders should go about their strategy work and consider the use of tools as a distraction that prevents ‘real leaders’ from engaging in ‘real strategy work’. The CEOs say that not only do they not need tools, but that using them would hinder their ability to have an overall vision for the company since for them tools are too simplistic to encompass the whole strategic situation their firms face. While this focused analytical characteristic that pinpoints specific issues to be explored according to predetermined criteria is often cited as one benefit to many tools and their use (e.g. Hax & Majluf, 1983; Henderson, 1984; Knott, 2006; Learned et al., 1965), the CEOs do not perceive tools in this way. Instead they see the tools as inconsistent with their ability to understand the overall situation facing their firm since tools are not made for their thinking styles or their firm’s particularities. This view is consistent with Sheth and Sisodia (1999) who posited that analytical frameworks may detract from the ability of top managers to ‘see the big picture’ since most tools focus on narrow topics and that by using them
practitioners can be disconnected from other items not addressed within the tools themselves.

The findings also confirm past research showing that entrepreneurial strategists often rely on vision and intuition rather than on rational thinking and analysis (see Mintzberg et al., 1998). The findings also extend these studies inasmuch as they illustrate that the use of strategy tools is considered contradictory to the visionary thinking that the CEOs believe is necessary in order to draw on their own mental representations of the strategic challenges facing their firms and the appropriate solutions. That is, the CEOs do not use tools not only because entrepreneurial strategy-making rarely relies on rational thinking (Mintzberg et al., 1998), but because the tools associated with such a formal approach are perceived as detrimental to the ability to think intuitively and believe in one's vision. Their views can be understood through Mintzberg et al.'s (1998) explanation of the strategist as visionary whose strategy is built on a perspective based on judgement, experience and wisdom, rather than on the use of the conceptual frameworks and tools that are recommended as part of the more prescriptive planning, design and positioning schools. Their reluctance to use tools is also explained by Isenberg's (1984) findings that suggest that those who rely on experience, judgement and intuition do not use formal systems to lead their organisations. This study extends these findings, however, through its more narrow focus on conceptual tools and their use since the study's findings demonstrate that tools are often considered too formal for, and contradictory to, the intuitive, experience-based knowledge that is required for strategic vision and leadership. Previous studies of hotel executives' strategic behaviours support this finding since these studies demonstrate that top executives in the hotel industry have not historically relied on formal approaches in the strategic management process (e.g. Olsen et al., 1994).

Conversely, the above-mentioned entrepreneurial focus on initiative and intuition has been blamed for some of the hotel industry's ineffective strategy processes, including environmental scanning (Okumus, 2004) and strategic-decision making (Harrington & Ottenbacher, 2009). However, within the firms a rational approach to strategy formulation and decision-making based in part on conceptual tools is often seen as ineffective. For example, the use of extensive analysis and consultancy tools is blamed for the near bankruptcy at MediumCo, while the current CEO's vision is commonly cited as having saved the firm.
Similarly, a dedicated Strategy Department's extensive environmental scanning techniques and tools did not help BigCo to foresee the challenges they would face in the early 1990s. Their rejection of tools as analytical "crutches" (CEO, MediumCo) that have often failed them and other firms is consistent with Whittington et al.'s (2006) suggestion that the traditional view of strategy has perhaps failed practitioners not because of the deliberateness, but because of its tendency to be overly detached and analytical.

Although tools might be intended for rational thinking, for the CEOs strategy-making is not about "someone else's view of what's rational" (CEO, SmallCo) but their own. According to the literature, the rational model of strategy formulation tends to consist of extensive analysis involving large amounts of data, the generation of alternative ideas, and the valuation of each option's consequences before the selection of the best strategy (Fredrickson & Mitchell, 1984; Priem et al., 1995), and strategy tools have generally been created with this perspective in mind (Hill & Westbrook, 1997; Learned et al., 1965). While at BigCo there was extensive data collection, and the process used in the ESP followed what the project managers referred to as "classical strategy development," there is no evidence that the other firms engage in the rational model of strategy formulation. Rather than describing or demonstrating a formal process by which they consider specific issues in a linear fashion, as is recommended by the classical school of thought (e.g. Learned et al., 1965), the firms' strategy-making processes are instead seen to be based on the CEOs constant observation and discussion of the firm, its competitors, customers, industry and environmental situation, and, based on this and their experiences, drawing conclusions about what strategies they should pursue.

As with many of their firms' other strategies, both the RWRI (SmallCo) and the JV-REG (MediumCo) emerged (Mintzberg & Waters, 1985) from casual conversations or external parties, and neither CEO had previously envisioned them as part of a deliberate (e.g. Ansoff, 1965) strategy. The initiatives were neither conceived nor developed through a formal strategic planning process or tools and the CEOs did not require any confirmation of their decisions through any conceptual frameworks. While emergent strategies may be configured according to conceptual frameworks and the implicit rules required for their use and interpretation (Johnson, 1988), this study found that the two specific strategic initiatives were not created or developed through any such tools. Even
though Mintzberg et al. (1998) have suggested that a strategy's origin can be emergent while its details are developed through specific plans, much as was the case here, the latter phases were also void of any conceptual tool. While McKiernan (1996b) suggests because they are useful for dealing with changes in the internal and external environments, both the planning and learning approaches to strategy creation use rational analysis techniques and tools to either lead or support the strategy process, this study did not confirm this. Instead, the findings are consistent with the notion that when strategy is seen or realised as an emergent phenomena, the field's tools may be rejected as inappropriate or unnecessary (Okumus & Wong, 2005b).

Mintzberg and Waters (1985) have shown that rational, deliberate thinking is not necessary in order to create coherent patterns of strategic decisions and actions, and the findings of this study show that the CEOs do not believe they need this, or analytical tools, to develop specific strategic initiatives or their overall strategies. For example, both projects were also described as experiments, with MediumCo's CEO exploring whether or not he should change his mind about joint ventures, and SmallCo's CEO referring to the RWRI as a "well-hedged gamble." MediumCo's CEO rejected the use of tools during his presentations and strategy workshops, and at SmallCo the CEO requested that a document including a SWOT analysis be rewritten to exclude this. Both, meanwhile, explained that tools are not only not part of their standard procedures, but that they do not use them even on an occasional basis. Thus, while Regnér (2003) found that the strategy-making process for the strategists at the centre of the organisations he studied were deductive in that they largely planned, analysed and engaged in standard routines, the hotel CEOs are, instead, more inductive, like the practitioners Regnér observed in his firms' periphery who were more experimental and relied more on trial-and-error approaches for their strategy-making.

**Short-term and Practical Focus**

That these CEOs (SmallCo, MediumCo) prioritise their experiences rather than formal analysis when formulating strategy is not surprising in light of the strategic hospitality management literature that suggests that hotel industry practitioners generally demonstrate a preference for a 'hands on' management style as opposed to a more structured analysis (Okumus, 2004). The three CEOs are also found to be much more focused on issues that are of immediate concern as opposed to long-term plans, and as such do not see the need for formal
strategising to create an overall direction for their firms. BigCo’s CEO, for example, is described as a “highly tactical person” who believes that if “you take care of the short-term the long term falls into place” and that a focus on immediate concerns helps people to ‘keep their eye on the ball’. This emphasis on short-term objectives is consistent with previous strategic hospitality management research which has found it to generally be a greater concern than long-term planning for hospitality practitioners (Olsen et al., 1994; Teare et al., 1998; West & Olsen, 1989). Similarly, the company’s ESP focused on growth opportunities (“how many, where and when”) as opposed to growth strategies. This focus was symbolised by the world ‘plan’ eventually replacing ‘strategy’ in the project’s official name since the project sponsors wanted the team to concentrate on concrete numerical projections rather than conceptual plans. Thus, and as is discussed in more detail further below, while many financial models and tools were explicitly used, conceptual frameworks were not.

At all three firms the executives maintain that that their primary responsibility, and one which takes up most of their time, is to focus on their ‘day jobs’ rather than to create long-range plans. At BigCo, the CEO has ordered that the functional EVPs need to be responsible for their departmental strategies, which he prefers to call action plans, rather than rely on a centralised Strategy department. For him, his top executives’ focus must be on tangible outcomes rather than conceptual planning. Similarly, the CEO of MediumCo has, until recently, avoided involving his department heads in any kind of strategic planning so as to keep them focused on the company’s more immediate problems, especially since the company has only recently emerged from a situation of financial distress. At SmallCo, meanwhile, the practitioners maintain that their sole responsibility is to take care of their functional departments and that the strategic approach is “I say - you do” (D-RM). Olsen et al. (1992) explain that within the hotel industry the processes involved in formal strategic management are seen as distractions from tangible pursuits, and this is clearly evident at the three firms. Previous research has found, for example, that strategy tools are used at strategy workshops (e.g. Hodgkinson et al., 2006; Schwarz, 2004), but within the three firms cross-functional meetings are either largely episodes where the leader can communicate his strategies (MediumCo), tend not to involve ”Strategy” development (BigCo), or are eschewed in favour of informal and impromptu conversations (SmallCo). That strategising sessions are seen as formal and unnecessary is consistent with previous research that has found strategy
workshops to most often be used as part of formal strategic planning and firm-wide direction setting rather than for concrete projects (Schwarz, 2004). Similarly, Hodgkinson and Wright (2002) note that tools are used to help workshop participants systematically identify their firms’ strategies and to develop and evaluate scenarios, neither of which were among the objectives for these firms during any of the strategic initiatives that form part of this study. The lack of strategy workshops, and corresponding limited tool use, can also be understood by the hospitality practitioners’ general view that formal strategy exercises such as environmental scanning, which are a typical component of such episodes, are a waste of time (Olsen et al., 1992). The industry is said, because of its roots in entrepreneurialism, to be one where ‘doing’ and active problem solving are valued and where ‘soft activities’ such as scanning are seen as distractions from, rather than elements of, achieving tangible objectives (Olsen et al., 1992). Thus, formal meetings and workshops, as examples of ‘soft’ activities, are rejected, which limits the possibility for tools to be used.

While strategy tools are designed for analytical purposes, others suggest that they may provide other less well-known benefits during meetings and workshops. Knott (2006), for example, posits that they may facilitate dialogue and Stenfors et al. (2006) note that their interviewees suggest that a main benefit from using tools in meetings is that they help surface contentious issues and improve communication. Similarly, Kaplan & Jarzabkowski (2006) found that in meetings tools can act as boundary objects to improve cross-departmental and hierarchical communication, while the use of a greater number of tools may help ensure different views of people considered during strategy formulation (Hussey, 1997). Thus, while tools are not used during strategising episodes such as meetings since these are rejected, and perhaps because a leader does not want alternative opinions to be raised as with MediumCo, the fact that they are not used in such activities is an implicit reason for their overall rejection in the firm. That is, since the use of tools may have social benefits, such as those mentioned above, and the practitioners are not familiar with these benefits or the social roles tools can play, their negative perception of tools as overly-analytical and formal instruments is not put into question, and they continue to be rejected for all purposes. Thus, as they are less involved in strategic issues and formulation, and since there are few, if any, strategic-planning exercises in which tools may be utilised, there is little opportunity for these practitioners to experience the use of tools and evaluate their utility. This reinforces the perception that tools are only
for analytical purposes which, as discussed, have been found to be frustrating and ineffective.

*Speed and Creativity*

According to Whittington et al. (2006), strategy formulation most often happens at a pace that precludes the analytical detachment required in order for practitioners to engage in the prescribed use of many tools. This is the case at both MediumCo and SmallCo where a formal strategy processes is seen as an obstacle to the fast decision-making that is required to remain competitive and proactive. This is important at both firms since they believe that their uniqueness comes from anticipating and creating customer preferences and market opportunities rather than from being seen as copying their competitors. This perspective supports Okumus’ (2004) suggestion that firms may benefit more from learning to quickly adapt to changing environments rather than from analysing and trying to predict it, and helps explain why the formal use of tools is rejected. While it contradicts Stenfors et al.’s (2006) finding that many of their respondents thought that using tools sped up the strategy process through faster analysis and planning, it is consistent with the views of their other respondents who noted that there was little time to use tools efficiently and that the use of tools occupied time that could instead be spent on actual business problems.

The extensive time that this study’s participants perceived as necessary to conduct formal analysis using tools is also explained by the fact that a strategy process that involves formal analysis is easily undermined by the time requirements to do it accurately (Mintzberg, 1994). For example, Harrington (2004) points out that an increased involvement of organisational members in the strategy-making process is thought to slow down the decision-making process and cost the firm more in terms of employee time. Both of these issues were clearly reasons why formal analyses, and the associated role of tools, are rejected at SmallCo. Furthermore, their focus on short-term objectives and solutions is consistent with previous research that has found that hotel firms are committed to tangible, short-term goals (Costa & Teare, 2000), meaning that the time necessary to properly use tools for analytical and decision-making purposes would contradict such goals. Thus, contrary to Langley’s (1990) finding that formal analysis is often used to procrastinate strategic decision-making, this study found that tools were rejected for this very reason.
Most strategy models and frameworks are specifically designed to be aids for rational and analytical thinking about strategic challenges (Jarzabkowski & Wilson, 2006). However, it is specifically this purported benefit that many of the practitioners, including the CEOs of the two smaller firms, perceive as an important weakness of tools since they believe that their successful strategies result from innovative and creative thinking and not from traditional or standardised strategic planning exercises and tools. While one of BigCo’s ESP project managers believes that the templates used are not so directive as to limit creative thinking, she is the anomaly. At SmallCo, for example, while the firm has never engaged in strategic analysis using tools, the fact that other firms are likely to use them is seen as a fundamental reason why the CEO avoids them since he wants his firm and hotel brands to be unlike any other. For him, this means not only that the hotels should be different but that the management style should also avoid any formality and bureaucracy, which he associates with the use of tools. He believes that such practices destroy the spirit of the hotel business at the top level and that this is then transmitted to the hotels and their managers as well, a view supported by the view that formal management activities can eliminate creativity in the lower levels of organisations (Mintzberg, 1994) and which might be one reason why hotel firms do not wish to formally scan the external environment (Okumus, 2004). The findings, therefore, largely contradict Knott’s (2006) suggestion that the thinking associated with tool use can be expansive and creative and that this may be most appropriate when innovative and proactive solutions are required. Instead, the views of practitioners are supported by Mintzberg (1994) who notes that a systematic bias in formal planning techniques is that they involve ‘narrow rationality’ which leads one away from human expressions of creativity and intuition and towards incremental rather than quantum changes. In other words, because formal strategic planning generally reinforces the status quo of established categories, rather than rearrange these categories as with creative thinking (Mintzberg, 1994), the practitioners see the tools and techniques associated with strategic planning as unable to incorporate creative ideas.

Similar to the view that frameworks can become paradigms that restrict creative and innovative thinking (Thomas, 1984), MediumCo and SmallCo’s managers believe that tools limit creativity by forcing thoughts into standard ‘boxes’. The visual diagrams associated with the tools (Eppler & Platts, 2009; Morecroft, 1992; Whyte et al., 2008), rather than facilitate divergent thinking (Knott, 2006),
are instead seen to restrict it. Many of the practitioners see diagrams such as 2x2 matrices as particularly dangerous since they do not want their strategies to fit pre-established models, especially since they think that many other firms use and are constrained by such tools and as a result have lost the ability to differentiate themselves. Mintzberg (1994) notes that analytical planning is about thinking in terms of boxes and what fits in them, and the very nature of creative thinking as part of strategy formulation means that one must move beyond such boxes, and such views are clearly evident in the findings. Both MediumCo and SmallCo’s CEOs believe that because most firms rely on the same tools, they end up with the same strategies, brands and problems. They therefore see the use of strategy tools as counterproductive to creating the unique strategies and competitive methods that their firms require. These views can be understood by Cummings and Daellenbach’s (2009, in press) view that academics are more likely to create and advocate prescriptive strategy tools and theories when they believe that organisations are more similar than different, and that seeing firms and their strategies as unique may make them less likely to advocate the power of tools and their general prescriptions. That is, tools are seen as beneficial when firms are thought to be similar, and as the CEOs argue that their strategies are built on being different, they see tools as counterproductive to their objectives.

6.2.2 Legitimisation

Executives searching for personal or occupational legitimacy are often said to rely on tools and techniques deemed credible by their colleagues, organisational communities and superiors (Seidl, 2007), as these are recognised or perceived to be acceptable and/or appropriate means for evaluating strategic options and making strategic decisions (Jarzabkowski & Wilson, 2006). Within the three organisations, however, the opposite is true as the general consensus is that there is more respect for strategic decisions that are based on personal experience and insights than for those based on formal tools or processes. Thus, instead of adding credibility to a strategist or strategic decision, the use of tools is seen as diminishing this since ‘gut feelings’ and ‘instinct’ are often more valued than more formal and analytical methods. The use of formal tools and techniques is instead seen as an example of how executives find ways to rationalise their role in their firms’ strategy process. Thus, although DiMaggio and Powell (1983) suggest that social pressures to conform often drives organisations to adopt
known and used management techniques, the opposite was found to be true in this study in relation to the use of formal strategy tools and techniques. Since practices that are institutionalised include those which firms are unlikely to abandon since they are integrally important to the firm's value and cognitive structure (Carter et al, 2000). The practitioners' rejection of tools can be seen as just such an institutionalised practice that is important to their firms' value systems, which is passed down by the CEOs, and which are unlikely to change. Reasons why tools are seen as lacking credibility and legitimacy are now discussed.

Past failures
This criticism of tools and formal analysis was found to be linked to past experiences the practitioners had with tools and that proved frustrating and ineffective. Rigby (2001b) found through his surveys that many practitioners believe that tools often do not deliver what they promise, and this is the case in all three firms where the CEOs associate the failure of some past strategies with the fact that those responsible for the strategy formulation had relied on tools to structure the process and deliver the results but were not critical enough of the ensuing recommended strategies. For example, at MediumCo, the failed strategy is described as the result of the employment of an expensive consultancy firm which facilitated the experience and 'signed off' on the strategic plan, but which failed to consider the long term implications. SmallCo's CEO blames the use of strategy tools by a former owner as having nearly destroyed BrandA because:

They tried to look at it like they look at their other brands, and tried to compare it along the same kind of criteria as other brands, when in reality what it needed was for the strategy behind it to be allowed to constantly evolve like it needed, rather than be pigeonholed into some model of how hotels should be and (should) compete.

While tools may help practitioners to understand what is happening in their firms and environments, they are rarely designed to produce a right answer or miraculous solution (Ambrosini & Jenkins, 2007). However, within both BigCo and MediumCo the tools, and those responsible for using them on the failed projects, were blamed for not having come up with the right strategy. These unrealistic and exceedingly optimistic expectations of the usefulness of tools have thus served to create an almost-hostile environment where strategy tools are held in contempt by the top management. This finding, and Mintzberg's (1994)
suggestion that the limitations of some tools has as much to do with the short-sightedness of the people using them as with the tools themselves, therefore extends Rigby’s (2001b) survey result by demonstrating that the notion that tools are thought have failed to meet their promises may be a result of practitioners having too-high of expectations. These expectations are perhaps falsely raised by the tool’s proponents, including academics, consultants and fellow practitioners.

The management at both MediumCo and BigCo also reject strategy tools because they believe that the academics and consultants who create and recommend their tools underestimate the complexity involved in strategy formulation and implementation. Their views are consistent with past literature that has criticised the use of tools for causing practitioners to oversimplify strategic management (Shay & Rothaermel, 1999; Thomas, 1984) and for not being pragmatically relevant to practitioners (Astley & Zammuto, 1992; Gopinath & Hoffman, 1995; Marcus et al., 1995). This helps explain the past problems in these firms since interviewees suggest that those responsible for introducing and using the tools did not consider the firm’s history, culture and/or management style. As a result, the strategies that were developed were perceived as unrealistic since they did not address many of the company’s specific challenges and weaknesses, thus hindering their ability to implement the recommended strategies “that may have looked good on paper” (SA, MediumCo).

**Academic Endorsement**

Within all three companies strategy tools are largely considered ‘too academic’ and ‘not practical,’ with the CEOs all saying that they wanted their management teams to avoid this approach in their strategy-related work. Like some of Knott’s (2008) interviewees who explained that their organisations did not value ‘textbook’ tools, executives in the three firms are reluctant to be seen relying on academic concepts since these are not respected by their CEOs and other superiors. At MediumCo there is the oft-repeated story about how the CEO saved the company from failures that he blamed on consultants and their tools. Similarly, the fact that BigCo’s former Strategy Department had been eliminated for its perceived failures means for many interviewees that the academic tools and techniques commonly used by this department are not something with which they want to be associated, and as such many people are ‘gun-shy’ about using, and being seen to use, such tools. Similarly, as with Grant’s (2003) finding that
some practitioners are sceptical of the jargon associated with tools, BigCo's managers are told to remove any academic jargon from their strategy presentations since this obscures their own ideas. Both SmallCo and MediumCo's CEO also use many colourful euphemisms when describing the relevance of academic ideas, saying in essence that their work is not practical and serves no one but themselves. Thus, while the strategy literature tends to suggest that particular strategic practices are often considered as more legitimate when they have been created or endorsed by academics and consultants (e.g. Whittington, 2003), this study found the opposite to be true: strategy tools associated with academics and consultants are considered less legitimate by the CEOs and, thus, apparently, by most of their top managers.

Even though the use of tools may easily be justified and supported due to their endorsement by respected consultancy firms and academics (Johnson et al., 2007), and from previous research and anecdotal information demonstrating their utility (Seidl, 2007), within the three firms the general view is that none of this provides the tools, or their users, with any credibility. Instead, the use of externally-created strategy tools is seen as detracting from the practitioners' credibility as strategic thinkers since using tools is interpreted to mean that a practitioner is not knowledgeable or experienced enough to strategise without them. This includes not only well-established tools but also modern techniques and approaches that practitioners have heard of and/or read about, even though previous research suggests that utilising new tools may also enhance a strategist's credibility since it represents a modern and progressive approach (Lozeau et al., 2002). The reluctance to use such tools counters Carson et al.'s (2000) supposition that managers may adopt external ideas in order to outsource their critical thinking. Similarly it suggests that within the hotel industry managers may trust their own judgements, or at least be admonished for not doing so, and thus are not prone to adopting currently popular strategic management tools as easy and ready-made 'panaceas' (Nohria & Berkley, 1994).

Practitioners at MediumCo and SmallCo also seem to recognise that strategy frames are particularly problematic during periods of intense environmental change (Dunbar et al., 1996). They, for example, criticise the idea of using well-established strategy models and frameworks since they force their users to think in certain ways that are likely either outdated or too similar to competitors. At
BigCo, some practitioners believe that using established, popular tools that are easy to use and familiar prevents their colleagues in other firms from ‘going outside their comfort zone’ and experimenting with newer or perhaps better tools that, while less familiar and which would require time to master, could possibly provide them with fresh perspectives on their company and the industry. Such views are consistent with previous research which has suggested that a reliance on popular tools may cause practitioners to refrain from adopting unfamiliar yet potentially powerful tools and techniques (Hill & Westbrook, 1997). As such, one can see that their efforts to remain competitive may lead them to look for new concepts and tools as Ghemawat (2000) suggest firms do as a result of the unsustainability of competitive advantages. At BigCo, for example, interviewees suggest that some of their industry colleagues have become overly-accustomed not only to working in certain ways, but to thinking in particular ways as well. They consider that this is a severe weakness in the strategy-making effort since, for them, many industry standard approaches, such as market segmentation and competitor analysis, need to be updated based on new research and thinking.

**Conceptual vs. Quantitative Tools**

A concept is seen as non-obvious and valuable when it adds insight to existing and acceptable ideas and rules of thumb (Thomas & Tymon, 1982). This study found that practitioners see many well-known conceptual strategy tools as fundamentally simple and basic and therefore not legitimate or necessary replacements for their own personal analytical and decision-making techniques. For them, therefore, there is little value in using these tools, especially because they believe that by using them they would come to the same conclusions that they either already knew or which they could arrive at in a more simple, casual, fast and less expensive manner. At BigCo, for example, using such a tool like SWOT analysis is said to not only waste time by pointing out what everyone already knows, but also discourages people from continuing in the official strategy process because of boredom and frustration through monotony. Thus, even though the more basic tools such as SWOT analysis have been found to be more easily grasped by practitioners and thus more popular (Frost, 2003), the simplicity was also revealed to be considered a detriment in this study. Such views about the perceived triviality of many tools confirms the literature that suggests that practitioners see many institutionalised concepts and tools as obvious because they have been widely disseminated and used (Priem &
Rosenstein, 2000), and demonstrates as well that this is one reason why tools are rejected.

While many conceptual tools were seen as obvious and of little value, the same was not true for quantitative and financial methods, and while these were not the focus of the study, juxtaposing views of these with more conceptual tools does shed some light on why the latter are rejected. Although Grant (2003) found there to be a greater concern with financial analysis tools than with conceptual ones for a few firms in difficult environments, this was found to be the norm, rather than exception, even in the relatively munificent hotel industry environment during which this study was carried out. This finding that financial rather than conceptual tool are more esteemed and used contradicts both Stenfors et al. (2004) and Clark (1997) who found that mathematical tools are often rejected in favour of those that are simple to use. Within the firms the executives are expected to be able to think conceptually based on their experience, while tools for assisting them with financial analysis are expected to be used. This view can be explained by the fact that hospitality organisations’ cultures are marked by a strong emphasis on quantitative data.

Although Eppler and Platts (2009) suggest that a valuable use of strategy tools’ diagrams is that they can represent and synthesise both types of data, this study found such tools are seen not only as being intended only for qualitative rather than quantitative information, but also that they are unable to incorporate the latter into their models. As a result there is limited expectation that they can assist with much of the strategy work that the executives are expected to undertake and which involve financial calculations. The ESP and JV were, for example, based largely on quantitative data rather than conceptual analyses, especially during the strategic analysis phase, which conforms to previous research that has suggested that quantitative data is strongly relied upon within the hotel industry during such exercises as environmental scanning (Costa and Teare, 2000). At BigCo each potential expansion region was evaluated according to nearly a dozen criteria, each of which was supported with extensive amounts of quantitative data, and although this was inputted into templates (and later analysed with the results extracted), the conceptual tools used in one department were not used in conjunction with this analysis. This is standard policy since the firm is described as ‘maniacal’ about numbers due to the CEO’s ‘obsession’ with data and because the conceptual analysis is seen as a separate and undesirable
process rather than as something that can or should be interlinked with financial projections.

Mintzberg (1994) has noted that within strategic planning an obsession with financial quantification can often weaken a company's financial performance since strategic thinking is deferred in favour of financial planning. This view is not, however, shared amongst the CEOs or their top executives. For example, BigCo's CEO described his Strategy as "More", and MediumCo’s CEO's primary focus was on how to quickly create greater returns through more hotels for the shareholders who were impatient regarding their investments. For them, the financial concerns dictated the strategies, and financial tools largely replaced conceptual ones. Such a focus on finance and growth can be traced back to the fact that most hotel companies were founded by visionary entrepreneurs whose growth concerns installed a system where strategy was largely seen as being tied to more hotel units (Olsen et al., 2008) and which, as is later discussed, led to multiple expansion methods which also restrict the use of some tools.

*Industry vs. Non-industry Tools*

DiMaggio and Powell (1983) suggest that organisations often replicate the practices of successful competitors, and this implies that specific strategy practices and techniques may be industry standards (Spender, 1989). This study found, however, that hotel firms purposely do not emulate their competitors' formal strategising practices. This also contradicts Gunn & Williams (2008) survey results which suggest that senior managers mostly rely on the tools that are most popular in their industry. At BigCo, for example, a common perception is that competitors are very outdated with their strategy work as they rely on well-established techniques that do not accurately capture the nuances needed to successfully come up with new strategies. For them, the strategists within the industry have become complacent as they are accustomed to repeatedly using the same tools and techniques as they did several decades ago for analysing their competitive situations and brands, often relying on approaches that have become institutionalised within the industry even though they do not provide their users with any competitive advantage. Their views may suggest that they recognise the inertia and competency trap within the hotel industry that Ingram and Baum (1997) suggest has resulted from large hotel chains exploiting a consistent set of routines.
These BigCo practitioners commented that this reliance on established but ineffective tools may be a result of the fact that new tools which better reflect the industry's current challenges and competitive dynamics have not been created or disseminated. Thus, it is not just academics (e.g. Becker & Olsen, 1995; Okumus & Wong, 2005b) but also practitioners who note that management techniques for the hotel industry have not been created to parallel the changing needs of the industry's managers, and this lack of development contributes, in part, to the rejection of tools as a whole rather than just to any one specific tool. Thus, while firms may copy existing tools from their competitors in order to minimise the benefits it affords them (O'Neill et al., 1998), this study found the opposite to be true since the practitioners think that the tools used by competitors are providing them a disservice rather than any competitive advantage since the industry's tools are outdated.

Rather than looking to competitors for techniques and tools, some top executives at BigCo are hiring staff from outside the industry as these personnel are thought to have experience with strategic practices that are not yet familiar to either the company or hotel industry since other industries have, they say, developed new and perhaps better tools and techniques. Unlike much of the hospitality strategic management literature that suggests that tools created in and for consumer goods and manufacturing industries are not applicable to the hotel industry (e.g. Becker & Olsen, 1995; Olsen & Roper, 1998; Olsen et al., 2008), these practitioners see value in such tools not only because they are not being used by other hotel competitors, which perhaps provides their own firm with unique insights, but also because, for them, certain issues such as brand management and concept development can draw on knowledge from outside the industry. They observe that all industries are subject to similar macro-environmental forces and need to constantly innovate their products and/or services, which resembles some of the arguments Harrison and Enz (2005) make for suggesting that the strategic management tools and processes used in the mainstream can and should be applied by hotel firms. This contradicts arguments that hospitality firms cannot be managed based on manufacturing models and technique (Olsen et al., 2008). Similarly, these practitioners note that their primary task in creating strategy is to analyse their firm and its evolving ability to adapt to, and proactively anticipate, changes in its environment, which is the primary task in all industries including the hotel sector (Olsen, 2004).
Although some executives across the three organisations shared this view that the strategic challenges facing hotel industry are not fundamentally different from other industries, many of them, especially at the smaller two firms, many believe that the hotel industry is in fact substantially different and that this reduces the ability to apply strategy tools. Reasons for this are examined in the next section.

6.2.3 Hotel Industry Contextual Implications

Much of the SasP literature suggests that strategy practices may not be relevant for all industries and that industry differences may render certain tools more or less useful. Many strategy tools are also thought to perhaps be valuable only within the industry or national contexts in and for which they were created (Furrer & Thomas, 2000; Narayanan & Fahey, 2005; Porter, 1991), and as such they may not be relevant for different levels of environmental uncertainty, national contexts or industry sectors. Across the three firms practitioners often cite specificities of the industry as some reasons why they and their firms also reject tools. These include the nature of hotels as service firms, the difficulty in creating sustainable competitive advantages, and the current ownership-management structure of most hotel companies.

Service industry characteristics

While service industry characteristics are said to have significant implications for strategic planning in the service sector (e.g. Carman & Langeard, 1980; Schmenner, 1986), there is little empirical evidence which demonstrates why this is the case (Okumus & Wong, 2005b). This study’s findings demonstrate that it is as much the perception that the industry is different as it is actual differences which practitioners use to explain, or justify, their rejection of tools. That is, because they perceive the hotel industry to be uniquely different from other industries, such as manufacturing, technology and consumer goods, practitioners at various hierarchical levels believe that the use of generic strategy tools is often unwarranted.

Many practitioners suggest that the hotel industry is more complex than other industries. They state, for example, that due to the intangible but fundamentally important role of service, tools cannot capture the most important strategic issues that are relevant at the operational level. For example, some argue that it is more difficult to conduct a SWOT analysis for a hotel due to the intangibility of
service since people, including employees and guests, often have very different perceptions and expectations. This was evident at MediumCo when participants at the strategy session engaged in a discussion of competing luxury hotel brands and there was vocal disagreement about the strength and weaknesses of different brands and of different branded properties. Similarly, the long list of different opportunities and threats collected as part of the ESP at BigCo, which is consistent with previous findings of hotel industry CEOs (Simons & Namasivayam, 1999), also demonstrates little agreement about service issues, much as Okumus (2004) suggests may be true in the hotel industry.

Others suggested that because it is their lowest paid employees who are responsible for implementing brand strategies at the operational level, there is little that formal strategic planning tools can do to help ensure that guest experiences are delivered as expected. At BigCo, former brand strategies and standards are said to have failed since the Strategy Department did not understand the limits of implementing them at the unit level. This failure may be explained by the fact that brand buy-in and strategy implementation are particularly difficult in the hotel industry since line-level employees are rarely associates of the hotel company itself but rather of the hotel unit (Bender et al., 2008).

**Strategy transparency**

Developing successful strategies in the hotel industry is considered particularly difficult due to the transparency and replicability of innovative ideas and the influence this has on raising the level of competitiveness (Olsen et al., 2008). As a result of this inherent challenge in creating sustainable competitive positions, service sector firms may be required to more frequently reposition themselves (Thomas, 1978). These issues are represented in the views of the executives at all three firms who suggest that their brands and product/service portfolios need to constantly evolve due to the industry’s increasing commoditisation. Within all three firms there were references to examples of new product and service ideas that originated internally but which were soon copied or imitated by competitors, as well as ideas of competitors that the firms had replicated. Executives believe that the RWRI and REG concepts will soon be imitated by other hotel firms and that they will need to find new strategic initiatives to keep differentiating their companies. This increases their need to devote time and energy to constantly creating and introducing new marketing and product ideas and reduces the effort.
that they can spend on formal analysis and strategy processes. Here one sees Whittington et al.'s (2006) view that 're-strategising' is becoming an increasingly important part of a firm's strategic management process. However, while he believes that the mastery of tools and techniques forms a part of this re-strategising, the opposite was found to be the case in this study since the re-strategising is seen as prohibiting the use of such tools and techniques due to some of the reasons previously discussed (i.e. time, creativity, etc.).

While a rational view of strategy formulation and strategy tool use suggests that practitioners can possibly avoid costly mistakes due to a better alignment between their firms and the environment (Hill & Jones, 2005; Olsen et al., 2008), this is not always seen as a required practice since the financial cost of many possible mistakes is thought to be relatively small. At SmallCo, for example, other than investing in new properties which is capital intensive, most new ideas for enhancing the firm's competitive position are considered relatively inexpensive and easily correctable. The RWRI, for example, was easily tested at a few properties before being rolled out across the brand. Had it been a failure, then the cost would have only been in some marketing initiatives and menu creation, neither of which was a concern for the firm, and the initiative could have been easily and inexpensively reversed had it been necessary. A similar situation is evident at MediumCo where with creation of REG most costs are assumed by the PEG which made MediumCo's need to spend resources analysing the brand's prospects largely unnecessary. At BigCo, meanwhile, the firm was described as spending large amounts of resources analysing strategic initiatives before implementing them on even a limited scale because of the potential danger to their brand and company reputation that would be associated with any failure. Similarly, their need to convince franchisees and ensure their economic returns also requires BigCo to conduct and present more strategic analysis before implementing new initiatives. Thus, although Thomas (1978) suggests that service businesses can modify their business developments even after they have been introduced, this is not a generalisable comment to all firms or all strategies in the hotel industry. While some strategic initiatives are more easily remedied, which reduces the perceived need for strategic analysis and strategy tools, there are clearly instances where this is not the case.
Industry structure
The hospitality industry structure is fragmented, capital intensive, and involves extensive quantities of real estate that is usually owned by investors rather than the hotel companies (Olsen et al., 2008). These characteristics help some practitioners rationalise their rejection of specific strategy tools and the use of tools in general. The current asset-light strategy that led MediumCo and BigCo to manage, but not own, the vast majority of their hotels means, for them, that they are not free to make all the strategic decisions that they might want to make. They cannot, for example, expand in all geographic regions that they might wish to due to the territorial restrictions included in their management and franchise agreements. Similarly, although there are many strategic initiatives that they wish to implement at the property level, they are not able to do so without the commitment of their hotel owners who are generally the source of capital for such projects. In other words, as Brookes and Roper (2008) have noted, the fee-based model has made the hotel companies largely dependent on the cooperation of stakeholders such as franchisees and property owners when making strategic choices. While previous research has shown that franchising imposes restrictions on discretionary strategic decision-making at the unit level (Roberts, 1997), the current findings suggest that this is also true for corporate entities in the hotel industry, and that this negates some of the benefit to formal studies involving strategic planning tools and techniques.

Various examples of how this structure affected the use and perceived value of generic strategy tools were encountered during the research at both BigCo and MediumCo whose hotel portfolios comprise a vast majority of hotels with third-party owners. At BigCo, for example, several executives point to this structure as one reason why they do not use the BCG matrix. A traditional use of portfolio-planning matrices would imply that the firm could examine its different brands against one another and objectively decide which ones it should, for example, invest in ("Rising stars") or withhold funds to ("Dogs"). Unlike a consumer goods firm that could stop manufacturing, selling or marketing a particular product, these executives note that because of their hotel firm’s fiduciary responsibility to the hotel owners who have invested in establishing and following brand standards and policies, it is not necessarily possible to ‘let a brand die’. They also note that while the use of this type of tool could possibly suggest that a particular brand should receive financial investments in order to strengthen its likelihood of becoming a “Star,” this investment would generally need to be made at the
property level by the individual hotel owners, and from their experience the tool did little to demonstrate to the owners that their capital investments would lead to direct financial improvements for their individual businesses which is a key imperative since owners often put the interests of their own properties ahead of the brand (Bender et al., 2008). In other words, the generic strategy tools do little to help the companies convince franchisees to implement strategic changes and investments, and as such they are not often used for communication purposes with owners and managers.

However, because many investments are necessary for the brand but not necessarily for a particular hotel and thus third-party owner, BigCo and MediumCo are required to convey to their owners the strategic reasons why as owners they still need to contribute to the success of the brand with which their property is affiliated. With the hotels that are owned by large investment funds and organisations that are financially astute, BigCo and MediumCo rely almost primarily on financial tools and quantitative data analysis to converse with owners about the capital investment requirements necessary to ensure the success of the respective brands. Observations that owners’ influence and involvement in decision-making has grown over the years (Gannon, 2008) was thus found to also extend, albeit perhaps without their knowledge, into reasons why hotel companies refrain from using certain tools. That is, even internal decision-making processes and practices are affected by the firms’ strategic content decisions such as its ownership structure.

Fragmentation is another hotel industry characteristic found to reduce the perceived value and practical application of tools such as positioning charts, SWOT analyses and Porter’s five forces. The firms need to simultaneously compete against other multi-unit companies globally in many markets, while at the same time competing against a unique set of rivals in each individual market. Informants at the two larger firms pointed out that while their past efforts to use a positioning-chart analysis sometimes suggested that on a global scale a certain brand was becoming uncompetitive versus that of a competitor, the value of using the tool had been rather limited since the underlying analysis or communication power of the tool could not be used to justify that this was the case for an individual hotel unit belonging to a particular owner. Harrington (2005) similarly notes that geographic distribution impacts strategic decision-making. Thus, while certain capital investments or other changes were deemed
necessary in order to reposition specific brands, such actions were not clearly necessary for all hotel owners since not every property was underperforming its competitors. Those that were often were doing so for a variety of different reasons. Such situations confirm that the ownership-management separation to only results in challenges to integrated global strategies for hotel firms (Whitla et al., 2007), but also that it impacts the pragmatic validity of some strategy tools.

A tool's relevance is said to be limited to the firms or industries whose characteristics are in line with its assumptions (Porter, 1991). However, while the practitioners provided only a few concrete reasons for why they thought certain generic tools did not fit the industry or were particularly difficult to use, there was a consistent perception that the industry and firms were too unique to use standard tools. These findings begin to help explain why some previous studies have found that service sector firms make little use of most strategy analysis tools (Aldehayyat & Anchor, 2008; Glaister & Falshaw, 1999). The findings from this study about how strategy tools are used are discussed in the next section.

6.3 The Use of Strategy Tools

The top management (CEOS and most direct reports) at all three firms maintain that conceptual strategy tools are not used in their firms. At BigCo, executives in several departments list various financial tools which they consider strategic. These include several which are well-known industry tools, others that are prevalent across industries, and others that are proprietary to the firm itself and which are held as closely-guarded secrets. Many of these more senior employees who have attended business school and are familiar with various generic conceptual strategy tools from their education were quick to point out that they had not only never used these since they entered the hotel industry and/or started working at BigCo, but that they had not seen them being used by others and that none were used during the ESP. A similar situation exists at the other two firms where top executives are confident that tools are not being used, but here many of the executives do not have formal business-school educations. While they acknowledge that they are unaware of many of the examples of tools
with which the researcher provided them (SWOT being the general exception), they believe that they would notice if these were being used.

However, while these individuals are confident that conceptual strategy tools are not used in their respective firms, the empirical research found that tools are in fact sometimes being used, but in ways that make them relatively unknown by many other organisational members. Thus, while the empirical research reveals that strategy tools are only rarely used in the three organisations, several interesting findings about their use were still discerned. The findings reveal that the tools are used in discrete and unexpected manners not fully addressed by the limited extant research on strategy tools. These findings pertain to the fact that it is generally the lower level corporate employees (i.e. directors and staff members) who use and advocate their use, that they are used primarily for data collection and knowledge sharing purposes, are often times used in an implicit rather than explicit manner, and that the industry's specific characteristics shapes how they are and are not used. These issues are discussed next.

6.3.1 Individual and Departmental Use

The extant strategy tool literature suggests that, given their strategic responsibilities, it is top managers who are most likely to use strategy tools as part of their strategising activities (e.g. Hill & Westbrook, 1997; Hodgkinson et al., 2006). Similarly, top managers are thought to be more involved in strategic analysis and thus more likely to use strategy tools designed for this part of the strategic management process (Johnson et al., 2007). Previous research utilising list-based surveys have targeted this audience (e.g. Aldehayyat & Anchor, 2008; Rigby, 2001b; Stenfors et al., 2004). Studies have also found that greater amounts of professional experience and higher levels of academic training tend to correlate with more use of tools (Gunn & Williams, 2008; Jarzabkowski & Giulietti, 2007). In this study, however, the opposite was found to be true as it is often the lower-level corporate personnel that use, or advocate the use of, strategy tools.

At BigCo, for example, associates, directors and vice presidents used a variety of different models and frameworks during the ESP project and also assert that they use similar tools in most projects. Examples of SWOT, positioning charts, PEST and the five forces framework were among the examples found in various
working documents (i.e. personal drafts) that formed part of their experience during the ESP project. At MediumCo, meanwhile, several corporate interns and directors believe that much of the work they are doing would benefit from more structure that could be accomplished through some visual tools. For example, they believe that within the organisation there are many instances when executives seem to believe they are agreeing on an issue when, in fact, there are important differences in their views and there is confusion about what specifically it is they are meant to be discussing. This was witnessed at the strategy session when a discussion of competitors inadvertently included references to specific properties as well as to their brands and corporate parents. At SmallCo, meanwhile, the only use of tools revealed during the study emanated from the management trainees who were told to remove their SWOT and five forces analyses from the final draft of their `action recommendation' document since these 'clouded the issue' and overly-formalised their ideas.

These junior-level corporate employees are almost all recent graduates from business and hospitality management programmes, where they learned various tools, and they cite their education as a key reason why they incorporate some tools into their work. For example, BigCo's D-BI stated "You know, I have an MBA, so I love frameworks." Similarly, the management trainees at SmallCo mentioned that they thought they had been hired because of their education and not despite of it. At MediumCo, meanwhile, many executives and managers are enrolled in a company-sponsored MBA programme and though they have been told that they are to apply what they learn on-the-job, they tend to only "think academically" (GM1) while working with each other on company-related projects for their degree. They reflected on how they have not applied any tools in their actual jobs since their superiors often not only do not want to use them, but often times seem not to know, or want to know, about them. These experiences tend to support tentative suspicions from previous research that those more recently exposed to tools as part of their education are more likely to employ them (Jarzabkowski & Giulietti, 2007) since these concepts are not only more fresh in their minds, but also because these ideas may have a greater 'share of mind' (Cummings & Angwin, 2004). Unlike their colleagues with greater work experience and more time lapsed since their education, these individuals consider that those tools associated with formal education and academics do, as some previous research suggests, hold credibility and help legitimise their involvement in strategy work (e.g. Johnson et al., 2007). Thus, while the literature claims
that more work experience tends to correlate with a greater tendency to use tools (and more tools), and thus that this experience may encourage individual practitioners to use tools, the findings here contradict this as the less-experienced practitioners are seeking to justify their strategising roles and abilities through the use of formal concepts and tools. Their desire is consistent with Botha's (1989) view that the rational perspective of tool application suggests that once a practitioner has learned the 'tools of his trade', his/her task is to apply them to an increasing number of areas.

Across the three firms many middle and top managers cite the disdain that their CEOs have for formal strategy tools and techniques as dissuading them not only from using any model or framework in their own strategising, but also from encouraging their colleagues to use them. This is consistent with previous research showing that top management support may be required for tools to be successfully introduced (Hodgkinson et al., 2006; Hodgkinson & Wright, 2002). At BigCo, for example, the SVP-F who had been hired from a non-hospitality firm with a mandate to introduce a "broader decision-making perspective" and to "challenge conventional thinking" suggested that the firm's long-range financial planning process introduce formal strategy meetings and tools and "The people just gagged. Gagged! (and said) 'What the hell are you thinking? We don't do that here!'" Such views and influence over the perceived usefulness of tool is explained by the fact that middle-managers help provide contextual knowledge for shaping strategy (Dutton et al., 2001) by, for example, sharing their practical expertise and knowledge about acceptable and normal behaviours and about how organisations 'really work' (Hoon, 2007).

This view and discrete use of tools also extends to the hotel property level. Although most — but not all — of the GMs were found to be unfamiliar with the concept (and specific examples) of strategy tools, they believe that they are not expected to conduct any formal conceptual analyses of their properties' strategic situation since they have never been asked for this. They also believe this since they have not seen the use of any such tools in any corporate-level strategic analyses. This can be explained by Dutton et al.'s (2001) previous finding that middle managers interpret top management's strategising activities as an attitude about specific strategic issues and as a signal to how they themselves should approach the issue. In other words, the GMs view the limited conceptual analysis
shared with them, or asked of them, as implicitly directing them to focus their analysis and time on other 'more important' issues.

Another reason why there is little recognition that tools are being used is because some tool use is taking place within very specific 'pockets' of the organisations and not being shared across departments. At MediumCo, for example, various SWOT, PEST and competitor profile analyses were undertaken by the JVCEO and his team, but these were not distributed to other EC members during the JV project 'update reports' or presentations. This was because such tools are not seen as relevant or practical by the JVCEO's peers, which is a common critique of academic research and concepts (e.g. Marcus et al., 1995). Similarly, the matrix created by several EC members was not used even by those who had mandated that it be created. Nor was the SWOT analysis that another EC member prepared for the strategy session, which further hid the fact that tools were used by some members of the firm.

At BigCo, meanwhile, practitioners within BI, whose mission it is to help "structure and manage" (SVP-BI) important projects, rely on tools for their own analytical purposes but they do not generally use these openly with members of other departments where there is less appetite for conceptual models. Tools are generally the province of consultants (Mahoney & McGahan, 2007; Morecroft, 1992), which may explain why those using the tools during the ESP were largely from BI where much of the staff, including the project managers, are former consultants. BigCo's Marketing Department relies on many of its own tools for its internal work but only the outputs of their analysis are shared during cross-departmental projects since they believe that across departments there is not only trust that they "know what we are doing" (EVP-M) but because the techniques and language they use are very department-specific and not necessarily applicable for others. Morecroft (1992) states that practitioners are more likely to use models when they believe that their own ideas and knowledge figure within them, which helps explain why department-specific tools may not find their way across departments since they may not be useful elsewhere.

In addition, the Brand Management's 'Business Profile Framework' was very closely protected with access to it limited to only a few people in the department, even though the information collected was based on the input throughout the organisation. At BigCo, therefore, time is spent not on demonstrating the
analysis that is undertaken but rather on the results and action plans derived from the analytical tools. Similarly, tools are sometimes used as background work for presentations and projects, but this work is not provided to others (i.e. the audience or readers) unless it is requested. For example, BigCo’s D-BI notes that during the ESP she used some frameworks to, if asked, show that she had “really dotted my I’s and crossed my T’s ... as a validation of my work ... (to show that ) I really did my homework and I know what I’m talking about.” She also notes that this work was never requested and that the fact that she used these tools was not known. Thus, tools are used as a support for more complex strategic analysis in that they help departments provide strategy knowledge to other managers and teams (Paroutis & Pettigrew, 2007), but they do not do so by providing the tools and evidence of the analysis. Instead, they do so only through the results, which contributes to the fact that use of tools is not readily known in other areas of the firm.

This situation is further exacerbated at BigCo since there is no centralised Strategy Department coordinating the work of the different functional areas. Instead these departments’ leaders are mandated to ‘own their departmental strategies’. This coincides with the fact the company is functionally structured and this is blamed within the firm for a rather extensive ‘silo effect’ problem. Functional structures are often blamed for decreasing the quality and quantity of coordination and communication (Mintzberg, 1979), including in the hotel industry (Harrison & Enz, 2005), and this seems to contribute to the fact that tools and their use are not known across departments. Similarly, there is little transfer of personnel across departments at the corporate level, further minimising the transfer of tools that such persons might bring with them. Although tools have been found to act as boundary objects that bridge hierarchies and departments (Kaplan & Jarzabkowski, 2006), which familiarises more people with them, the opposite use of tools, that is, keeping them within the department, serves to reduce the familiarity of individuals not only with the tools being used elsewhere in the organisation, but also with the fact that tools are even being used at all.

6.3.2 Non-prescriptive Application

An additional reason why tool use appears not to be as well-known within the firms is related to the way tools are applied. Most prescribed uses for tools
revolve around their role as decision-making aids that are to be applied for analysis purposes to help practitioners examine information and ideas in rational manners. Knott (2006) suggests, similarly, that tools can be used as techniques to assist with very specific and focused purposes involving detailed work. This is the role for which the JVCEO employed some tools during MediumCo’s JV. It was also the role for which tools were used during BigCo’s ESP where a number were employed in very particular ways and for very specific purposes, all of which masked their role within the firm.

BigCo’s ESP project managers were tasked with structuring and overseeing the management of the project and they followed what they described as a ‘basic strategy approach’ of environmental scanning, analysis and decision. This use of the classical strategic management process (Whittington, 2001) as a tool for structuring the project is what Knott (2006) refers to as using a tool as a ‘concept’ since it provides the user with a general structure for approaching a problem and deciding what information is relevant. The project managers did not, however, share with the team members that their approach for developing the strategy was based on a well-known ‘strategy model’, and this was for several reasons. Firstly, the project structure was not atypical, and the project managers did not believe there was any reason to spend time on ‘the basics’. Secondly, because the approach is a standard one for the firm, and already well-known to most team members due to their tenure with the company, the project managers assumed that their colleagues are already familiar with the rationale (i.e. model) underpinning the approach taken to solve the problem. Thirdly, the project managers assume that there was little or no perceived need to clarify how the project structure was built on existing concepts since the team members’ methodology for carrying out projects is rarely, if ever, shared, since it is rarely, if ever, questioned. Rather than being interested in the methods or methodology, the executives are simply concerned with the results. As such, most team members suggest that the project was run like ‘any other project’ and not according to any formal strategy model. For many this was just BigCo’s ‘way of doing things,’ and the fact that strategy tools underpinned the work was not apparent to the team members.

During the course of the ESP the project managers’ methods involved the use of various tools, but these were often not employed according to their commonly prescribed or recommended uses, which helped obscure the fact that they were
being used. For example, although tools may be explicitly used as metaphors to generate alternative thinking about strategic problems (Knott, 2006), they were not used in this way. Previous research also suggests that tools are often used in groups (Mantere & Whittington, 2007) and that used in this manner they may foster debate and discussions (Knott, 2006; Morecroft, 1992) or mediate strategising activities (Kaplan & Jarzabkowski, 2006). Since many tools are represented as visual diagrams, they can be considered 'processual toys' that are easy to use interactively (Eden, 1992). Used like this, one would expect that the tools, and the fact that they are being used, would be familiar to those who interacted with them during meetings and workshops, both of which are activities during which strategy tools are frequently used (Hodgkinson et al., 2006). During the ESP, however, tools were not used by groups, or during the team meetings, and as such they were not used to coordinate the managers' activities as Paroutis and Pettigrew (2007) and Grant (2003) found to be true in their studies.

Instead, the project managers used the tools largely as 'recording devices' with which to 'interview' the team participants 'one-on-one'. They then later recorded their findings into the templates they had created (many of which were from other similar projects), which they then condensed and analysed themselves rather than with the team members. These interviews were often carried out with the members of the team members' departments (i.e. subordinates), or by email, as the more senior personnel were "short on time and patience" for such activities. This perspective is consistent with Olsen et al.'s (1992) observation that in the hotel industry it is active problem solving, rather than 'soft' activities such as scanning, which is valued, with the latter often considered to be a waste of time. The use of tools in this way is representative of Nordqvist and Melin's (2008) view that practitioners who are successfully involved in the strategy process sometimes act as 'artful interpreters' since, by understanding local norms and routines, they adapt practices to specific contexts. This artful interpretation of the use of tools, however, meant that the team members were only using them in an indirect manner and were thus largely unaware of them. That is, because many hotel executives see formal tools and techniques as wastes of time, yet have important strategically-relevant information, the project managers rely on an implicit use of tools with them, as opposed to actively engaging with the tools, and as such the use of tools within the firm, and in specific projects, is not apparent to these top-level practitioners. The project managers considered this
approach to be successful and this may be because they acted in a capacity of 'known strangers' (Nordqvist & Melin, 2008) whereby they balanced familiarity and distance to provide their colleagues with a sense of confidence and objectivity which in turn facilitated better information exchange.

By using the tools to implicitly help them determine the questions for which the team members would need answers also helped obscure their use. For example, BigCo's D-BI and her associates drew on SWOT analysis, value chain analysis and BCG matrices to narrow down the range of questions they needed to ask and answer about the competitive situation in Europe. For her, the tools provide a quick and efficient checklist of the issues that need to be considered while allowing her to eliminate various parts of the different tools that were irrelevant or not necessarily priorities for this project. This use of tools is consistent with Dutton et al.'s (1983) view that strategy models provide frameworks within which to explore strategic decision contexts or issues. Thus while the tools were used, few people were aware of this since they were used to determine questions for the team members to answer rather than for the latter to use to diagnose specific situations.

These tools often served as templates for recording information and for presenting the results in easily understandable visual devices to their superiors. As such, they were used to communicate large amounts of information and ideas in a way that was efficient to transmit and understand. This application of the tools, while not the suggested analytical role prescribed by much of the literature (e.g. Learned et al., 1965; Porter, 1980), corresponds with what Eppler and Platts (2009) suggest is a valuable use of strategy tools. They suggest that, used in this way, strategy tools can elicit and synthesise data and help managers to process more information without unnecessary data overload or mental shortcuts. This use is also consistent with the literature suggesting that strategy models and frameworks are useful for organising, simplifying, filtering and synthesizing large amounts of information (Dutton et al., 1983; Morecroft, 1992). The predefined structures of the tools, which Knott (2006) refers to as a 'needs-centred' application since the user chooses the information and categories according to a specific perceived need, helped the managers to structure extensive amounts of information for their own use which is perhaps a little recognised application of such tools (Eppler & Platts, 2009) and one that, since it is not shared throughout the organisation, is not often known.
Due to the top management's resistance to use tools associated with consultants, academics and the term 'Strategy,' the ESP project managers regularly referred to the tools as 'templates' and 'grids' even though they were similar to better-known SWOT, competitor-profile analyses and PEST frameworks. Thus, while the prescriptive use of tools, and some previous research, claims that one benefit of using established strategy concepts and tools is that they provide a common language around which strategy can be understood and formulated (Cummings & Angwin, 2004; Paroutis & Pettigrew, 2007), this was not the case during the ESP. Instead, the tools were called by other names, and the particular labels within the tools are not necessarily those of established tools, since the more technical and formal identifications are disdained throughout the organisation.

For example, when interviewing the team members about their understanding and thoughts of the European hotel sector, the project managers did not present their questions as part of a SWOT analysis even though they assert that this was clearly the foundation to their questions. Similarly, they did not present the outcomes of their interviews in the form associated with tools such as a TOWS (Weihrich, 1982) or other 2x2 matrices. Rather than refer to the different brand expansion possibilities according to well-known terms like 'Dogs' or 'Stars' that are part of the BCG matrix, and which are said to form part of the standard language for strategic management due to their popularity (Dutton et al., 1983), the Marketing Department uses their own labels, which further serves to minimise the familiarity with certain tools and perhaps reduce their linguistic legitimacy. It is interesting to note that the ESP project managers were surprised to hear that many of the team members maintained that tools were not used during the project. They acknowledge that by calling them templates, by not using specific names for most tools ('I don't think we name things a lot. I think we have an aversion to it" SVP-BI), and for not explaining that they had created the tools, most team members could be unaware of their use, which also helps to explain why the use of tools is somewhat obscured. They similarly suggest that as academic concepts and tools are not respected by the top management, certain of their colleagues may be hesitant to acknowledge using them.

Phillips et al. (2004) suggest that texts help institutionalise concepts and ideas since they permit multiple readings that help share the concepts across time and space. Strategists also are known to include tools in their documents, reports and presentations (Paroutis & Pettigrew, 2007). The documents produced during
the ESP, however, do not contain any examples of the SWOT and other tools implicitly used by the project managers. While some templates summarising key views were documented in the appendices of the full report, only the shorter executive summary without these appendices was circulated across the firm, and the full ESP document was said to be read only by the project chair and managers. Similarly, presentations made to the project sponsors and BOD also do not contain evidence of the tools used to structure the project or to collect the information. At the same time, however, the company is described as being fond of reports and presentations. As such, although there were many possible opportunities for tools to be shared this way, they were not. Thus, the fact that individuals are constantly reading documents and attending presentations that do not contain explicit use of tools further reinforces the perception that such tools are not part of the company's standard strategising activities. As a result, knowledge that tools are used is further reduced.

While the tools did serve to help communicate information (Whittington, 2006), this communication was primarily from the team participants to the project managers and not vice-versa. The resulting analysis was then conveyed back to the team prior to each meeting in brief memos and was also used as discussion points during the meetings. As the information was not shared within the tools but rather only as the results of having used the tools, the team members did not attribute the results they discussed to the tools themselves, nor did they see that the eventual decisions, or actions, were a result of having used the tools. In other words, the tool use was conceptual rather than instrumental (Beyer & Trice, 1982). This means that the research results were used for general enlightenment as opposed to producing actions that resulted in very specific and direct ways. The tools thus did not play as visible a role for the team members who maintained, later, that the tools were not used during the ESP.

6.3.3 Hotel Industry Contextual Implications

The literature questions whether the use of generic strategy tools is influenced by industry context (Johnson et al., 2003; Whittington, 2004) and some have suggested that the appropriation of tools is largely influenced by a firm's institutional context (Schwarz, 2004). In this study, the use of tools was found to be masked by particular characteristics of the industry structure involving the separation of ownership and management as well as the management structure...
involving franchising as opposed to owned, leased and managed (OLM) hotels since in the latter the hotel company has greater control over the property and its management.

In his study of restaurant companies, Bradach (1997) found that franchisees often challenge the parent company's business logic and strategic decisions and that through their challenges they helped contribute to the company's strategic choices. Franchisees are also, according to the literature, sometimes included in strategic conversations with the hotel companies as they pass information from their local areas. Within the hotel industry, however, little research has been conducted as to how hotel units and corporate entities work together in the strategy process and in more micro-practices. Thus, while it has been posited that because they encounter a large number of diverse environmental conditions due to their internationalisation, multi-unit hotel companies may conduct more sophisticated strategic analysis practices (Harrison & Enz, 2005) such as formal environmental scanning and analysis (Olsen et al., 1994) at the unit level (Olsen, 1989), this has yet to be documented.

In this study, it was found that while BigCo has a corporate department responsible for franchisee and property owner (F&PO) relations, including a governing committee elected by the franchisees and owners, projects, meeting and strategy discussions involving the company and this committee do not, for the most part, use strategy tools and especially not those that are proprietary to the firm. Certain tools are occasionally used with the owner/franchise group, but academic concepts are generally not used as the company prefers to reinforce that they are concerned with practical rather than theoretical issues. They see most tools seen as overly theoretical and rarely pragmatic, which confirms much of the previous research about the lack of relevance of academic concepts, research and tools (e.g. Lyles, 1995; Marcus et al., 1995). Still, brand discussions based around an implicit SWOT analysis are sometimes used with the F&PO, and this is said to be done so as to gain support for initiatives the company was already planning rather than to elicit new ideas from the owners and franchisees. Such use is representative of the idea that tools may be used during the strategy process to increase 'buy in' for strategic initiatives (Westley, 1990). It similarly confirms previous research which has found that concepts (Beyer & Trice, 1982) and formal analysis (Langley, 1990) are often used to symbolise a need for participatory decision-making and to sustain predetermined positions, as well as
to help persuade superiors to support a decision. A similar situation was described at MediumCo where the annual General Manager meetings (company and region specific) often involve sessions that address company and brand issues. The involvement of the GMs is largely a way not only to allow the GMs to see for themselves the challenges facing the company that they, the GMs, needed to address, but also as a symbolic gesture to demonstrate their importance in shaping the company's future. According to one interviewee, by having the franchisees and property owners involved this way, it also helps keep them focused on specific agenda items rather than other perhaps more contentious ones. This is consistent with Langley's (1990) finding that formal analysis is often mandated by managers to help control their subordinates by forcing them to attend to particular problems.

BigCo's more sophisticated and proprietary tools are not shared with the F&PO since the latter are considered important business ‘partners’ but not as part of the company itself. These tools are, however, sometimes used together with the GMs responsible for properties under lease and management contracts. This difference is explained by Chen and Dimou's (2005) observation that ownership and management contracts imply a lower risk of proprietary knowledge leakage than do franchise arrangements. That is, the firm shares its company tools with GMs who are its own employees and refrains from doing so with GMs that are employed by its franchisees.

While there are some differences in the way the two sets are treated in relation to tools and the strategy process, more often than not the hotel units are not involved in the strategic analysis and data collection using tools. For example, while information for the Business Profile Framework is sometimes gathered from F&PO representatives, they are not explicitly informed about the tool. GMs from managed properties, on the other hand, are specifically requested to provide information relevant to the analysis. Bender et al. (2008) remark that because property owners can have similar business relationships with other hotel companies, a particular firm may lose the ability to leverage its know-how and resources into any advantage over its competition. This was found to influence how tools are used at BigCo where the vast majority of its hotels are owned by third-parties. While owners of hotels are provided with some results gathered from the use of tools, such as the reasoning behind new customer and brand segmentation strategies, most are not involved in any formal decision-making
process or provided with the tools themselves due to their affiliation— or potential affiliation— with competitors’ brands. Thus, as the ownership structure and fee-based model implies more stakeholders (Brookes & Roper, 2008), including more influential owners (Gannon, 2008), the company maintains a level of secrecy regarding its proprietary strategy tools and techniques since owners, understandably, put the interests of their hotels over that of the company or brand (Whitla et al., 2007).

Bender et al. (2008) similarly note that hotel owners may be reluctant to share information with other hotels in the chain. This study also found this to be a reason why the use of tools to discuss strategic issues and facilitate information sharing and analysis is rarely used with owners. That is, because the company’s hotels are owned by many hundreds of different owners, BigCo has found a general hesitance on their part to collaborate with one another, or even with the company, on sensitive issues that they believe provide them with competitive advantages. As a result, most owner meetings focus on addressing transparent brand-wide issues and little effort is spent trying to get the owners to collaborate in high-level discussions in which some tools would perhaps be used.

The findings in this study thus support previous research that has found that hotel companies do not rely on formal processes to record new ideas from franchisees and OLM units (Brookes & Roper, 2008). Similar to Brookes and Roper’s (2008) observation that corporate units are distinctly uninterested in franchisee innovations or best practices, this study found that many of the proprietary tools which the firm believes provides it with advantages over the competition are not shared with most owners or GMs. This means that they are not interested in their strategic insights, or at least not interested enough to risk transferring their competitive know-how. Instead, they seem to rely mostly on learning from their own experiences (Ingram & Baum, 1997) and internal knowledge-sharing. This is consistent with findings that have revealed little mutual learning from the hotels to the corporate entity. It also extends this by demonstrating that the limited explicit coordination and communication efforts across the divisions (Brookes & Roper, 2008) also occurs at the level of distinct strategy practices and activities such as using tools to collect, share and analyse information for strategy formulation and decision-making. As such, the multiunit structure, combined with the fact that many hotels are owned and franchised, not only makes it difficult for hotel companies to apply their experiences across their
units (Ingram & Baum, 1997), but also difficult to gather information and learn from these units through the use of strategy tools. This therefore calls into question Harington’s (2004) belief that because more knowledge is spread throughout large hotel organisation, more individuals will be included in the strategy process. The limited use of tools with external owners and managers also further ‘veils’ the company’s use of strategy tools.

6.4 Chapter Conclusion

This chapter discussed the empirical findings from the three case studies in relation to the extant literature discussed in chapters two and three. Two main issues were addressed. The first is that tools are widely rejected in the three firms for several reasons:

1. The strategy formulation responsibilities were highly vested with two of the CEOs who rely on intuition and vision, and thus not formal techniques or tools.

2. The strategy praxis was also shown to not include many instances of strategy meetings and workshops during which strategy tools could have been used and their potential social benefits revealed to counteract past frustration with the prescribed analytical functions of many tools.

3. Most strategy tools were also shown to be considered too academic and not practical, and this, combined with a lack of sophisticated and modern industry-specific tools reduced their legitimacy in the eyes of the practitioners.

4. Specific service and hospitality industry characteristics such as the intangibility of service, geographic dispersion and ownership structure issues lead many practitioners to reject generic tools since they perceive the industry to be too different from those for which the tools were originally created.
The second main theme is that when tools are used, their use is 'veiled' by several factors.

1. Rather than being used by top managers as suggested by much of the literature, it is the lower-level corporate associates who are often tasked with using the tools, and they do so implicitly through data collection templates which are not referred to as strategy tools and which are neither named nor often included in formal presentations and circulated documents, both of which disguise their use.

2. Similarly, tools are often department-specific and therefore are not shared across functional areas which also minimises knowledge about them, and their use, throughout the firm.

3. Characteristics of the industry structure, most notably the owner-management split, also restrict the use of tools across organisational divisions.

The next chapter concludes this thesis with a discussion of the thesis's contributions to knowledge, its limitations and recommendations for management, education and research.
Chapter 7 Conclusion

7.1 Introduction

This chapter draws conclusions from the study in relation to its aims and objectives. It first demonstrates how the aim and objectives have been met and how the specific empirical findings begin filling in the knowledge gaps about the use of strategy tools as were identified in Chapter One. It then discusses the contributions this thesis makes to the strategy tool, SasP and strategic management literature, as well as to researching the practical use of strategy tools. The study’s limitations are then identified. Based on the findings, several recommendations are provided for practitioners and educators, as well as for future research. The chapter concludes with some personal remarks about the research journey.

7.2 Research Aims and Objectives

This study sought to identify the role that strategy tools play as part of the strategising activities of practitioners in three hotel companies. To achieve this aim, the research specifically sought to determine:

1. Why practitioners use strategy tools when strategising.
2. How practitioners use strategy tools when strategising.
3. How contextual factors influence the use of strategy tools.

The following section discusses the study’s specific findings with regards to each of the three research questions, and how these contribute to the extant knowledge about the practical use and role of strategy tools.

7.2.1 Why practitioners use strategy tools when strategising

Although this study set out to investigate why strategy tools are used, the findings were much more focused on why strategy tools are not used since, for
the most part, the practitioners in the three firms do not utilise strategy tools as part of their strategising activities. As such, this discussion is focused largely on this finding.

By examining the use of strategy tools across hierarchical levels this study reveals that, contrary to the literature which suggests that top managers are likely to use strategy tools because they have more strategic responsibilities and more strategy-making experience (Hodgkinson et al., 2006; Johnson et al., 2007), these are two reasons why these practitioners reject rather than use tools. They believe that strategy tools are more the domain of inexperienced executives and middle-managers who require a structured and formal analytical approach to strategy analysis. They believe this since they perceive tools as a substitute for, rather than complement to, the strategic thinking abilities of top leaders who have extensive strategy-making experience.

Strategy tools are usually recommended and taught as part of a deliberate and rational-linear approach to strategy-making, even if this approach may rarely exist in reality (Mintzberg & Waters, 1985) and/or be detrimental when used (Hayes & Abernathy, 1980). However, the practitioners, many of whom have learned about strategy tools within an academic context, are found to reject any use of tools since they perceive them as being purely for rational and analytical decision-making purposes. They therefore reject the use of tools, and decisions based on them, in favour of intuition and experience-based knowledge. This finding serves to empirically confirm the literature that has suggested that strategy tools may restrict the deployment of experience-based knowledge (Grant, 2003) and extends it by demonstrating that the suspicion of this 'negative' attribute is one reason why tools, and their use, are rejected.

Similarly, strategy tools are seen as part of a formal strategy process intended for the creation of deliberate long-term strategies, and the hotel executives are more concerned with fast decisions, immediate solutions and with quantitative rather than qualitative information. These concerns lead them to reject many conceptual strategy tools and specific strategy practices, such as meetings and the writing of reports, in which tools are often used. Thus, while previous research has suggested that hotel executives prefer individual and 'hands on' practices to more formal and long-term focused processes (Costa & Teare, 2000), this study demonstrates that this extends to the rejection of strategy tool usage as well.
While the literature suggests that strategy tools which have been endorsed by reputable academics and consultants (Seidl, 2007; Whittington, 2003), and practices which are used by competitors (DiMaggio & Powell, 1983), are considered more legitimate and therefore are likely to be used, the findings reveal that the hotel executives reject popular and well-known strategy tools for these very reasons. The findings confirm the extant knowledge with regards to the disparity between academic and practitioner expectations of strategy research and theoretical concepts (Gopinath & Hoffman, 1995; Marcus et al., 1995; Rynes et al., 2001) by showing that the rejection of academic tools stems not only from past failures attributed to the use of tools, but also to the practitioners’ exceedingly high expectations of tools. It also contributes to this knowledge by showing that failures with particular tools leads practitioners to resist using any tools since they associate the concept of such instruments with academics and consultants whom they do not believe understand the complexity involved in making strategy.

The findings similarly demonstrate that executives searching for unique strategies are reluctant to use the same strategy practices and tools as their competitors since they believe this will likely lead them to arrive at the same decisions as them. As such, it begins to demonstrate a link between the perceived relationship between strategy practices and strategy content which has also been called for in the SasP literature (e.g. Johnson et al., 2003).

This study also helps fill an identified knowledge gap about the role of tools during strategy emergence (e.g. Fenema et al., 2004; Johnson et al., 2003). The study’s findings demonstrate that when tools are perceived as purely for deliberate and rational strategising, they are often rejected for use during the strategising activities carried out during the latter development of strategies which have emerged rather than been deliberately created. Although the literature suggests that the social use of strategy tools can provide alternative benefits, such as facilitating discussions (Morecroft, 1992), fostering debate and alternative viewpoints (Knott, 2006) and bridging departmental and hierarchical communication boundaries (Stenfors & Tanner, 2006), the practitioners do not use tools for these purposes. This is because they believe that such tools are only appropriate for the rational and analytical formulation of deliberate strategies in which they rarely engage. The study suggests that because tools are not used
during strategising activities such as strategy presentations and workshops, as previous studies have found (Hodgkinson et al., 2006; Schwarz, 2004), and during which the purported social and communicative benefits could be experienced, the view of practitioners that tools are only intended for analytical decision-making purposes is reinforced, and they are not used to develop the details of emergent strategies.

The study also identifies that tools are rejected as a result of the firms’ ownership-management structure. It demonstrates that the ownership-management split renders the use of some strategy tools as inappropriate. As this split between management and property owners is relatively unique to the hospitality industry, the findings suggest that previous research which has revealed reasons why tools are used in other industries may not be relevant for the hospitality industry. It also serves to extend the findings of previous quantitative studies that have found both similarities and differences of tool use across industries (Frost, 2003; Glaister & Falshaw, 1999) by providing some qualitative explanation for why certain tools may be less used in the hospitality industry. The study thus also begins to answer the question of whether generic strategy tools created in and for the manufacturing sector are and/or can be used in the hospitality industry by showing that while some strategy tools are rejected due to industry factors, this is not the primary reason why generic strategy tools are not used.

7.2.2 How practitioners use strategy tools when strategising

The study's findings reveal that at one firm (BigCo) strategy tools are used to identify research questions which are then investigated by lower-level corporate associates in a one-on-one ‘interview’ format with senior-level executives, and that the information is later condensed and synthesised in templates based on the more popular tools. The analysis is then conducted by only a few individuals and the results are shared through bullet-point memos and used for group discussion purposes. While the data-collection and analysis process is in line with previous findings that strategy models and frameworks are valuable for managing large amounts of data (Dutton et al., 1983; Morecroft, 1992), the findings add to the knowledge of how strategy tools are used. It does this by demonstrating that the resistance of many executives to use tools influences how those responsible for managing the strategic project use tools inasmuch as they use them implicitly
rather than explicitly. By keeping the tools within their department, by only sharing the results with the executives, by referring to them as 'templates' rather than strategy tools, and by not sharing the theoretical and/or consultancy background to the tools, these individuals obscure the fact that strategy tools are being used and that many of these are based on well-known academic or consultancy models and frameworks. Thus, while organisational culture and power are known to influence the strategy process (Mintzberg et al., 1998; Pettigrew, 1977), the study's findings also demonstrate that this extends to specific strategy practices such as the use of strategy tools.

While previous action research studies have found that practitioners modify labels and diagrams to either help rationalise their role in the strategy process (Chesley & Wenger, 1999) or represent their organisational challenges (Witcher & Chau, 2008), this study extends these findings by demonstrating that the visual diagrams associated with many tools, and which are often said to be valuable for helping to achieve linguistic legitimacy and practitioner acceptance, are altered or removed so as to 'disguise' their academic and consultancy foundations when these are perceived as decreasing the legitimacy of using tools due to organisational values.

This use also demonstrates that it is lower-level associates who are often tasked with using the tools as opposed to much of the previous research which has suggested that top managers are more likely to do so. These finding therefore call into question the results from list-based surveys that have almost exclusively asked top managers about the use of specific strategy tools within their organisations (e.g. Clark, 1997; Frost, 2003; Spee et al., 2008) and suggests that the actual use of tools may be more prevalent than top managers suspect since the use of tools is often individual, discrete or 'veiled'. It similarly raises these doubts about the purported popularity of specific tools since lower-level practitioners have rarely been queried about their involvement with tools which this study demonstrates should be undertaken if one is interested in the actual popularity and use of strategy tools.

The study has shown that the more junior-level practitioners seek to apply their academic strategic management education as they approach their role in the strategic management process from a classical perspective which is the predominant approach in business and hospitality management programmes (Johnson et al., 2003; Okumus & Wong, 2005a). It thus adds to the knowledge
about the use of tools by recent graduates as opposed to those who have been out of school for a longer time (Jarzabkowski & Giulietti, 2007) since this study found that those who had more recently graduated, as opposed to those who had been out of education for a longer time, had more favourable opinions of strategy tools and are more likely to advocate their use since they, as opposed to their superiors, (still) attribute academic legitimacy to the tools. Thus, as top managers are found not to use tools while lower-level managers do, the study suggests that strategy tools do not seem to be used throughout a career in the hotel industry. Neither do they seem to have entered the lexicon of strategy for these practitioners or throughout the hotel industry as Jarzabkowski & Giulietti (2007) suggest might be true in the more mainstream business environment.

7.2.3 How contextual factors influence the use of strategy tools

While the above discussions demonstrate that organisational context influences how strategy tools are perceived and used, the study also identifies that institutional contextual factors also influence how practitioners use strategy tools, and demonstrates that industry context matters. For example, the use of tools is shaped by the ownership-management structure that is prevalent within the international hotel industry. While researchers in the strategic hospitality management field have suggested that hotel companies may involve their hotel units in their strategic management process (Harrison & Enz, 2005; Olsen et al., 1998), this study's findings reveal the opposite to be true with regards to their use of strategy tools. The findings extend Brookes and Roper's (2008) finding that little or no mutual learning is taking place between hotel companies and their hotel units, and suggests that hotel companies are reluctant to share proprietary information with owners and franchisees (Chen & Dimou, 2005) by demonstrating that this holds true with the sharing of proprietary strategy tools.

This ownership-management division also influences the perceived value of some tools. For example, portfolio planning matrices are identified as impractical for making strategic decisions about the investments into particular brands since they are tied to 'hard assets' that are often owned by third parties and to which the hotel company has fiduciary responsibilities. This finding therefore provides some empirical support to confirm suggestions in the literature (Becker & Olsen, 1995; Okumus & Wong, 2005b; Olsen & Roper, 1998; Olsen et al., 2008) that
generic strategy tools that have been created based on research in the manufacturing sector may not be transferable to the hospitality industry.

7.3 Research Contributions

The SasP field is relatively young and most of its literature is still conceptual rather than empirical (Jarzabkowski & Spee, 2009). As a result, there are many calls for empirical studies into how strategy is actually, rather than theoretically, practiced. This thesis has answered this call through its empirical study and it contributes to the literature on the practice of strategy, the use of strategy tools and the strategic management process. These contributions are discussed further below.

As the empirical research formed part of a doctoral thesis, the researcher was able to dedicate a substantial amount of time to collect and compare large amounts of empirical evidence about the strategy practices of practitioners in these three companies, not only in relation to their specific strategic initiatives, but also with regards to the companies' overall strategy-making processes and practices. Balogun et al. (2003) note that one of the obstacles to studying strategy practices is the need for extensive and 'intimate' interaction with practitioners which is often hard to do for time, financial and logistical reasons. Much of the research into strategy practices has therefore been conducted within a single firm (Kaplan & Jarzabkowski, 2006; Maitlis & Lawrence, 2003) which has led to the calls for studies across multiple firms in order to discern patterns of practices across them (Balogun et al., 2003; Wilson & Jarzabkowski, 2004). Through its research into three different hotel companies, this study has served to begin answering this call and the empirical evidence demonstrates that such studies are important since practices, much like processes and content, vary across firms due to organisational contextual factors such as culture, leadership, and structure.

By concentrating its empirical work within the hotel industry, the thesis has also addressed calls for studies about strategy practices, and specifically the use of strategy tools, within a single industry since institutional context is thought to perhaps influence not only which tools are used but also how they are used (Jarzabkowski & Wilson, 2006; Johnson et al., 2007; Johnson et al., 2003; Whittington, 2006). Similarly, researchers within the strategic hospitality
management field have noted that there is very limited research into the strategy process and practices of hospitality companies and that many of the generic strategy tools may not be applicable to the hospitality sector (Okumus & Wong, 2005b; Olsen & Roper, 1998). As such, they have called for empirical studies that specifically address these issues. The findings have provided support for the suggestion for such studies by demonstrating that industry does matter since contextual factors specific to the hotel industry appear to render certain mainstream tools less useful than is suggested by the theoretical literature that has assumed that such tools can be used regardless of institutional context.

This thesis has also specifically addressed calls for in-depth studies that compare the use of strategy tools across multiple organisational levels (e.g. Jarzabkowski & Whittington, 2008a). While the extant literature has suggested that top rather than lower-level managers are more likely to use strategy tools, this study found the opposite to be true within the three sample firms, and as such it calls into question the results of previous studies that have queried top executives through list-based surveys. Since this study found that top executives more often than not reject strategy tools, it suggests that Knott’s (2008) view that the reported use of tools by top managers through list-based surveys may only be “fashionable talk” (p.29) is credible and warrants further investigation. This is further confirmed through informal discussions that the researcher held with hotel industry executives during the early stages of this work. These discussions revealed that most of these practitioners were unfamiliar with the names for academic concepts, but when these were discussed in more detail, some informants did recognise them from their education and professional experience.

Similarly, the literature on strategy tools has also suggested that tools are modified by practitioners to suit their particular organisational or individual needs and this study has responded to calls that the reasons for such adaptation be studied (e.g. Jarzabkowski & Wilson, 2006; Knott, 2006). This study’s findings demonstrate that such modifications not only may render tools more useful for particular situations or contexts, but also that these modifications help obscure the fact that such tools are being used. As such many individuals may not know that they are using variations of well-known tools which further raises concerns about the empirical findings of other studies that have used list-based surveys to gauge the popularity and usefulness of these tools.
Researchers have also expressed the need for more empirical evidence about the skills and capabilities required in practice at multiple organisational levels (Johnson et al., 2003; Paroutis & Palmer, 2007) This thesis' finding that practitioners, especially those at lower-levels, use strategy tools implicitly to guide their research and data collection has provided some answers to this question. The findings similarly address calls for empirical evidence about whether or not managers use the theoretical resources and academic concepts gained from their strategic management education (Jarzabkowski & Giuliatti, 2007). The findings with regards to why strategy tools are often rejected serves to explain why what is taught in academia may be rejected in practice due to contextual factors at the institutional, organisational and individual levels. It thus also contributes to the calls for better insights into how strategy tools are used in order to assist students and graduates to go beyond their inherent tendency to rely on tools to provide answers and instead to recognise that tools are not always aids to judgement, are limited, and that their use is affected by organisational and institutional characteristics (Jarzabkowski & Whittington, 2008b). By providing a fresh perspective on how tools are used and how strategy is practiced, it also contributes to calls for new and practice-based content for strategic management courses in the mainstream and in the field of strategic hospitality management (Okumus & Wong, 2005a).

While the study's findings discerned much about why practitioners do not use tools, as opposed to why they do use them, the finding that tools are not used, and the reasons for this, are important contributions to the extant literature about how strategy is, in reality, made. The thesis has thus responded to calls within the SasP literature for empirical evidence about why the use of certain strategy practices are resisted and absent (Johnson et al., 2007) as well as for studies that reveal what is not practiced and why it is not (Carter et al., 2008). The findings serve not only to reconfirm that strategy is often formed through an emergent rather than deliberate and rational-linear process (Mintzberg & Waters, 1985), but also that strategy tools are often rejected because they are seen as only appropriate for the realisation of strategy formulation according to the classical view. This thus raises concerns about the way in which strategy, and strategy tools, are taught in strategic management courses both in the mainstream and in the hospitality field. It suggests that students need to be better informed about the way strategy is actually practiced and the fact that strategy tools are often used in ways different from how they are taught to
expect them to be employed in the 'real world'. In addition, the commonly cited reasons for why tools are used were found to be reasons why tools are rejected, which raises new questions about the reasons for the divide between academics and practitioners and why academic research is often not valid for, or used by, practitioners.

This thesis has also contributed to the methodology of studying strategy tools and practices. Most researchers who have specifically investigated the use of strategy tools have done so through list-based surveys (see Aldehayyat & Anchor, 2008; Clark, 1997; Frost, 2003; Rigby, 2001b; Spee et al., 2008). Other studies that have revealed information about the use of tools in practice have been through action research as consultants (e.g. Chesley & Wenger, 1999; Hodgkinson & Wright, 2002), or in controlled settings (Hill & Westbrook, 1997). Yet others have been based on observation and interviews in a single firm introducing tools for the first time (e.g. Kaplan & Jarzabkowski, 2006). This study's research has, on the other hand, been undertaken through a qualitative, multiple case study approach in three firms and across multiple organisational levels and is, to the researcher's best knowledge, the first to do so. It was through this approach, and the triangulation of data resulting from observations, interviews and document analysis, that the researcher was able to identify the 'veiled' use of tools, the contextual factors influencing this, and the tendency for hotel industry practitioners to reject tools. Had the study been conducted in only one firm, in a controlled setting such as through action research, or through surveys, these findings most likely would not have been revealed. It thus demonstrates the value of such an approach for studying how and why strategy practices are and are not used by practitioners.

7.4 Research Limitations

This study has numerous research limitations that the reader should bear in mind when considering its findings.

(1) One of the study's limitations is that it investigated the use of strategy tools only within the context of hotel companies which limits the generalisability of its findings. This single-setting is, however, also a strength
since it answered calls from numerous researchers for studies of tool use by multiple firms in a single-industry setting since an industry's contextual factors were thought to perhaps influence the perception and use of strategy tools. Similarly, since the strategic hospitality management literature has regularly questioned the transferability of strategy tools from the mainstream strategy literature into the hospitality industry, the focus on hotel companies permitted the researcher to more fully investigate this issue and also to begin filling in the related gaps in the knowledge about how strategy is actually practiced in the hospitality industry.

(2) A further limitation is that the study did not investigate the use of computer-based decision support systems as a type of strategy tool. Organisations are increasingly relying on technological tools for their management processes and it would perhaps be relevant to examine how these are used and whether the fact that they are more modern and sophisticated would influence how they are perceived in comparison with more traditional models. Similarly, the use of financial models was not studied. As the empirical research uncovered that financial tools are prevalent and highly regarded instruments in the strategic decision-making process of the hotel firms, the researcher could have modified his research study to include these. However, as previous studies have considered a wide range of instruments and techniques as strategy tools, one benefit from focusing only on conceptual frameworks and models is that it provides a more in-depth and focused understanding of how this set of tools, that make up an important part of strategic management courses and textbooks, as well as academic research, are used.

(3) As discussed in Chapter Four, the case study method has several limitations such as researcher bias, reliability and validity. The researcher's use of observations, document analysis and interviews allowed him, however, to triangulate the data in order to, as much as possible, overcome these challenges. Similarly, the exploratory nature of the topic, along with the very limited extant research into how strategy tools are used, required a qualitative and in-depth study which the case study method permitted.

(4) A further limitation pertains to the number of meetings and workshops that the researcher was able to observe. Initial agreements with the three hotel organisations to permit the researcher free access to multiple meetings was not, unfortunately, respected by two of the three organisations due
to internal developments in their organisations and fears of sharing confidential information that had not originally been a concern. Observation is highly recommended by SasP researchers as a way to provide 'thick descriptions' of how strategy practices are actually carried out and more observations would have greatly added to the research findings.

(5) An additional limitation is that the three companies required the researcher to focus his empirical research on one particular strategic initiative within each company. While this provided a necessary focus for the data collection, it also restricted the ability to investigate how tools might be used in other areas of the firm and thus also limited the researcher's ability to interview employees who may have provide important information. Since these individuals were not directly related to the case study projects, they may have provided contrasting views and/or additional relevant examples of how tools are used, especially as one finding pertains to the fact that tools are used in specific departments.

(6) Another limitation is that the researcher was not able to conduct longitudinal studies and thus was unable to investigate how strategy tools are used in other phases of the strategic management process, such as implementation and control. However, most surveys on strategy tools have found that more tools are more often used during strategy analysis than in the other phases, and thus the researcher's focus on this stage was the most appropriate. Similarly, there are more studies about the use of the performance measurement tools than those of strategy analysis, which again suggests that a focus on the latter was appropriate.

(7) One of the key objectives of the research was to study how tools are actually used, and the fact that the researcher discovered only limited use of such tools meant that he was not able to fill in as many knowledge gaps about the use of strategy tools as he wished. On hindsight, it would perhaps have behoved him to conduct preliminary interviews in the firms to determine whether or not they used tools before he embarked on his more detailed study. However, had he spoken with the top managers at the firms he would have been informed that tools were not used and would thus not have discovered that tools are used within particular departments and by lower-level managers without the apparent knowledge of top managers, which were two of the study's key findings. Similarly, the finding that tools are not used, and the reasons for this, helped
answer the questions of what is not practiced, and the reasons for this, even though these were not the researcher’s original aims. By revealing the reasons for the rejection of tools the researcher also helped to add to the knowledge about how strategy is actually practiced.

7.5 Recommendations

This section builds on the study’s findings in order to provide recommendations to practitioners and educators. It also builds on these findings and the study’s limitations to provide some suggestions for future research.

7.5.1 Recommendations for practitioners

(1) Managers of hotel companies are recommended to reconsider the various possible roles and benefits of strategy tools beyond their prescribed analytical functions. The practitioners tend to perceive tools as only analytical devices while not aware of the other applications such as their ability to facilitate debate and discussions and act as boundary objects across hierarchies and departmental divisions, and these latter benefits may help mitigate some of the communication and coordination challenges associated with the functional structure of hotel units and companies.

(2) Practitioners should also recognise that recent business and hotel school graduates are eager to put their education to use in explicit ways that demonstrate their learning and value of their education. This is especially true for organisations that encourage or sponsor the pursuit of advanced degrees since applying theoretical knowledge can assist with management development. This may be especially important in the hotel industry due to its high levels of employee and management turnover.

(3) Practitioners are advised to reflect on the way strategy tools are kept as departmental or corporate ‘secrets’ and to include more persons in strategising activities with these tools since valuable knowledge and information are likely held by persons throughout the organisation and their inclusion in the strategy formulation process may be as valuable as it is in strategy implementation. By including them in their strategy practices involving tools, they may also improve
their understanding of the rationale and reasoning behind the strategies they are asked to help realise through implementation.

7.5.2 Recommendations for educators

(1) Based on the findings that many practitioners perceive that strategy tools are solely for analytical purposes as part of a rational decision-making process, and in line with the SasP focus on practice, educators are advised to facilitate their students’ learning about the social and ‘divergent’ approaches with which strategy tools can be used. An example would be to ask students to use the tools in a group setting rather than only individually and for the students to reflect on how the tools did (or did not) foster more and perhaps creative ideas. These experiences could then perhaps find their ways into the ‘real world’ as students draw on the tools for such social as well as analytical purposes.

(2) Educators are also advised to ensure that their students are aware that strategy is not necessarily practiced in the business context as prescribed by their textbooks. Unrealistic expectations could otherwise cause students to underestimate the value of their education and learning if they associate organisational or industry norms as reasons to believe that the concepts and tools they learned are unimportant rather than as valuable ways for them to develop their analytical and synthesising capabilities.

(3) Involving more practitioners in the classroom is also recommended as a way to ensure that students learn not only the theory but the way things ‘really work’ before graduating so that they can better adapt themselves and their knowledge set to their firms’ expectations and requirements. This would also assist educators themselves with being able to link the theory to real world applications in their courses.

(4) An additional recommendation is for educators to have their students not only use strategy tools as provided by the textbooks but to create their own, or modify existing ones, as it was found that such modifications are sometimes institutional practices. Reflecting on the use of these and standard tools would also provide the students with a better understanding of the tools’ limits and benefits.
7.5.3 Recommendations for future research

(1) Further research that investigates if the 'veiled' use of strategy tools exists in other firms and industries is recommended since this finding raises many doubts about previous studies concerning the popularity and perceived value of tools and as such warrants a closer look. Qualitative research is recommended since it was through the close observation and extensive interviews that this situation was revealed to the researcher.

(2) Additional studies of strategy practices, including the use of strategy tools, in hotel firms is also suggested. While this study responded to calls within the strategic hospitality management literature for more original studies about how strategy is practiced by hospitality firms, much remains to be studied. Specific recommendations include the role of lower-level managers in the strategy formulation process, the role of formal analysis and that of financial and other quantitative tools and data as these appear to be more popular and respected by top managers.

(3) A further recommendation is that similar studies be conducted in other industries to determine patterns of consistency, or contrasting results, with what was found in the hotel sector. An example would be to conduct such a study in the chain-restaurant industry since the strategic hospitality management literature and its prescriptive advice generally does not differentiate between the two even though contextual factors may be different enough to result in different findings. If similar results were found, on the other hand, this would help justify some generalisations about the strategy practices across different sectors of the hospitality industry.

(4) Although this study calls into question the results of many list-based surveys about the use and popularity of strategy tools, the researcher still recommends that such studies be done within single industries to determine large-scale patterns about their use in specific industries. Such a study within the hotel industry, for example, would help provide background data that could be used to further analyse this current study's findings. Such a study should attempt to question employees from multiple hierarchical levels and departments in order to determine not only who is using the tools, but also whether general views about their value and usefulness are consistent within and across firms.
(5) A longitudinal study of the use of strategy tools would also provide needed evidence of how different tools are used at different stages of the strategic management process, such as during strategy implementation and evaluation, and also begin to shed light on how the resulting pattern of actions and their effectiveness is related, or not, to the work done with tools.

(6) A final recommendation is for strategic management researchers to continue efforts to build theory on practice rather than practice on theory. This study’s findings demonstrate that the practical reality of strategy-making very often contradicts prescriptive advice, and through further in-depth studies where researchers work in close proximity to practitioners, they will continue to better reflect the reality which can then be better understood and passed on to students who will have a more realistic expectation of how strategy is ‘really’ practiced.

7.6 Reflections on the Research Journey

The researcher’s interest in understanding how strategy tools are actually used in practice emerged from his experiences working in the hotel industry and as an instructor of strategic management. During the early stages of his professional career he was not familiar with strategic management theory or tools since his education was in the liberal arts. As a hotel manager, he relied on intuition and the advice of colleagues but never on academic concept or tools. Recognising his severe limitations, he returned to university to study hotel management as a graduate student where he became familiar with, and fascinated by, the concepts and tools associated with strategic management. Returning to the industry, he was determined to apply what he had learned during his education. Even though he was now in a more senior position since he co-owned and managed an independent hotel management and consulting company, he very rarely used in any explicit fashion the tools he learned as a graduate student. Similar to what he found in the three larger hotel companies studied for this thesis, he seldom had the time, patience or desire to structure his thinking through formal tools.

After selling his company, the researcher re-entered academia but this time as an instructor at a hotel school. After spending several semesters teaching communication, human resources management and organisational behaviour
courses, he was entrusted with the capstone course in strategic management. Even though he suspected that many of the concepts and tools in the textbooks and academic articles were not necessarily used in practice, he continued to teach them since not only had he learned (and like learning) about them when he was a student, but also because he did not know of suitable alternatives. In addition, as a mere instructor with limited research experience, who was he to doubt the gurus and their tools and concepts? As his career progressed, his curiosity about the use of such tools was further heightened as former students and new industry contacts provided differing views about the relevance and usefulness of what was being taught in hotel schools, including in his courses. As he found little evidence in the academic literature about how strategy tools were being used in the hotel industry, he decided this was a worthy thesis topic since it would not only add to the academic literature on strategic management, but would also enhance his ability to teach the reality and not just theory of strategy practices.

While the findings suggest that he is not alone in having not explicitly used what he learned as a student when in the industry, the researcher still believes that students should learn about strategy tools as part of a course in strategic management. They need as much practice as possible in learning how to analyse and synthesise information and he has found that this learning often takes place when they are allowed to experiment with specific models and frameworks. For better or for worse, many tools have entered the lexicon of strategic management and students would perhaps be at a disadvantage if after graduating they were not familiar with the same concepts and tools as their superiors and colleagues. In addition, even though they may not use these tools in any explicit fashion during their careers, the findings suggest that they are likely to draw on them implicitly as they collect and interpret relevant (and irrelevant) data, information and opinions.

The researcher, as instructor, has over the past few years also modified the way he helps students to learn about, and use, strategy tools. His courses, both at the undergraduate and graduate level, are built around specific 'strategy challenges' facing real companies. The students are presented with this challenge by representatives of a particular hospitality company and are given the better part of a semester to devise their own solution which they then present and defend in front of the instructor and company representatives. The students prepare two documents as part of this project. One is a short management report
targeting the company. The second is a longer 'academic report' in which they are asked to demonstrate how they arrived at their solution by using the concepts and tools covered during the course. The students are also free to not use such tools but must explain why they did not believe that using the tools would help them arrive at and defend their solution.

The research journey into the use of strategy tools thus did not begin with the enrolment as a doctoral candidate but, rather, nearly two decades ago as a young hotelier. It also does not end with the submission of this thesis but will likely continue as long as the researcher is provided the opportunity to teach students the theory and reality of how strategy is practiced.

7.7 Chapter Conclusion

This study identifies that conceptual strategy tools are largely rejected by the practitioners in the sample firms due to their lack of formal strategy-making processes and practices, their perception that many tools lack legitimacy, and because the use of many tools is seen as impractical due to the hotel industry's particular structure. The study also identifies that use of tools is largely hidden or 'veiled' since they are used by junior-level associates and within rather than across departments, are primarily used in an implicit fashion to structure data collection efforts in a one-on-one interview format rather than socially through meetings or documents, and because proprietary tools are not shared with those outside the corporate structure such as franchisees, property owners and most general managers. This study makes a number of contributions to the knowledge of the practical use of strategy tools and these are discussed in the following section. As a result, recommendations are made on the use and teaching of strategy tools.

This research study's overall aims were to identify why and how strategy tools are and are not used within the context of hotel companies. Although limited in various ways, the study achieved that objective and in doing so has helped to begin answering many of the questions about how practitioners 'do' strategy and the role of strategy tools in strategy-making. It has also suggested numerous practical recommendations for managers and educators, and raised new research ideas for researchers in order to build on this study's findings and continue to develop the SasP literature.
Appendices

Appendix A: Oxford Brookes University Research Ethics Committee Approval

Mr Demian Hodari
Chemin des Coumenets 24
1000 Lausanne 25
Switzerland

Dear Mr Hodari

050138 – Strategy as Practice: The use of tools and techniques during the Strategy Process

Thank you for your email of 24 May 2005 outlining your response to the points raised in my previous letter and attaching the revised E2U form and participation information sheet.

I am pleased to inform you that, on this basis, I have given Chair’s Approval for the study to begin.

In order to monitor studies approved by the University Research Ethics Committee, we will ask you to provide a (very brief) report on the conduct and conclusions of the study in a year’s time. If the study is completed in less than a year, could you please contact me and I will send you the appropriate guidelines for the report.

Yours sincerely

Ms Teresa Smallbone
Deputy Chair
University Research Ethics Committee

cc Dr Angela Roper
Dr Levent Altinay
Appendix B: Participant Information Sheet

PARTICIPATION INFORMATION SHEET

Strategy as Practice: The Use of Tools and Techniques during the Strategy Process

Introduction:
You are invited to take part in a research study. Before you decide whether or not to participate it is important for you to understand why this research is being conducted and what it will involve. Please take the time to read the following information carefully.

Purpose of the Study:
There is a common belief that the strategy theories, concepts, tools, and techniques created by academics and management consultants do not necessarily help practitioners in their strategising activities. This study aims to investigate how such tools and techniques are (and are not) used by firms and practitioners during the strategy process. The ultimate purpose of the research is to help practitioners improve their ability to strategise as well as to help academics and consultants to understand how strategists use (and don't use) different tools and techniques during the strategy process as well as how these tools are changed by practitioners to better suit their own needs.

Your role:
You have been chosen to participate in this study due to your experience as a senior executive in the hospitality industry who has had extensive experience creating and implementing strategies. Approximately 10 other executives will also participate in this study.

It is up to you to decide if you would like to take part in this study or not. If you do decide to participate, you will be given this information sheet and asked to sign a consent form (see attached). If you decide to take part you may still withdraw at any time without needing to provide a reason for your decision.

If you decide to participate you will be interviewed by the researcher regarding the process by which you and your firm create and implement strategies. You will not be asked to divulge any financial, performance or other confidential data. Approximately 2 hours of your time will be required for the initial interview (including preparation time). An additional follow-up interview of one hour may be asked of you at a later date.

Costs and Benefits to Participating:
The researcher does not foresee any disadvantages or costs associated with participating in this study.

The researcher hopes that you will benefit from participating in this study in several ways. First, you will be given the opportunity and time to reflect on your and your firm's strategy process, perhaps allowing you to generate some insights and perspectives you have not previously had or realized you had. Second, you will contribute to a deeper understanding of how strategy is created and implemented in hospitality firms. Third, you will help academics and consultants to understand how to better help managers to strategise.
Use of Results:

All information collected about you will be kept strictly confidential. Your privacy and anonymity will be ensured as only I as the principal researcher will collect, store and analyse the data and information. All individual and firm names and other identifying information will be changed during the writing up and publication of this research in order to ensure anonymity of the participants. You should also be aware that in order to ensure academic integrity, all data generated in the course of this study will be retained in paper and electronic form for at least five years after the completion of the research project.

The results of this research will be used in my doctoral thesis. I will also attempt to publish the results of this study in academic journals and may present its findings at industry or academic conferences. All participants will be supplied with an executive summary version of the research and may receive the full thesis from the researcher if so desired.

Other:

The researcher is conducting this research in his role as a doctoral student at Oxford Brookes University, School of Business Administration, Department of Hospitality, Leisure and Tourism Management.

This research has been approved by the University Research Ethics Committee, Oxford Brookes University.

For further information, please contact me. If you have any concerns about the way in which the study has been conducted, please contact the Chair of the University Research Ethics Committee at ethics@brookes.ac.uk

Thank you very much for taking the time to read this information sheet.

Sincerely,

Demian Hodari
Principal Researcher

27 March 2005
Lausanne, Switzerland
CONSENT FORM

Strategy as Practice: Strategist Use of Tools and Techniques

Demian Hodari  
Doctoral Student  
Chemin des Coumenets 24  
1000 Lausanne 26  
Switzerland

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<tr>
<th>1.</th>
<th>I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.</th>
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<td>2.</td>
<td>I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.</td>
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<td>3.</td>
<td>I agree to take part in the above study.</td>
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<td>4.</td>
<td>I agree to the interview being audio recorded</td>
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<td>5.</td>
<td>I agree to the use of anonymised quotes in publications</td>
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Name of Participant | Date | Signature
---|---|---
Name of Researcher | Date | Signature

Please Initial Box
Appendix C: Sample Interview Transcript

Please note that names of firms and persons have been removed to maintain anonymity.

(TRANSCRIBED FROM MEMORY)

Hi (name). I’m Demian. I appreciate you taking the time to answer some of my questions. Are you sure now is a good time for this?

Now is fine. Happy to help.

Great. Do you mind if I record this conversation so that I can make sure to get things right? No obligation, but it does help.

Sure, no problem.

(RECORDING STARTS)

Great, that makes thing easier for me. Okay, its’ recording now.

Okay

This is all confidential, of course. I’ll protect your anonymity as well as that of (name of company) at all times. I’d suggest that you assume that people know we are speaking since (CEO’s) secretary arranged my schedule, but they won’t ever know who said what. Is that ok? Did you get a chance to read the Participant Information Sheet?

Ok, that’s fine. Yes, I read it.

Would you like me to explain more about myself or what I’m doing?

Yes, maybe a little. That might be a good idea.

Ok, no problem... So I’m an instructor at the Lausanne Hotel School in Switzerland which is where I met (name of CEO) and (name of SVP-HR). Before that I was in the hotel industry, working in hotels and restaurants for a long time. Anyway, now I’m also working on a PhD part-time and (name) suggested that I might be able to do some of my research here at (name of company). So my questions are just for that purpose, the PhD, and not for any kind of consulting work. I really appreciate that the company agreed and that everyone here has been so helpful and forthcoming. This is really a unique chance for me ... Anyway, It's important to know that I'm not studying (company name’s) strategies. I mean, I'm not looking at what (company name’s) strategies but rather at how it comes up with these strategies. And at this level I am not looking at the big picture so much as much as I am at how the it uses strategy tools. I'm looking at the process of making strategy, and not actually at the actual content or decisions that are taken, though some of the decisions are important to put the process and practice in context.

Right, I see, mm hmm. Okay, that’s what I gathered from the document. All right.
Do you have any questions about any of that?

Nope, I'm good. Let's get to your questions.

Okay... So my first question for you is, if you can explain to me what you think (company name's) strategy is?

I'd say its to constantly innovate to provide guests with an unusual and exciting experience. And that that, if it works, will help us to stay interesting for guests so that we can grow and make money for the owners.

Ok, thanks. Now, like I said I'm more interested in the processes and practices here that are used to makes strategic decisions. So if you could describe for me how you perceive the strategy making process here at the company?

I think it's very important, the first thing that I start with, is we start with the overbearing decision which is made by the top level of people, the likes of (CEO name) and (CFO name), that is based upon how the rooms are doing, how the brasseries are doing, and how busy things are, and if they aren't busy, how we can physically drive them, drive the people there. At the end of the day, I think my job is perceived as being something which is a creative one, and more of a pictorial one. However, it is a strategic thing, and what I can do, can truly affect the strategy of how the company goes. So you saw me at the presentation when we talked about the fact that previously we were "(slogan)". The change in strategy came about, came from (CEO name) and a dinner we had where we realised we needed to focus more on the food side and then (CEO name) decided that 'I want us to be a restaurant with rooms'. Now, you're not going to do that overnight, and you're definitely not going to do that with people on the shop floor. So, you start with the executive decision that is, we are now a restaurant with rooms. In order for that to be communicated and what I would term as "sign posted", to the members of the general public, you have to do that through advertising, and you have to integrate the strategy which I came up with, which was the "(new slogan)" thing, at every level, throughout everything that you've produced, down to websites, down to how it appeals to the Christmas themes, how it appeals to general themes, and so that slowly but surely, the members of the general public are initiated with this theme, "(new slogan)", as in watching you physically get there.

Now, what then happens from there is, you think that strategy is out in the public demand, and you have this a lot with things where you think, oh, well, I've produced so much for the last six months based upon a theme, but the reality is, you must size up -- and I'm talking to you in strategic terms here -- how much it's actually seen by members of the general public, as regards the actual exposure to nationwide exposure of that. Then it's relatively little because it's only been seen in maybe a dozen big national magazines, in terms of the theme. So that needs, in national exposure levels, we are never going to truly grow as a company, if we're only appealing to the customer who already knows us.

I'm going through this with (Brand Name) -- this will be of use to you, as well. (Brand Name) is never going to grow. It's said it has a very loyal customer base, but that is of absolutely no use to us, going forward. What we do is, our strategy here is to box off those people and keep that sweet, and they are happy. But what we have to do is grow the brand so that it appeals to a more widespread theme, so that the members of the general public who haven't, go "Ah! I relate to that -- I want to buy into that."
So, that's something that's happening where to grow, you have to make something just that little bit more ... it's not mainstream. That would be bad for both brands, but I suppose the phrase is to be more palatable to the members of the general public so they buy into it, and then they become fans.

So, that's kind of in a nutshell how, where we're currently at with (Brand Name), in terms of that brand strategy. That brand strategy will be pushed away at even more over the next few months, and I will be able to focus a lot more and making that work a lot harder on the website, so that people will see that we are passionate about what we do. The duality of "(new slogan)" apart from it being a descriptor is seeing that we are passionate. That, then takes me to the next level in terms of strategy where you've had (CEO name)'s level - I want us to be a restaurant with rooms - how do we pass it down? (Interviewee name), can you then sort out what our visible strategy is. That's the top line strategy, and the visible strategy. Once I've got that there, I quickly realized that whatever we come up had to actually translate down. You can sit here in your ivory towers and we can design and we can come up with top level decisions, but the hard, cold reality is, how does that translate down to the person who is serving a cup of tea in the café, or is serving some food in the brasserie? And, in order for a company to think in one thought, you need a phrase or a strategy or an ideal which allows them to go down, all the way through down to the way the people make the beds, the way they answer the phone.

And my next level, in terms of the "(new slogan)", which is it's passionate leg, which I've already started doing, is instil that passion in heads of departments, in GMs - not only to say that ... you say that if the guest leaves with such a fabulous experience, they'll come back. I use the phrase, "I am purely a signpost to get people to the hotel." After that, it's down to you to take that brand strategy and then go and give them the fantastic experience, leave them coming back for more. "I had such a great time." "He told me about this wine." That it's near a satellite tracking station. "It was brilliant!" And then people go away with the feeling, the emotion, that they can take those stories on elsewhere and they can feel like they're a little bit more (Brand Name), and a bit more passionate to someone who would eat, drink and sleep the things they love. And then, we're starting to get the real top level strategy, and then they feel ownership, which is a very important thing, in the brand. And when they have ownership, they come back. "Oh, yes, I love (Brand Name) ", they say. "I'm a big disciple of (Brand Name)." And when you get that, then you get them coming back.

On the next level ... so we've got this strategy which has gone, let's educate everyone to what we are. Let's tell them about passion. Let's get them passionate. The next level is, how do we translate that further to rooms? Well, we've got our customer base that we're trying to educate in terms of passion. That's great. The next thing that we are doing strategically is, you saw my brand twitch points that we set up. Now, those brand twitch points are based on, they're an edict for living across the brand, summed up in terms of "(new slogan)" But they're an edict for living, and everything that we do must be represented with some of those things. Not all of them, it would be impossible. Only I'm representative of all of those things. But in some of those things.

So, the next thing we do is we look at how the current market is going. Very important to assess. We cannot ... be strategic in a blind manner, thinking that the market is built around us. Arrogance like that, leads to collapse. So what we have to do is we assess what's currently going on. The current trend with where
we are, is that the market is tightening its belt, so that then leads us strategically to be incredibly aggressive with rate and tighten up all around. So my mailings that we produce are based on ... this is not a creative thing. This is based on a theme or an idea that involves a discount, which is this passport to the (Brand Name) campaign, which we are currently running on email terms, and on the website.

It's already been proven that it works incredibly successfully through the figures and the research we've got from the web, from its hits and from its actual transference down to how much money we've actually made from it. So that is one theme, in hard times, that we felt we needed to drive.

The other thing, because we always like to perceive that we are giving value, is we need to come up with, we have on one end of the scale, we have a discounted rate, and on the other end, we have our "added value" rate. I'm calling it, as a working title, "Life's Little Pleasures", but what it essentially is, is a campaign which allows us to upgrade at the desk when you check in, or ask for it because you've seen the emailer, and talks about the fact that you can upgrade for an extra £30 or something, and you'll get champagne, you'll get chocolates, you'll get rose petals, you'll get things on the bed that make you feel that you're just that bit special. That is more of a special stay. And that's the direction we really need to be heading in, if the climate wasn't like this, where we're always adding value. You know yourself, the reality of, if we add £30 onto our rate onto a night, and we get the champagne for relatively little, and the chocolates for relatively little, buying in bulk, that the person feels that they're getting something special, but it's actually very little outlay to us, and we end up making money from adding that value.

So that's a very definite benefit, adding value and discounting. We'll get both ends of the market from that. And that is happening over the next six months on a national level, to drive room occupancy. When you get them in - and it's the same with (Brand Name) - when you get them in, you find they eat. So, you find there's not many of them that are actually heading outside to eat, because they are told from a strategic point of view at reception, ask if they want to upgrade, and they physically have a sheet which says, "Ask if they want to upgrade", "Ask if they want a table at the brasserie". Those things translate into real money because ... I could advertise it and advertising is quite passive. I see an ad, going "no". But when you are confronted by "I hoping you have a lovely stay, and would you like a table at the brasserie?" And the manner and the passion with which they talk about, and the touch points that they actually were told, that have been set out from the top level, actually translate to, "Oh, yes, I'd love to." Or, "I've got to tell you, you have to try the fluffy mash with" this and that, and the steak and eel pie, or whatever. "Oh, that sounds nice." And it's down to giving knowledge, becoming expert about the subject. All things that are top level, brand touch points. They actually translate down to the desk, and the shop floor when people are actually selling in and up selling on people. "You could have this wine, but actually, if you try this ..." And it's not a point of trying to screw people into the ground. It's like, "You can have this wine for £16", but the hardcore reality is when you're talking to the person, you go, "But you must try this, because of that." It sounds a horribly philistine way of doing it, but unfortunately, it's business.

On a food and beverage level, in terms of strategy, we are emailing on a local basis. We have an email database, and you have to be very wary in emailing terms that you don't send out too many emails, because people get sick of it, and
you get unsubscribed, and then you've lost that person. So, I always like to think of my email database, I do emails out on a local level, and I see all of the names in the spreadsheet, and I always like to think of them and go, I hope I keep this client. I hope I get some more added. And it becomes a personal thing. If you imagine our database that is 80,000, which is our national database, there will be some that drop off. There will be some that gain. Some will invite other people. It's a very organic thing, a database of people, and you must care for them, and make sure that you don't overexpose them or underexpose them, so they go somewhere else. So on a national basis, a regional basis, we're producing a kind of food competition thing, a "Did You Know?" thing, which allows to give people a private dining experience, but we're not pushing room rate. Absolutely no need. Room rate is happening on a national basis, on a discounted and added value basis, so the food, in terms of strategy, is very simple. Food – regional. Room rate – national. And two kinds of mailings for that, only one kind of competition, however we want to call it, on a most rudimental basis, it's a competition to get people to come in and know and educate about the food, the brand, and in a manner which is befitting of the top line strategy which says that we are a restaurant with rooms. The voice is always, you always knew we did rooms well. Now, we do fabulous food. Did you realize we did that? And that is tone.

That's great. Very helpful. Thanks. Let me go back to the beginning as I have some questions if that's okay. . . . So the decision to focus more on food, How do you think the company got to that decision?

The thing you should realize about (CEO name) is he has ... he comes across as a chap who is very intuitive. Everything seems like a gut reaction. A gut reaction, which we believe is doing very well so far, and will continue to. But he has his fingers in every pie, so to speak, of the business. From the housekeeping, down to the ... from housekeeping, all the way to the likes of marketing and operations. He knows every aspect of performance on how things are doing, and makes an informed decision based upon operations, maintenance, which is part of that which is based upon sales, driving people into the hotel. It's based upon the marketing, how visible we are. And then, if I ask someone ... have you called (VP-RM)?

Yes ...

He'll be able to tell you the cold, hard facts upon how that is translated to room revenue.

Do you see any documents, any sort of formal work that lead to the refocus on food?

No.

And how about, you mentioned, at one point, allowing the company to think one way, one thought.

Yes.

How do you achieve this common understanding of why this is the strategy?

How do you achieve it? You achieve it ... I mean, things are very much done on a people basis at (Brand Name). You're probably getting that from the people you spoke to so far. You get it through taking the word to the people, almost like a
pilgrimage. I cannot sit in this term that you would call an ivory tower, where I sit behind my computer, or I sit in a restaurant talking about how ... working away in isolation, thinking that if I have this strategy, then it's going to actually translate down to everybody. No. They'll think you're a fool. You are dealing with people who aren't marketing based, who are experts in their own field, but don't want to be told that they know nothing. So what you do is you take that message in a people sense, and you go and talk to people about it, and you present it in that manner. There are no documents, because in most cases, at this kind of ... at all levels, you can't have that message. I can't talk brand touch points to a member of housekeeping. They don't understand that. I can't even talk brand touch points to a member of sales. You can't get stuck in your own language and believe that you can do that. I see so many people in terms of brands that you see messages that are passed down from it, and they'll look at it, and people will go, "What on earth are they talking about?" You have to translate, and you go to the people. You don't bring the people to you. You go to the people, and that in a sense, is engaging, and you take the message. It's hard work. You have to be out and about, and you have to be pushing that away, and you also have to do something which is find, kind of heroes and disciples who are going to carry that message on. I have a couple of people in London, at the London (Brand Name) , that I know are very much on board, and every time I see them, I give them some extra attention to know how things are currently going, so they know that they can pass that on down through the ranks afterwards. It's very important to have your disciples and your diehards within the structure of a brand. They are like your generals, your sergeants that keep the work going for things like that. But there is no substitution for actually just physically going there, and saying, "By the way, my name's (name concealed). I'm responsible for your brand." For your pictures, for the words, for signposting people to come to your hotel. But I'm only part of the story.

How do you make sure that people across the organization have the same vision of the brand?

Because only one person does it - me.

But if you've got the salespeople, HR people, accounting, operations people, spread out across ...

I see what you mean. I visit them all, is the only way I can do it, and in terms of the brand, there is only one sounding point – me.

Do you do any exercises where you get them to share their views on the brand, see if they're getting it, if they're sharing and if they have the same idea of the strengths of the company, of the opportunities the firm has, of what's really adding value in terms of the ...

We haven't, actually.

Do you find a need for that?

Um ... I think what you get on a level, for example, with the likes of (SVP-FB), who is the food and beverage director, he will get the groundswell, as you call it, and that will be translated up through me. So I will not sit there necessarily and go "What do you think about that?" Because often, that can be a dangerous thing when you get an awful lot of opinions, and you suddenly feel obliged to take those things on. This is not a dictatorship, however, there needs to come a point
where people, a launch pad for people to take off from and buy into. My strategy that I talk about, is not something that is alien to people. You come into hospitality, you are passionate. All we’re saying is, you just need to keep that passion going, and this is the sign above the swimming pool, that says, “Do not jump in.” Right, that’s what it is, essentially. But it’s a sign that’s very important. When we have ... If you talk about a need for people to actually add their opinion, that comes at the level of (name of Sommelier) talking to his sommeliers. That comes at the level of (CFO name) talking to his brasserie managers. That is, then, translated up and the need for that opinion comes from (CEO name), as well, who will be on the floor actually assessing the groundswell. Those things all come together, and they all come together in a meeting of minds here, that say, by the way, we’re finding that this is not working. We need to do this.

Why do you think it’s done this way in this firm?

It’s done this way, I believe, because we’re surrounded by highly passionate people, and highly relied upon people. It’s never been an industry, or this particular place, it’s never been a place to have reports. That sounds almost ... I used to work for a company that it would almost be deemed a suicide if you didn’t have a report for it. When you drive people, and you empower people, which is a vitally important thing, and believe in those people that you have at this level, things happen. Things happen, and you are not charged with a tick list of what to do. Led from the top, you know what you have to achieve, and you almost don’t want to let the person down because they have such a ... It’s an emotional form of leadership, and you pass that down through your people, because you are passionate about what you do, and because you don’t want to let the person above you down.

This passionate and emotional aspect, which is driving this approach to making strategy. Why do you think that is?

I think it’s curiously enough, I’ve only been working in this kind of field for about four years, but I find it a very organizational thing. I actually think it needs to be this way for things to happen, and hospitality is a passionate place, but I actually think the way the system works as we currently have, it works because of ... it’s not a house of cards because we all support each other, but it works because we are all passionate about doing the very best, and we’ll almost overachieve and do things to get the job done right. I’ve never seen it, I have to be frank with you. I’ve never seen it in my advertising agency I used to work at. There was always a very back-sniping attitude. This is place which has individuals who are placed equal, who are just fighting for the good of the brand, and are looked after, and are treated with respect across the group, across everywhere, to a point where they know that when you are given the power to make a decision – this is a really important thing. If you are given the power to make a decision, you have to make sure that decision is right, and you research it, and you make sure that you’re not making ... For example, if I have a brand decision to make, I’m not going to make wayward decisions or flippant decisions based upon a good reaction. Whether I will research it, I will do all the things that I need to do in my mind to do so, so that I feel comfortable with the decision. But when I present it to (CEO name), (CEO name) will say, “I love it.” “Maybe it should be like this ...” But he will not research it, because he’s realized that I have done my research.

Is he asking you to see the research, or just your conclusions drawn?
He believes me. He believes me. It's as simple as that.

So, he's not asking to see the research and analysis.

He doesn't need to see the research.

Is that just with you do you think or companywide?

Throughout the company.

Why do you think it's like this?

They don't need to. But they're doing it. Don't think that we are, if the man at the top is a good reaction man, don't ever, ever think that everyone below him is actually going, "Oh, yeah ... of course, that would be great!" We are dealing with millions and millions of pounds, and how that research is taken about, from my point of view, is different from how it may happen with sales, but we are informed. Massively informed, about everything that we need to do. When we speak to the man who will ultimately give its go-ahead, he is informed, but his opinion and his manner as such that might come out, is based upon "Yes, I love it", but don't think that he's not informed also.

When you said, part of what you have to do is constantly look at how the current model is going - what kind of research and analysis do you do for that?

In terms of the current model of (Brand Name), I take it in. I see it. I work in the environment. I watch how people talk to staff. I see how the food is presented. I watch how people are checked in. I see how the rooms are presented, as a person who visits it. I live the brand, and therefore I will see how it can be improved. I also will hear comments from people that say, "Wouldn't it be good if we could do this?" Now, not everyone gets, "Oh, yes, that's a great idea. I think we'll change that." But some things do.

And why do you think that is?

I'd say it has to do with the industry. Yes, very much. You wouldn't get to do that if you were a brand director for a company that made nuts and bolts, or DVD players. You would get to do it even more if you work in hospitality because by the nature of me going round the hotels, I physically live in them, sleep in them, and eat in them, and I watch it.

You watch people do that.

Well, if I'm lucky. Now, not only that, I also get to see the competition because I go, when I don't stay in the hotel, I go to other hotels and see how they do it.

Do you have any kind of formal tool that you use when you visit these properties, or is it just ...

This is my only task. When I say I live it, I don't need to go around with a tick box that says, does it need this, does it need this, what are the toiletries like? You assimilate that information when you essentially live and breathe the brand. So you're going to (Name of competitor) for example, and you'll find that it's written in Spanish and English. You'll find that toiletries are a little weak. The rooms are quite light, but that's no good for you when you want to use your
laptop. And, you'll find that they have wooden tables, which is far better than glass tables for (Brand Name), because your laser mouse doesn't work. So you have certain other aspects that you find about that particular brand. If you go into the Thistle, etc., etc. You go to (name of competitor). And you check those things out, and you see the literature, and you see the tone of voice, and you build a picture from all that information that you've simultaneously assimilated about the brand, and you'll clock it. And then you'll clock the next time – Ah, (name of competitor) got a pillow menu now. Why are they doing that? And then you go back into the (Brand Name) and you look at the (Brand Name), and you go, do we need a pillow menu? No, we don't. It's just more collateral that goes into a room, which could potentially make the place look messy. Maybe what we need to do is say, what sort of pillow would you like in your room? Could that be booked online, to save environment, quite frankly, and also save time. Why do we need another piece of card that goes in the room? You go into hotels and you see the amount of collateral that's in the room. I know this is my job, but that needs to cut down to a point where people say, “I'm having a great time, and I'm getting the right amount of information from them.” You can only get that through seeing lots of hotels, but there's no formal system as such to do that.

So when you're asked your opinion about the competition, you don't have a formal way to present that in a grid or anything, where you're comparing different brands across different criteria?

I could do that, but I have an immediate impression of a brand, so if someone told me something, this would be quite a flippant way of actually describing it, but if someone said to me, if I said to (CEO name), and this is obviously an inn thing – (CEO name) said to me, "What did you think of the (name of competitor)?" And I go, fantastic reception. It's a waste of a reception to put all of those rooms on. Tiny rooms. The toilets are small. Just not enough space. And we can sum up all the things from there. You can talk about the bar they've got. You can talk about the interesting things that you put outside the door that says, "I'm off to Carbon Bar", which is the in-house bar. But there are other problems with that. That actually says, oh, by the way, I'm not in my room, so if you want to break in ... So you think, right, okay, that would be a good idea, but actually, it's not. All it's doing is saying, in real terms to someone, we have a bar. There are better ways to do that, in security terms. So, I could sit and do that, but when you are so intense and you live that, you are literally a photocopier or a camera. Everywhere you go, you take in about that particular brand, and you apply that, on how you can actually improve your brand. . . . now this might change sometime in the future if we keep growing. Then we might have to be more formal or do more research and justify ourselves.

Why do you think that?

I think undoubtedly, when you pass . . . not necessarily, I'm taking someone on to help me with this, so I can concentrate more on these aspects. When you take someone on, and you employ, if (CEO name) has his generals, okay? Generals certainly have sergeants. How do you keep that message? It's invariably a diluted version of that, because they're never truly you, and they will never truly have that passion. If they were a clone of you, they would be. How do you pass that down? You have to apply an incredible amount of hard work, and I'm afraid there is no other way for it but to get slightly systematic about it. Not too much, because the thing that makes you stronger, essentially is not the thing that's
going to kill you. The reason why we are strong, is because we are passionate and emotional about it. Obviously, we have our research in the background. If we are suddenly to become more systematic, we are not the kind of people that flourish in the list making system.

_How about reporting up to the board of directors? How about working with them in light of all this?_

It's a funny old story. We know our completion, and we know of our competitors. We know our brand share. I could find the figures somewhere. In terms of our people who will buy us, or our new owners, the chances are those people are buying into us because of what we stand for, and they will probably love us, and they will look at potential that we have. What they'd want to know is, how we are going to move it forward. I could give them research and I could give them figures about our market share. I can show them awards that we've won. But essentially, what they'd want to know, as someone who wants to make money out of the company, would be, how are we going to make more money out of the company? And the way to do that, is currently with (Brand Name), is to drive people more aggressively, without sacrificing the brand voice, so that you don't suddenly become a (name of competitor). Without sacrificing our brand voice, is to drive more people to believe in (Brand Name) life, or more people to be (Brand Name). And that is the way forward, and I would have a plan to do that, and I have plans to do that. I can't give you exact figures on how those things would pan out over a month on month basis, but that is essentially not my kind of style of working. My style of working would be to inspire and to say that in the past, this has proven to do this. We have no reason to believe, given the current climate, that this would not continue, and we will report to you as and when with figures on how things are doing, but based upon my knowledge of the brand, and my experience in hospitality, I believe this would be the way forward. That's how I would do it. It's emotional.

_So, all right, almost done. Let me just ask you overall, the idea of using conceptual strategy tools at (name of company), what do you think? Do you use them or not here? Why or why not?_

Easy answer. No. Things are not run like that here because (name of CEO) doesn't want us to be formal or academic. You should probably have gathered that by now. He wants us to be fresh and exciting and individuals. We're not ticking boxes and filling in formulas and preparing reports and all the other things they do at the bigger companies. They're boring and cold, we're hot and exciting. I don't think, and rightfully, that he would want us to lose this edge and we probably would if we had to use these boring tools. Remember, (name of CEO) tells us that we don't need to worry about being rational all the time. He wants us to be irrational if it works in the end because the customer is not rational when he makes decisions about where to eat or sleep. Or drink.

_Okay. I think that's it. Thanks, I really appreciate it._

You are very welcome.

[END OF INTERVIEW]
Appendix D: Sample Contact Summary Form

Contact Summary Form

Please note that specific information regarding names, location and company have been removed to protect anonymity.

<table>
<thead>
<tr>
<th>Site</th>
<th>MediumCo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee</td>
<td>Name Concealed</td>
</tr>
<tr>
<td>Contact Type</td>
<td>Visit</td>
</tr>
<tr>
<td>Contact Date</td>
<td>13/10/ 2007</td>
</tr>
<tr>
<td>Today’s Date</td>
<td>14/10/ 2007</td>
</tr>
</tbody>
</table>

Main themes and issues that struck me from this contact

- Believes the firm has no strategy process other than that of CEO and FD making key decisions; but does not believe this is a negative.
- No tools used – never even heard of tools other than SWOT
- Believes freedom and trust key to innovation and creativity
- Not used to formal documents or presentations or meeting

Issues not addressed by answers

- No examples of how tools used
- No other examples (only RWRI)

Thoughts to follow-up on

- Make sure to get BrandB documents to review; including that of consultants
- Follow up on creativity/innovation (3rd reference so far)
- Check on meetings and document issue (lack) with next interviewees
Appendix E: Sample Fieldwork Notes from MediumCo Strategy Session

Please note that certain information has been blacked-out to protect anonymity of individuals, the company and competitors.

Contract - need to do the buy, use to revalue level?
- So need Co. A to look even prettier.

Silly? Change of strategy band
- So Co. not for sale because!!
- 92% up | 71% equity = healthy.

Necessary A's to build up until so
- Sell asserts UC no & to continue
- 7 pm if need board seat & to trust Co
- 1 point to new credibility of owners!

50/30/20 Rule

7 years plan (for tech - B2B industry). To build up
- New Must create.
- Personal capability (co not sold)
- 1 owner.
- Content & sell stake, SIC need to fulfill mission.
- 7 buy in new product = volume!
- In opportunity (only [sell if you own it])
- More stake later.

- Rule of the clearing
- Matrix
- Take more
- How high can horse?
The meeting

The 100 hotel situation
- does anyone own?
- still fully in studio

1. What business are we in? Luxury?
   - vs. 50?

2. Do they intend to be a Luxury Business?

3. Does Luxury need to be Called Defined
   - The number
   - performance vs. rule?
   - Peri/drink

4. Set self apart from Competitors?
   - The site helps to "Break" luxury in Oregon
   - "White" vs. "black" office
   - "10x brand ethos"

Door:
- English + Not being co.
- "White, exclusive" 100 = dream
- now a time!

So, area

- Clear Portfolio
- [Intended Audience
- [Target Market]
- Did I do my thing?
- [Did I do my thing]
- [next time]
Defining Core Business in by Practice Tools

What is the need with China?

- 300 hands in 5 yrs.
- 350 - 600 rooms
- 2° + 3° cities (Beijing)
- luxury + resort
- China = subprime = 50% g.
- made in China = Chinese

Trouble Defining Core Bus + could not Core Bus markets

+ by promise?

Site/brand (China > not)

@ Co order

A minimum fee
Global distribution via minimal cost.

Middle East Brand (6+ surdes)
- Sell, match, ops + Sales/Dir Consulting
- Sales
- Support retail for new brand via M.E. visit (350-700) pax in 8-10 year.
- Sell off / exit L.U.C.
- Bld. see app. for homegrown brand 1st then diff for Ratan.
- 10% of Co & Fees.
- Will do sales, dist. not just consult.

Cost = 

Clear lifecycle

(1) Affect Brand
- No, ble no curfew agreed to K

(2) K. momma, Inc.
- Rais needs clear forward exit & fund five.
<table>
<thead>
<tr>
<th></th>
<th>Forces Supporting and Encouraging the Use of Strategy Tools</th>
<th>Obstacles Limiting and Preventing the Use of Strategy Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>SmallCo</td>
<td>• Staffing of interested/trained hotels school graduates</td>
<td>• Organisational simplicity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organisational size</td>
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<tr>
<td></td>
<td></td>
<td>• Management qualification/training</td>
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<td></td>
<td></td>
<td>• CEO values and leadership</td>
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<td></td>
<td></td>
<td>• CEO operational background</td>
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<tr>
<td></td>
<td></td>
<td>• Need for innovation/creativity</td>
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<tr>
<td></td>
<td></td>
<td>• Decision-making speed</td>
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<tr>
<td></td>
<td></td>
<td>• Strategy formulation process</td>
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<td></td>
<td></td>
<td>• Value of experience-based knowledge</td>
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<td></td>
<td></td>
<td>• No staff dedicated to strategy or consulting</td>
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<tr>
<td></td>
<td></td>
<td>• Distrust of consultants</td>
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<tr>
<td></td>
<td></td>
<td>• Disdain of academic research</td>
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<td></td>
<td></td>
<td>• Focus on practical</td>
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<td></td>
<td></td>
<td>• Lack of formal meetings</td>
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<td></td>
<td></td>
<td>• Lack of presentations</td>
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<tr>
<td></td>
<td></td>
<td>• Lack of formal strategy (and other) documents</td>
</tr>
<tr>
<td>MediumCo</td>
<td>• Growing professionalism of firm and employees</td>
<td>• Organisational simplicity</td>
</tr>
<tr>
<td></td>
<td>• Company-sponsored MBA program</td>
<td>• Organisational size</td>
</tr>
<tr>
<td></td>
<td>• Growth and internationalisation (increasing complexity)</td>
<td>• Management qualification/training</td>
</tr>
<tr>
<td></td>
<td>• Recruitment of non-hospitality background executives</td>
<td>• CEO values and leadership</td>
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<td></td>
<td>• CEO operational background</td>
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<td>• Value of experience-based knowledge</td>
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<td></td>
<td>• No need for consensus</td>
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<td></td>
<td>• Lack of formal meetings</td>
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<tr>
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<td></td>
<td>• Lack of formal strategy documents</td>
</tr>
<tr>
<td>BigCo</td>
<td>• Organisational complexity</td>
<td>• Franchisee relations</td>
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<tr>
<td></td>
<td>• Organisational size</td>
<td>• Third-party owners</td>
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<tr>
<td></td>
<td>• Large number of brands</td>
<td>• Responsibility to third-party owners</td>
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<tr>
<td></td>
<td>• Geographic dispersion of units / internationalisation</td>
<td>• CEO values</td>
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<tr>
<td></td>
<td>• Management qualification/training</td>
<td>• CEO background</td>
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<tr>
<td></td>
<td>• Financial resources</td>
<td>• Removal of centralised strategy department</td>
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<tr>
<td></td>
<td>• Participatory decision-making</td>
<td>• Focus on quantitative data and tools</td>
</tr>
<tr>
<td></td>
<td>• Need for consensus</td>
<td>• Focus on practical</td>
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<tr>
<td></td>
<td>• BI department</td>
<td>• Presentations focused on results not analysis</td>
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<td>• Functional/departmental strategy responsibilities</td>
<td>• Documents kept short and focused on actions plans</td>
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<td></td>
<td>• Recruitment of non-hospitality background executives</td>
<td>• Resistance to &quot;Strategy&quot;</td>
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<td>• Cross-functional meetings</td>
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Bibliography


