Emergent Strategy Development for Organizations

June 30, 2003: Emergence
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INTRODUCTION

The professional field of strategic management distinguishes several different schools, among them the prescriptive and emergent approaches (Lynch, 2000). Although theorists distinguish different approaches (e.g., Idenburg, 1993; Mintzberg, 1987), in order to look more closely at emergence in strategic processes we highlight the distinctions between the rational planning and emergent schools, particularly in regard to issues of language and time.

The rational planning school (e.g., Ansoff, 1979) defines an objective in advance, describes “where we are now,” and uses a prescriptive approach in which the three core areas—strategic analysis, strategic development and strategy implementation—are linked together sequentially (Lynch, 2000: 24). The emergent approach to strategy formulation has been characterized by trial, experimentation, and discussion; that is, by a series of experimental approaches rather than a final objective. Emergent strategy is undertaken by an organization that analyzes its environment constantly and implements its strategy simultaneously (Lynch, 2000: 26).

We are interested in emergent strategy development, which has been less developed than other approaches, and is linked with Henry Mintzberg (1991), Shona Brown and Kathleen Eisenhardt (1998), and Ralph Stacey (1992, 1996). Emergent strategy, with its acknowledgment that uncertainty is here to stay, has the potential to address the current challenges of organizations. For example, entrepreneurial organizations increasingly rely on emergent strategy development rather than formal planning processes (Fletcher & Harris, 2002). Nevertheless, emergent strategic processes are often maligned as “irrational mechanisms, wishful thinking, ignorance, and conformism” (Idenburg, 1993: 136), claims that we dispute.

In response to Roos and Victor's (1999) call for more imaginative strategies, we propose that a playful reinterpretation of the Delphic oracle can provide a way to imagine the roles of organizational actors in strategic emergence. Mintzberg's (1994: 238) disdainful comparison of strategic forecasting techniques with the ritualistic divination techniques of the Delphic oracle notwithstanding, we suggest that characteristics of the Delphic oracle (Morgan, 1990) mirror many of those of both emergence and strategy and, therefore, may offer insight into emergent strategy. Just as von Krogh et al. (1994) ask readers to forget the realities previously constructed in order to rethink the strategy paradigm, we suggest that drawing parallels between emergent strategy and oracle nourishes such a paradigm reconstruction. Oracle allows a degree of estrangement not merely to replace one form of inquiry with another, but to add to our store of approaches to see anew phenomena that we have previously conceived with narrow vision or that have escaped our gaze. Like us, Walker (2003) suggests such a return to Delphi, but Walker— unlike us—seeks a return “sans ambiguity” (2003: 2).

Our article proceeds as follows. We briefly review the literature of emergent strategy and the Delphic oracle, with particular attention to the ways in which the latter reflects current thinking about ambiguity, complexity, emergence, and strategy. We then take a closer look at the function of different symbolic and temporal approaches to the learning requirements of emergent strategy, and we propose that oracle can be usefully seen as a type of learning. Based on this strategic approach to learning and emergence, we make a series of propositions for future research.

REVIEW OF LITERATURE

According to Mintzberg, strategy is plan and pattern; that is, “organizations develop plans for the future and they also evolve patterns out of their past” (1994: 24). In addition Mintzberg, an early proponent of emergent strategy, says that a “realized pattern” that was not “expressly intended” can emerge (1994: 25). He defines emergent strategy as “actions ... taken, one by one, which converged in time in some sort of consistency or pattern” (1994: 25). For example, Mintzberg (1994) argues that a firm might gradually acquire diverse businesses until a strategy of diversification emerges. Although his notion of emergent strategy is similar to ours, his emphasis on emergent strategy as an “absence of intentions” (1987: 13) or as emergent “despite them [intentions]” (1987: 13) presumes inaction or error in the process of strategic management. We will suggest that strategy can emerge not only from patterns of action, but also from interpretations of meaningful, acausal events.

Like Mintzberg, Brown and Eisenhardt (1998) contrast a prescriptive, lockstep plan with an emergent strategy. They emphasize the improvisational nature of emergent strategy:

*Improvisational businesses typically create products and services that are often successful but also somewhat unpredictable.*
Emergent strategies also rely on the organization’s ability to learn from the actual experiences of employees at all levels (Noe et al., 2003). According to Brown and Eisenhardt, improvisational businesses have “real-time communication”; that is, communication “focused in real time, on the tasks at hand, such as manufacturing operations, customer complaints, and competitor moves” (1998: 47). Real-time communication combined with “semi-structure” (neither too loose nor too rigid) permits strategy to emerge (Brown & Eisenhardt, 1998: 53). What Brown and Eisenhardt acknowledge is that managers don’t know all that will happen and can’t tightly control innovation. To accommodate uncertainty, Brown and Eisenhardt emphasize improvisation and entrepreneurship. While applauding the advocacy of improvisation, we will emphasize interpretation over improvisation and provide a series of propositions that enhance interpretation.

Our propositions will be akin to Stacey’s (1992) steps to emerging strategies. Not prescriptions for strategic direction and control, Stacey’s steps “increase the possibility of emergent strategy” (1992: 191) by managing context. To increase the possibility of emergence, Stacey describes ways to use power, establish self-organizing teams, develop multiple organizational cultures, improve group learning, and create slack resources. His goal is “to establish sufficient constrained instability to provoke complex learning” (1992: 208)—a goal similar to our own.

Despite the work of Mintzberg, Stacey, Brown, and Eisenhardt, the school of emergent strategy is less developed than other schools (Lynch, 2000). This may, in part, be due to the continuing reliance on the ‘scientific’ paradigm of “ineal order, regularity, and stability” (Merri, 1995: 16). In an attempt to counter the reliance on the scientific paradigm, Durand et al. (1996) suggest that sociocognitive (e.g., Weick, 1979) and autopoietic (e.g., von Krogh & Roos, 1995; von Krogh et al., 1994) approaches to strategic management are more helpful to managers than are computational and cognitive approaches. In addition, Durand et al. (1996) introduce social and emotional dimensions.

We think that the efforts of Durand et al. (1996), as well as the Roos and Victor (1999) model of strategy as serious play, highlight the problems engendered by conflating natural and social sciences. It is important to remind ourselves that there is a significant difference between the natural sciences and the social sciences and that one cannot simply mimic the other, nor can one be held as exemplar for the other. What we deem to be truth and valid knowledge in the social sciences cannot be judged on the same basis as in the natural sciences.

The basic notion of science is one in which there is transparency over the process through which we come to the conclusions that we hold. Therefore, science identifies the logic, reason, and other mediated pathways used to create knowledge and support truth claims. In the natural sciences the emphasis is on replication and predictability, and where such replication proves unsuccessful, existing hypotheses are modified and new hypotheses formulated. In the social sciences the emphasis is more on coherence as a criterion for validity, and contradiction is the generator of new theory. The natural and social sciences are different genres that demand different approaches. The methods of inquiry employed in the social sciences cannot simply mimic those used in the natural sciences. At best the natural sciences can only ever observe and infer, yet the social sciences can actually ask their subjects and thus discover meaning and intentionality. Such a fundamental difference requires that the forms of inquiry be different.

Many years ago, Horkheimer (1937/1976) put the case well when he argued that generalizations could not easily be made from so-called experiences, because the understanding of experience itself was being fashioned from ideas that were in the researcher him- or herself. The researcher is simultaneously part of what he or she is researching, and caught in a historical context in which ideologies shape one’s thinking. All theories conform to the ideas in the mind of the researcher rather than solely to the experience itself:

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The facts which our senses present to us are socially performed in two ways: through the historical character of the object perceived and through the historical character of the perceiving organ. Both are not simply natural; they are shaped by human activity, and yet the individual perceives himself (sic) as receptive and passive in the act of perception. (Horkheimer, 1937/1976: 213)

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Thus, since knowledge is mediated by cultural, social, and linguistic structures and practices, its truth claims (facts) are inevitably relational.

In recent times, the French poststructuralists, postmodernists, and linguists such as Derrida, Foucault, Lacan, Kristeva, and others have drawn our attention to the relativism of knowledge and this notion that we are at arm’s length from the subjects of our gaze. They also make the case that there can be no autonomous agency. These theorists have developed techniques such as deconstruction, playfulness, the clash-of-opposites, intertwining of form and content, metaphoricality, and the like, which are very much like those of the surrealists (see Carr & Zanetti, 2000) and are intent on unsettling us from our conventional wisdom—an estrangement, affording us an opportunity to penetrate and reflect, perhaps anew, on what we have taken for granted. The estrangement provides a vehicle through which the linear logic we have used in the past may become, at least partially, set aside in the search for new affinities previously hidden or un contemplated. It is the juxtaposition that affords us an opportunity to see ourselves in spite of ourselves, or to be decentered from our historical position of privilege (see Carr, 2000).
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Oracle is a way of knowing whose logic, reason, and mediated pathways are nonlinear, transparent, and coherent. With oracle, we have an opportunity to see ourselves in spite of ourselves.

To date, the field of strategy, particularly the predominant rational planning school (Lynch, 2000), has been built up largely out of the perceived need to reduce uncertainty. But as Van Uden et al. argue, “Complex systems are incompressible, i.e., it is impossible to have a complete account of a complex system that is less complex than the system itself” (2001: 57). Therefore, given that “uncertainty is not a result of ignorance or the partiality of human knowledge but is a characteristic of the world itself” (Taylor, 2001: 115), strategies designed to reduce or eliminate uncertainty are likely to be ineffective at best and may very possibly be a risk to organizational survival.

ORACLE

Swigart (2002) provides a vivid description of the Oracle of Apollo at Delphi (see also Figure 1):

A long line of supplicants climbs a steep road toward the temple, circles around the impressive treasure house of the Athenians to the sacred precinct in front of the Oracle’s home. The first supplicant submits the burning question of the day: “The Persians are coming, what should we do?” The priest takes the question into the gloom of the temple and offers it to the Pythia, a mantic (perhaps mythic) priestess crouching in a hole in the earth, a hole which may or may not have even existed … She speaks in tongues, and the priest returns with her answer. (2002: 80-81)

Delphi was a sanctuary whose most celebrated feature was its oracle, which has attracted continual discussion and comment since antiquity. “The oracle’s renown and prestige are evident from an early date, and it appears to have been regarded as something special right from its inception,” says Morgan (1990: 148). Although divination was probably a regular feature of everyday life, the Delphic oracle, occurring as it did during a time of political and economic instability and in a relatively neutral territory, was of particular importance.

Although the oracle at Delphi has suffered the reputation of being irrational, for the most part “by modern standards, the Pythia appeared to act rationally, giving straightforward answers to simple alternative proposals, or to a suggestively worded question dealing with past or present circumstances” (Morgan, 1990: 156). Thus,

Ambiguity is undoubtedly one of the most celebrated traits of the Delphic oracle, and even though its extent and significance have been greatly exaggerated, disputes or uncertainties about the interpretation of responses, as recorded in ancient sources, are too frequent to allow us to dismiss it altogether. That is, the oracle’s reputation for ambiguity was always overshadowed by its reputation for truth. (Morgan, 1990: 156)

The medium of divine inspiration was always a woman; her function was to tell the divine purpose in relation to coming events. Thus the consultations were religious in form, and not mere inquisitive speculations on the future or attempts to obtain practical shortcuts to success. The Pythia, before taking her seat on the oracular tripod, had to prepare herself for

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the solemn act by certain ritualistic observances: bathing in a particular spring, chewing the leaves of the sacred oracle, drinking from the spring, and burning laurel leaves and barley meal. She then mounted the tripod (Parke & Wormell, 1956). For ancient visitors to Delphi, entry to the temple was restricted to nine days in the year and permitted only to those wishing to consult the oracle after they had paid for a preliminary sacrifice. Once inside the porch, the visitor would be reminded of the Delphic precepts (“know thyself,” “nothing too much,” etc.) inscribed on marble herms, or busts (Coldstream, 1985: 96-7). Against the rear wall, protected by a stone canopy, was the omphalos or “navel,” which was supposed to mark the center of the

Fig. 1: The Temple of Apollo
Source: http://www.arthistory.sbc.edu/sacredplaces/delphi.html
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Certainly features of the Delphic oracle are relevant to strategic formulation:

- Both are particularly important during times of challenge, “perhaps owing to some external threat, or to internal change” (Mintzberg, 1994: 154; see also Park, 1963).
- Those consulting the oracle were primarily prominent individuals, rather than states, and they paid for the consultation (Price, 1985).
- Once announced, the oracle carried the weight of authority.
- An important purpose of the oracle was to establish consensus, or alignment, among different groups (see also Dempsey, 1918). As Barry and Elmes (1997) note, an important purpose of strategy is to establish consensus among multiple viewpoints and multiple realities.
- It was assumed to be impartial.

The parallels with current strategic practice are readily apparent. Contemporary strategists respond to external threats or internal change; strategic leadership is usually a top management function; strategic decisions are authoritative; and strategic decisions, even if incrementally, guide actions throughout the organization. Although internal executives and board members are not impartial, external consultants are considered impartial. Further, the oracle functioned in ways that reflect current thinking about complexity and emergence: It admitted ambiguity (Morgan, 1990; Swigart, 2002) and inarticulateness (Douglas, 1966); emerged from the belief in a greater wholeness; embraced intuition; and recognized the role of the “inner” (moral, emotional) as well as “outer” (political and social) life of the seeker.

Socrates esteemed the oracle. In the same spirit, he listened carefully to his own inner voice. Socrates’ disciple Plato believed in a kind of intuitive knowledge quite distinct from the dialectic. For him the gods were always real. Thus the Greeks were paradoxically committed to reason, the chosen guide that they knew to be inadequate, and to their deep instinctive belief in hidden powers. The word “mystery” is of Greek origin. Oracles helped people find their way on earth in the face of an unknown and threatening future. As Ralls and Webb (1999) put it,

We not only need complex, organic views of organizations, but we would benefit from not being put off by either the complexity or its mysteries. (1999: 25)

An important issue in complexity theory is how order emerges out of chaos (Goldstein, 1999); this same idea is reflected in oracle imagery by the placement of the Pythia over a representation of the mouth of a chasm (Price, 1985). The edge of chaos is the place where differences are blended or even deconstructed. As Langton illustrated in Lewin’s (1992) interview with him: “Totally ordered over here … totally random over here; … complexity happens somewhere in between” (1992: 10). This “in-between-ness” is the place of interactions, of relationships, and is part of the conversations about, and uncertainty of, complexity. For one, any knowledge contains the uncertainty that is brought about by the interaction between oneself and the rest of the world (Heisenberg, 1958; Jung, 1955; Kristeva, 1986). Second, the split between art (including Greek history and mythology) and science (including organizational science’s adherence to Newtonian assumptions of rationality, detachment, etc.; Lynch, 2000) is less useful, given that the more vague terms of natural language “seem to be more stable in the expansion of knowledge than the precise terms of scientific language” (Heisenberg, 1958: 200).

Also, given that women always proclaimed the oracle at Delphi, we suggest that honoring the feminine is an important addition to theory on emergent strategy. This is a matter that has recently been noted as a crucial issue and oversight in organization theory and social science more generally (see Carr, 2003; Zanetti, 2002).

Despite—or, better, due to—the ambiguity of many of its answers, the Delphic oracle contributes to contemporary strategy through its emphasis on (a) symbols and (b) temporal strategic processes. Stacey’s (2001) comments about symbols suggest an explanation of the oracle’s contribution. According to Stacey,

A distinguishing feature of human action, both in its public and private forms, is that it is communication in the medium of symbols, which makes sophisticated cooperative activity possible. (2001: 101)

Mosakowski and Earley (2000) argue that strategy researchers generally dismiss temporal assumptions or address such
assumptions indirectly. We suggest that theories of emergent, strategic, interpretive processes—specifically oracle—address these aporia in the strategy literature; that is, symbols and time.

SYMBOLS AND STRATEGY

Stacey (1992) uses complexity theory to develop a strategic approach to the “real management problem”; that is, “managing the unknowable” (1992: 14-15). According to Stacey, managers should provoke questioning, promote organizational learning, develop flexible structures, and accept the resulting anxiety (1992: 15). “The key question is not how to create stable equilibrium organizations, but how to establish sufficient,
### Functions of symbols

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#### Single loop

#### Double loop

#### Oracle

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**Fig. 2**: A typology of the use of symbols in strategy formulation