

## **Deciding on Wicked Strategy Problems**

*Presenting a practical tool-guide to improve strategic decision-making*

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### ***Abstract***

*This paper handles the intersections between opposing perspectives on strategy. It provides a method to use these opposing views to generate resolutions to strategic issues during the strategic decision-making process. Through research among 200 future executives the 'dynamic synthesis model' is developed, which serves as a practical tool-guide for executives and their management teams.*

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## INTRODUCTION

Even though Wal-Mart is the biggest company in the world, it is struggling with a fundamental tension in strategy. On one hand, Wal-Mart has the same strategy for all markets it is active in around the world, with Craig Herkert, Chief Operations of Wal-Mart International, stating “Every day low prices, quality assortment, and exceptional service are Wal-Mart principles that transcend borders, language and cultural differences”. On the other hand, Wal-Mart has encountered some hurdles along the way, in China, South America and especially in Germany. It has trouble reaping global synergies throughout its business model: Wal-Mart's domestically grown corporate DNA cannot always be cloned (Govindarajan and Gupta, 1999).

Wal-Mart is not the only one facing conflicting demands. In 2000, the top management of the Dutch telecom provider KPN saw a giant market opportunity: UMTS was going to be the driver of future market demand and the corporation should react on this before its competitors did. At least, that was the perspective that KPN's top executives had. However, the purchase of UMTS frequencies had a dramatic effect on the company's balance sheet and consequently on its top management team. The latter was dismissed and Ad Scheepbouwer took over as CEO the organization. The company now changed its strategy from a market-driven side towards a more resource-driven side, by focusing on its current strengths in fixed networks and business mobile communication (Bogaarts, 2002). Another example is pharmaceutical company Merck. The company has been following the industry trend of investing heavily in R&D to keep their ‘pipe-line’ filled. Up until now, Merck's philosophy towards R&D has been decidedly ‘do-it-yourself’. Some of the big players in the industry, however, have been building alliances with small bio-tech companies by contracting out the development of new drugs to small specialist rival firms.

When top executives decide on strategy, they often face contradictory perspectives. Do their businesses perform in markets that *converge globally*, or do customers' needs *diverge locally*? Should their business strategy build on opportunities in the *market* or on existing *resources*? Do they have to choose a strategy that leans towards the *competition* side, or should they

*cooperate* more with players in the field? These conflicting perspectives reflect fundamental tensions in strategy, which might be at the heart of every strategy issue (De Wit and Meyer, 1999). When facing strategy issues, people will have different cognitive maps and will embrace divergent values, morals and ideas to make sense of their confusing information environment. At the intersection of seemingly contradictory perceptions, it would be essential to bridge these tensions within strategic issues.

When deciding on strategy issues, executives need a way to handle inherent tensions. Tensions are fundamental to *wicked* problems; strategic issues are often characterized by organized complexity and cannot be solved easily. To deal with this complexity, executives employ different frames of reference. During the decision making process, top management teams will be confronted with the matter of choice: which perspective should they use? Yet, perspectives actually seem valid at the same time, so should there be a choice at all? Can't there be a combination that embraces the best of both worlds? Top executives need a handhold to help them with these questions. However, the literature in the academic field does not provide much help in a consistent way yet. The objective of the research as presented in this paper is to answer the following overall question: *How can top managers take strategic decisions when there are contradictory perspectives on a strategic issue?*

Aim is to provide managers with a **practical tool-guide** that they can use during the strategic decision-making process, in order to connect the perspectives they have on a strategic issue. To develop this tool, explorative research was conducted in a laboratory type of setting at the Rotterdam School of Management Executive MBA-program. The model was tested in a different setting with a large international financial service provider.

## **THE RESEARCH: AT THE INTERSECTION OF THEORY AND PRACTICE**

One of the most important issues in strategy research is the research on the process in boards (Pettigrew, 2002). If strategic issues are the nails that managers have to hit, and strategy theories are the hammer, then how does the toolbox, or practical application, look? Tsoukas and Knudsen (2002) point to the absence of 'effective praxeology' in strategy research.

Whittington (2002) stresses the importance of research into the *how to* of the strategy process. Strategy research should actually use consultants and business executives in research settings, “in order to help these people to think better”. However, even though there should be more research into the actual conduct of top management teams, according to Pettigrew (2002) “no one has been researching this, as this is very hard to do”.

The research as conducted here reacts to these notions by integrating theory with a simulation of practice, using grounded theory methodology. The context for the practical research will be set first, in order to embed the research in theory. This is compatible with Straus and Corbin’s (1998) view on qualitative research and grounded theory: ‘a researcher does not begin a project with a preconceived theory in mind, *unless* his purpose is to elaborate and extend existing theory’. Thus, grounded theory is not always purely derived from empirical study: theory and practice can go hand in hand during academic research.

## **RESEARCH CONTEXT: AT THE INTERSECTION OF THESE**

The context of the research involves three theoretical themes: strategic decision-making, strategy tensions and strategy perspectives. During the strategic decision making process top executives define the course of action on a strategy tension by employing strategy perspectives. The model that is developed will serve as a bridge between these three themes.

### **Deciding on wicked strategy problems**

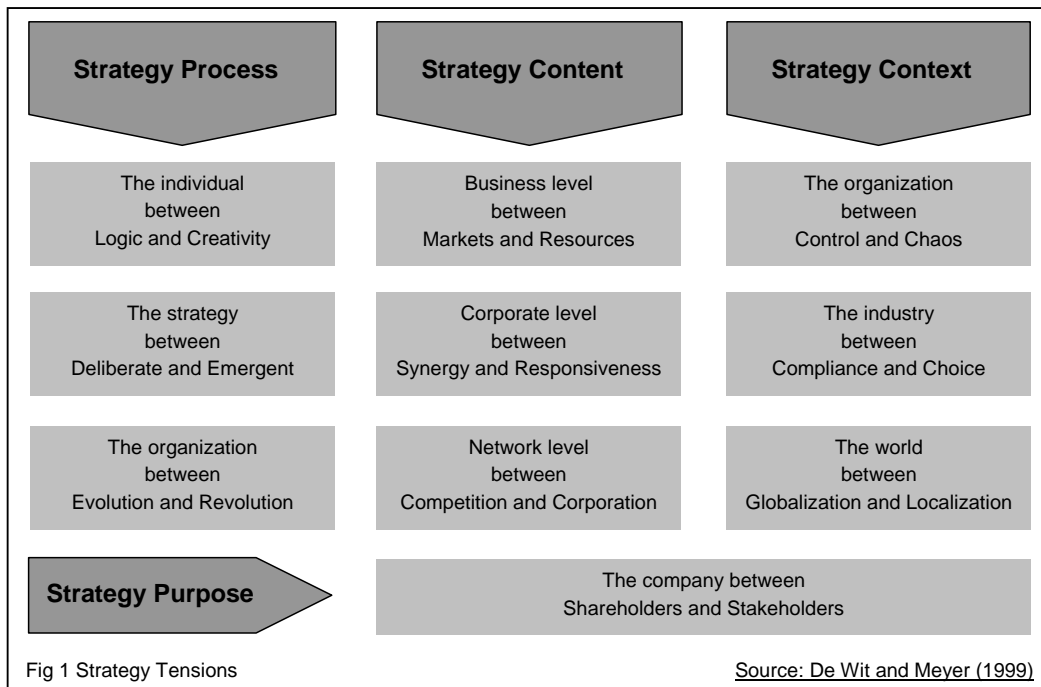
The firm’s management team must choose the strategic direction of the organization (Rumelt et al., 1994). Strategic decision-making means handling various strategy problems. The process of forming strategy is by its very nature subject to multiple kinds of uncertainty, ambiguity and complexity (Szulanski and Doz, 1995), where managers increasingly face poorly defined problems that are interdependent and changing (McCaskey, 1982). Top managers are often required to anticipate, define, and solve these *wicked* problems (Schweiger et al., 1986).

Rittel and Webber (1973) classified societal and policy problems as being wicked, as opposed to easy solvable tame problems that were characteristic of the industrial era. Wicked problems are problems of ‘organized complexity’, and most strategy problems are wicked problems of this kind, according to Mason and Mitroff (1981). They are not necessarily wicked in the sense of being ‘evil’, but rather like an ‘ensnarled web of tentacles’ (Mason and Mitroff, 1981). Strategic problems that are wicked cannot be easily and objectively defined, but they are open to interpretation from a limitless variety of angles (De Wit and Meyer, 1999)

Simple problems can be bound, managed and ‘tamed’ (Rittel and Webber, 1973). Wicked problems, on the other hand, are hard to solve. They produce decision environments in which single right recommendations are rarely apparent (Schweiger et al. 1986). In strategy, there will be more than one choice to make in defining the course of action on a strategic issue. The top management team will need to deal with this.

### **Strategy tensions**

At the heart of every strategy issue, a fundamental tension can be identified (De Wit and Meyer, 1999). Historically, Adam Smith (1776) saw a major tension between integration and differentiation underlying the rise of the modern industrial organization, while Mary Parker-Follett (1941) showed how the assumptions of autonomy and control produce a contradictory strategic challenge to leaders. Furthermore, nowadays managers are asked to deal with the tensions of increasing efficiency while fostering creativity, teamwork and individualism, and global playing and local acting (Lewis, 2000). They also have to deal with forces as coherence and diversity, courage and caution, and power and compassion (Hamel, 2001). In an attempt to integrate views in the strategy field, De Wit and Meyer (1999) identify ten tensions in strategy that confront top executives, as illustrated in figure 1.



A manager must act in the face of ambiguity (McCaskey, 1982; Mason and Mitroff, 1981; Lewis, 2000), Ambiguity goes together with multiple, conflicting interpretations of the problem, and different values executives rely upon to make sense of a wicked situation (McCaskey, 1982). According to Steinbruner (1974), as a general agreement in cognitive psychology research, ‘the mind actively imposes order on situations that are highly ambiguous’. Resolving wicked problems means dealing with this ambiguity.

**Paradox: at the intersection of strategy perspectives**

Following McCaskey (1982), to be effective, a manager may have to act before the situation is entirely clear, while important elements of the issue can be interpreted in conflicting ways, and while convincing arguments are made for and against different alternatives. In their ways to resolve strategy issues, managers try to simplify their information environment. Simplifying and understanding the complexity around them enables people to think clearly about difficult issues, and enables them to communicate about complex business challenges (Friedman and Gyr, 1998). There is little argument against the view that managerial cognition plays a significant role in the problem-solving processes or decision making of a management

team (Walsh, 1995). Decision-making on strategic topics is influenced highly by the cognitive frames of members of organizational 'upper echelons' (Hambrick and Mason, 1984).

Conflicting assumptions are likely when dealing with complex problems (Schwenk, 1988). Assumptions about the nature of tensions may differ significantly, giving rise to a variety of opinions. With these assumptions, top executives form their view on a strategy issue. Baden-Fuller and Pitt (1996) state that strategic management is characteristically a process of tolerating and ultimately reconciling seemingly contrary ideas and perceptions. These perspectives are formed by an ambiguous environment, and are ways to deal with a strategy tension, emphasizing one side of this tension over the other.

Managerial cognition theory has introduced various synonyms for a perspective that a top manager has on strategy. There has emerged an 'evocative language' around the central construct (Walsh 1995). A variety of researchers has given names to fundamentally same entities: cognitive map (Huff, 1990), frame of reference (Westenholz, 1993), selective perception (Hambrick and Mason, 1984), belief structure (Walsh, 1988), world view (Mason, 1969) or managerial lens (Miller, 1993) are all synonyms for the dominant way a top executive views a certain strategic issue. This reflects the beliefs a manager has about the issue as well as the way he acts upon it (Walsh, 1995). Here, the central construct is defined as a *strategy perspective*: the way one thinks about and acts upon a strategy issue. During strategic decision-making, top executives may have to deal with these contradictory perspectives.

Research into the content and development of strategy perspectives has been abundant (Walsh, 1995). However, research into the usage and consequences of knowledge structures could provide some handhold to these managers, which is where managerial cognition literature provides background (Walsh, 1995), yet does not seem to give ample suggestions (Porac and Thomas, 2002; Whittington, 2002; Pettigrew, 2002). Strategy perspectives may seem contradictory, but do not have to be necessarily so. This depends on the way managers view a strategy tension.

Fundamentally, there are three ways of approaching strategy tensions: as a puzzle, a dilemma or as a paradox (De Wit and Meyer, 1999):

1. **Strategy Puzzle.** A puzzle is a problem with an optimal solution, so there is a best way of solving it, although it can seem complex and hard to analyze (De Wit and Meyer, 1999). These seem typical, simple, organizational level issues. So, concerning opposing strategy perspectives as a puzzle actually means denying there is a fundamental embedded tension at all.
2. **Strategy Dilemma.** A dilemma is a problem with two possible solutions (Hampden-Turner, 1990). Managers have an either/or choice, assuming the incompatibility of the two opposites (De Wit and Meyer, 1999). According to Porter (1996) the generic strategy framework introduced the need to choose, in order to avoid becoming caught between the inherent contradictions in strategies. However, 'there are indeed dangers, getting trapped in conflict or compromise, but not noticing the opportunities arising from the tensions would be a shame' (Hampden-Turner, 1990).
3. **Strategy Paradox.** A paradox has three overarching characteristics, according to Lewis (2000). First, a paradox represents a wide variety of contradictory, yet interrelated assumptions. Second, they are actors to make sense of an increasingly ambiguous world. Thirdly, they become apparent through social interaction. Managerial choices are not either-or, but both-and (Hampden-Turner, 1990). Viewing strategy tensions as paradoxes will mean resolving wicked problems; not getting 'stuck in the middle' but elevating the center to a higher level.

Strategy perspectives may often seem contradictory and it would be human to take a stand and make a choice. However, it has been proposed that wicked problems have no one best solution; therefore, an either-or choice will not hold for a long time, as wicked problems ask for dynamic resolution. Also, throwing away the conflicting strategy perspective might be a waste. According to Eisenhardt (2000), 'the management of duality tensions centers on exploring the tension in a creative way that captures both extremes, thereby capitalizing on the inherent pluralism within duality'. Viewing strategy tensions as paradoxes would be

inherent to the organized complexity that top executives have to deal with in strategic decision making.

In academic research, recognizing the fact that manager's and their organizations live in 'a world of paradox' (Handy, 1994) is becoming increasingly popular (Lewis, 2000). Davis, Maranville and Obloj (1997) found the term paradox used in over 300 major publications from 1990-1997. Thurbin (1998) defines paradox as 'an apparent contradiction between equally credible assumptions about a set of issues or conclusions'. Poole and Van de Ven (1989) define it as a 'situation in which two seeming contradictory, or even mutually exclusive, factors appear to be true at the same time'. Opposing perspectives, or factors that Poole and Van de Ven speak about, form the strategic paradox; the assumptions that Thurbin refers to cause the tension that underlies paradox. To combine theories, a *strategy paradox* is defined as an apparent contradiction between two equally credible strategy perspectives.

The challenge for managers will be to bridge the gap between opposing poles. Because in a paradox contradictory strategy perspectives are equally credible, combining the positives of both perspectives seems a logical consequence. The dialectical movement of a *thesis* having an *antithesis*, which will form a *synthesis* together, is at the base of this. First described in Hegelian philosophy, it seems adequate to translate to the business world. A strategy synthesis, that blends the insights from both perspectives, will necessarily be situation dependent. As strategy paradoxes have no fixed set of answers, every synthesis of perspectives will be a unique 'hybrid', fitted to the circumstances encountered (De Wit and Meyer, 1999). A synthesis will combine the positive aspects of both perspectives into a 'best-of-both worlds', as opposed to a 'bit-of-both worlds' that can emerge from a puzzle-view on a strategy tension, or to a 'best-of-one-world' that can arise from a dilemma-perception.

During research A, the *Dynamic Synthesis Model* was developed that might help executives in choosing the strategic direction of their firm, when they have to deal with conflicting perspectives on a strategy issue. This will be handled next.

## **RESEARCH A: DEVELOPING THE MODEL**

There are three categories in qualitative research and data analysis: description, conceptual ordering and theorizing (Straus and Corbin, 1998; Locke, 2001). These three forms are ‘interdependent layers’, constructed on one another (Locke, 2001). *Describing* in this case is describing the research itself without stepping back to interpret events. The latter is done in the second phase: *conceptual ordering* involves classifying events and objects along explicitly stated dimensions, without relating the categories in an overarching scheme. This explanatory scheme is created when *theorizing*: constructing an explanatory scheme that systematically integrates concepts through statements of relationship. This theory, then, may ‘provide guides to action for users’ (Straus and Corbin, 1998). During Research A, a comparable process was followed. As a consequence, sketching the research will be done similarly here. In the description section, the research will be outlined. Then, in the conceptual ordering part, the categories and related questions are formed. These categories and relevant literature will be integrated in a conceptual scheme in the theorizing part.

### **Research Description**

Research participants were 112 advancing middle-level managers from 100 different national and multinational companies, enrolled in the Executive MBA at the Rotterdam School of Management, in the 2nd year class ‘Strategic Leadership’. The program was designed to prepare the students to assume executive positions in the near future. The research participants averaged 34 years of age, and had an average of 8.6 years of full-time work experience. The group of 112 participants was divided into 3 groups of 35-40 students, and went through 6 sessions. In total the research comprised 54 hours. Memo notes were taken from the various discussions during class.

Central in the class was the concept of strategy tensions as described by De Wit and Meyer (1999). During the class discussions, students were asked frequently about their own strategy perspective, which made clear that the two opposing perspectives that were considered were often distributed equally (fifty-fifty) among participants. They were divided into smaller

groups of six participants, and were asked to discuss and resolve the strategy tensions from their own perspective using business cases and class discussions.

### **Conceptual Ordering**

In the first sessions, it became clear that the participants had opposing perspectives on the issues, but did not have a way to deal with this yet. In the beginning of the process, two issues became clear. One issue was that the way the participants *perceived* a strategy tension could be very important. The second issue showed that the way the participants think about dealing with various choices might also be important. These two issues come together in the question of ‘*from where* do we start?’ This question is answered classifying the two issues of *tension thinking* and *tension perceiving* in category A: **Drivers**.

Furthermore, participants did not only really know *from where* to start, they also did not know *how* to engage in the process. This comes forward in accounts as “How do we argument different views?”. The question of ‘*how* do we do this?’ is answered in category B: **Guidelines**. Along these guidelines, participants could not really make out generally *what* to do. On one side, it became clear that people who had to name the advantages of their own strategy perspectives automatically started naming the disadvantage of the other when talking about their own perspective. Students started to ridicule the opposing perspective automatically. On the other side, there were also students making statements such as “we named pro’s but deliberately stayed away from cons”. So, participants needed something to hold on to. The question “*what* should we do?” is addressed in category C: **Actions**. After every discussion the process and results were evaluated plenary. The matter of “*where* should this lead *to*” is issued in the last building block of the model, category D: **Outcomes**.

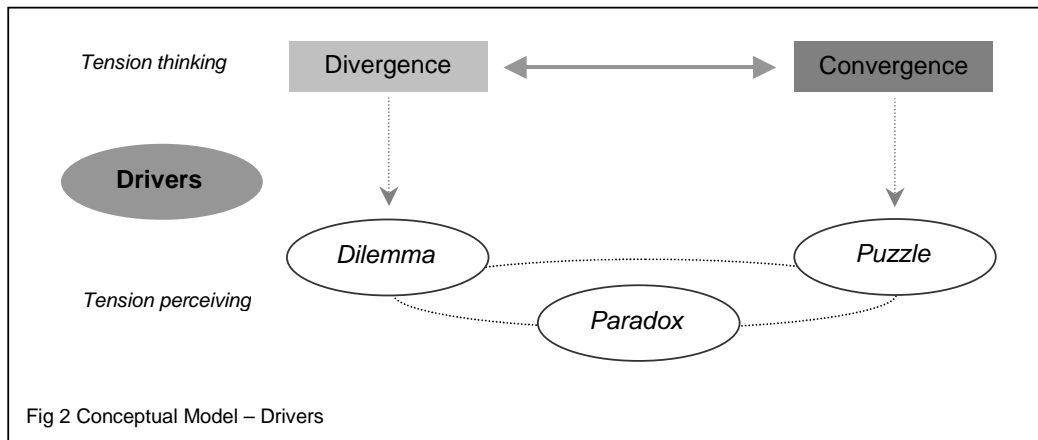
### **Theorizing**

After developing the four building blocks, the model could be developed further, simultaneously integrating theoretical angles. During theorizing, the categories were filled in further.

### ***Drivers***

As a driver of the process, *tension perceiving* consists of a perception of a tension as a dilemma, as a puzzle or as a paradox. For instance, various students pointed out “We have to make a choice”, indicating these students viewed the particular strategy tension as a **dilemma**. A statement like “Solving this issue was easy, we just took a bit of both perspectives and we had a quick answer” indicates the perception of a strategy tension as a **puzzle**: students did not recognize fully that a tension existed, thus did not perceive that both perspectives were true at the same time. This was the case when participants started to perceive a strategy tension as a **paradox**. Examples of this are accounts by participants such as “I realized outside-in and inside out is a strategic paradox, that cannot be settled by finding a compromise or by convincing the other camp” or “Through paradox, the awareness of alternatives increases”. This way of thinking is fostered further by Ellinor and Gerard (1998), who describe occurrences during their research in decision settings similarly: ‘When people make the choice not to choose, a transformation from dilemma to paradox is made. This becomes a catalyst to expand perceptions and integrate them into an inclusive whole.’ This strain between holding separate perspectives on one hand and trying to bring them together on the other hand also comes forward from the sessions, which is the second issue concerning the drivers of the process.

Accounts such as “I tend to evaluate the opposite approach as being inferior”, “We fundamentally disagreed”, indicate the way participants *thought* about tensions was in a mode of **divergence**. Divergence in this case means ‘focusing on separating options’ (Wells, 1998). This mode of divergent thinking lies at the base of a dilemma. On the other side, there were also participants that said “We have to find a common ground” or “We need to combine two perspectives”. These statements indicate participants were more in a mode of **convergence**. In this case, convergence means ‘focusing on integrating options’ (Wells, 1998). Too much convergence may take place when people do not see two opposing perspectives as perspectives on a fundamental tension: in other words, convergent thinking may underlie the perception of a strategic issue as a puzzle. The ***Drivers*** category is reflected in figure 2.



### ***Guidelines***

From the research came forward that to be able to tap into the potential of paradoxes, the perspectives needed to be clear to all members of the decision-making teams first. On one side, the assumptions people take in their perspectives on a particular strategy tension are sometimes not clear for themselves, which is indicated by participants stating “Maybe I am more in the other camp”, or “I do know what my perspective is, but I don’t know what it means explicitly”. On the other side, to be able to perceive an issue as a fundamental strategy tension, the fundamentals of the opposing perspective need to be made explicit to others. This appears from expressions from students such as “So, what is the tension then?” or “What’s the other side?”. With this background, the concepts of **debate** and **consensus seeking** were introduced. To ensure all assumptions were made clear, debate was set up as a conflict-engendering approach, starting with a divergent mode of thinking. Participants were asked to ‘really take a stand’ creating ‘win-lose situations’ and set their arguments into extremes. It was observed that most participants took this step implicitly. Reactions to the debating guideline were positive, from “We could really see a tension” to “I am becoming aware of the paradox here”.

Debate lies at the hart of devil’s advocacy and dialectical inquiry approaches that have been researched extensively in strategic decision-making research (Schweiger et al., 1986, 1989; Schwenk, 1998, 1990; Tung and Heminger, 1993; Schwenk and Cosier, 1993; Schwenk and Valacich, 1994). They both involve the introduction of conflict into the formulation process

(Thomas, 1984). Whereas devil's advocacy relies on critiques of single sets of recommendations, dialectical inquiry involves presenting both plans and counter-plans, using debates between opposing sets of recommendations and assumptions (Schweiger et al., 1986). Dialectical inquiry is a way to resolve wicked problems, according to Mason and Mitroff (1981). The debating method in both the structured conflict approaches leads to a set of well thought out assumptions (Noorderhaven, 1992). However, too much divergence and debate could have an undesired results (Schweiger et al, 1989; Eisenhardt, 1989; Schwenk, 1990; Schwenk and Cosier, 1993). Participants needed another guideline, too, in order to help them in bridging the tension that they perceived. This required convergence, and a behavior towards consensus-seeking to possibly arrive at synthesis. The consensus approach (Schweiger et al., 1989; Noorderhaven, 1992) is a sometimes unstructured, automatic process that people obtain in search for harmony (Janis, 1972). The objective is to find a solution everybody can agree with (Schweiger et al., 1989). Several authors have formulated guidelines for decision-making by consensus (Hall, 1971; Noorderhaven, 1992; Innes, 1999). Core to these are discarding win-lose notions, and seeing differences in views not as an impediment to the decision-making process, but as the basis for solution.

The debate in devil's advocacy and dialectical inquiry is more effective in the validity and surfacing of assumptions, yet the consensus approach advocates freer group expression than the structured conflict approaches (Schweiger et al, 1986). As a downside, consensus-seeking behavior can have negative effects on the quality of the outcome if decisions are reached too quickly (Hall, 1971; Janis, 1972; Schweiger et al., 1986; Innes, 1999). To deal with this issue, the concept of **dialogue** was introduced. Dialogue involves a shift of mind from either-or thinking to both-and thinking (Ellinor and Gerard, 1998), and is driven by the perception of a strategy tension as a paradox. Van der Heijden and Eden (1998) refer to dialogue as a strategic conversation, through which strategic cognitions can be compared, challenged and negotiated. Dialogue could be a necessary guideline to entail the best of both strategy perspectives, especially when a form of debate to surface assumptions that underlie perspectives precedes it. In this way, it is a complimentary combination of both two

structured conflict approaches, devil's advocacy and dialectical inquiry, and the consensus approach.

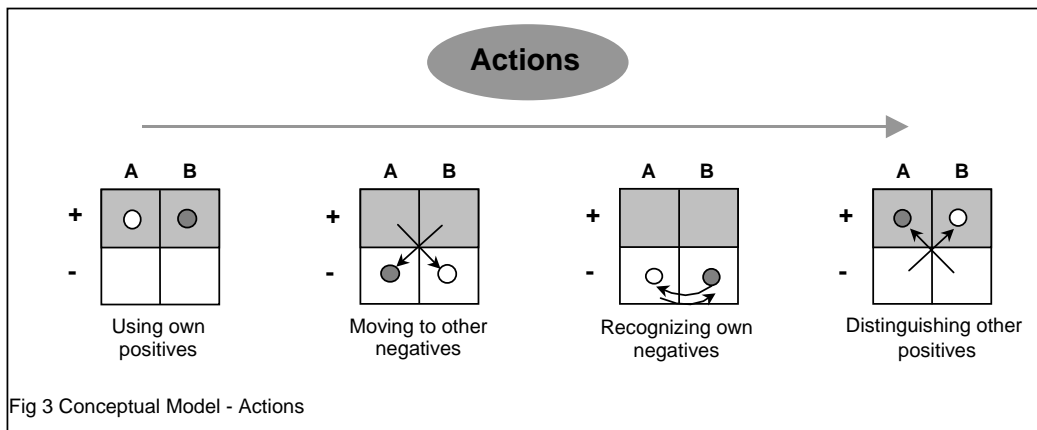
### *Actions*

The question of “what can we do to achieve this” implicated there were some types of actions needed. During the debate and dialogue parts participants frequently made statements like “we need something to hold on to” and “isn't there something to visualize the process”. To address this issue, some groups were asked to map their progression in a 2 by 2 matrix, using four action stages steering them through both perspectives (A and B). This corresponds with Van der Heijden and Eden (1998), who state strategic conversation may be stimulated by interactive modeling techniques. To some extent, the actions incorporated in the model build on Johnson's Polarity Map (1996, 2002).

The first action stage focuses on mapping the positive aspects of one's own strategy perspective. Participants were asked to write down the qualities of their view on the issue. Reactions from the participants were encouraging, as the first step helped them to elaborate their perspective on the issue. The second stage follows the debate guideline further by focusing on the negatives of the opposite perspective. As participants had the tendency to do this already, this seemed a natural move for them to make. Students were asked to take a stand and over-exaggerate their position, to make sure all underlying principles were revealed. Reactions to the second step ranged from “This helps to bring up and intensify the tension” to “Do we have to stay in extremes”, indicating that another set of actions could be taken to help participants to move from debate towards dialogue.

The third stage involves a shift of mind from ‘either/or’ thinking to ‘both/and’ thinking, by first focusing on the negative characteristics of participants' own perspective on the issue. By looking at the negative sides of students' own objective, it is made sure that these pitfalls are not omitted. Furthermore, it helped participants to get along the line of dialogue, without moving to consensus too early. In the research this was named “Embracing contradiction”, and made students state “Through debate and dialogue, you start to feel a paradox”. The

fourth stage involves a progress towards a decision. To get to a win/win situation for both sides of the tension, recognizing that this tension is indeed paradoxical, it seems people need to be aware of the advantages of the opposite perspective. Because students knew their own perspective's pitfalls, they saw the positive sides of the others perspectives as well. The Action stages are summarized in figure 3.



### *Outcomes*

The outcomes of the process are related to the drivers, guidelines and actions in the guiding model. Perceiving a strategy tension as a dilemma and thinking divergent about that tension has a pitfall when staying in this divergent mode too much: it may end in **conflict**, which may result in an either/or choice or, to use a chess-term, a stalemate: an unsolvable conflict. From the start of the process, participants did diverge during debate; however, it was also recognized that at a certain point a change in tension thinking towards convergence needed to be made. Yet, it was also perceived that getting to a type of consensus-seeking too quickly also has a pitfall: a **compromise** decision that is taken too quickly. Compromise, in this case, is seen as ‘half a solution’. This is exposed in statements as “We ended a little towards emergence, but also a little towards planning, but maybe more towards emergence”, or “We realized quickly just to use a bit of both”. Ross, in 1919, called compromise ‘a premature decision, an ad interim attitude’. It is viewed as a ‘halfway measure rising from impatience’, ‘a provisional arrangement pending the emergence of a real decision’ (Ross, 1919).

Consensus that is reached quickly should be distrusted, according to Innes (1999) and Schweiger et al (1986).

Through debate and dialogue tensions are enforced, recognized and might be resolved by perceiving strategy tensions as paradox. At the fourth action stage, decision-makers start distinguishing the opposing strategy perspective's advantages. This will increase the chance of creating a 'best of both worlds' in a **synthesis** of both perspectives, combining the positive aspects of both. This corresponds with wicked problems that call for dynamic resolution. A synthesis is not a static result that is at the end of the model: it involves permanent interaction within a strategy tension, and so a continuous route through all four quadrants of the action scheme. As one of the participants in research A remarked: 'synthesis is not about the outcome, it's about the process'. The manager in his management team does not have to change his perspective: he needs to be able to incorporate other opposing perspectives into strategic decision making on a continuous basis. To do so, he can use the model as is developed during research A. This *dynamic synthesis model*, which is provided in the conclusion to this article, has been tested during research B.

## **RESEARCH B: TESTING THE MODEL**

Research B was conducted in a different way than research A. As the focus of the research lay on testing rather than developing the model, it involved only one strategy tension and one case study, to make sure every group of results was obtained in the same manner. Research B was conducted during an in-company Advanced Management Program of one of the 'Big Four' financial service providers. The research was carried out during the 'Strategic Management' module, which involved 77 employees. The age range of the participants was between about 30 and 45. The group was divided into 3 smaller groups.

Every single class went through a five day-program of strategic management. The research was conducted during the fourth day. Participants were familiar with the concept of strategy paradoxes, but did not know how they could incorporate these into strategic decision making yet. All the participants were introduced to the Merck case study, focusing on the network

level tension between competition and cooperation (De Wit and Meyer, 1999). Again, there was an equal distribution of the two strategy perspectives among students. A cross-selection took place to end up in every class with 5 - 6 smaller groups, each containing 2 or 3 participants representing perspective A and 2 to 3 participants representing perspective B. In total, there were 14 groups that were asked to decide upon the strategy issue that came forward from the case study. Half of these groups, the control group, were asked to decide upon the issue without any model guiding them. Half of the groups, though, were asked to participate in a session that focused on working with the model as presented in the last chapter. The participants in groups that worked with the conceptual model are labelled as test group. All groups were asked to summarize their views on the process and the decision they made. The summaries of the test and control groups were then analysed and compared.

There were considerable differences in both the process itself as in the form of the solutions the teams decided upon. This became clear from the group end-presentations and observations during the process. Teams that did not work with the model often ended up with an either/or choice. Apparently, they still perceived the strategy tension as a dilemma. There was also one group within the control group that seemed to have come to a deadlock: they went so far into debate, they were not able to arrive at any conclusion at all. In addition, there were also groups, working without any guiding tool, that apparently went into a converging mode from the start of the process.

From the results of the test group it came forward from the research that the model could enhance the likelihood of a sound and well thought off resolution. Furthermore, the test-groups seemed to be more able to avoid the pitfalls of the process than the control-groups were. These resolutions are often more thoughtful and substantiated, and have more of the characteristics of syntheses than solutions that rise from unguided processes. The latter do not fully tap into the potentials of paradox: the ability to bridge a tension by using the best of both sides.

It should be taken into account that both research A and research B were conducted in laboratory settings: participants were not top executives yet. However, this was probably 'was

close as it gets'. Also, research B involved only one case and one strategy tension, which increased internal validity but does not provide a 'cross-tensional' research method. Furthermore, the participants all worked for the same organization, which could imply a slight bias. Still, the goal of the research to connect strategic decision making and opposing strategy perspectives in theory and practice was met, by means of the development of a conceptual model that has been tested successfully.

### **CONCLUSION : THE DYNAMIC SYNTHESIS PROCESS**

When executives find themselves confronted with wicked strategy problems, and thus have to deal with contradictory perspectives on a strategic issue, they can use the dynamic synthesis process model to facilitate the decision-making in their management teams. The model is presented on the next page. Core to the model is the perception of strategy tensions as paradoxes. By focusing on own positives and other negatives, managers take position to make sure all assumptions are made clear. Through dialogue other positives can be synthesized with the positive aspects of their own strategy perspective into a 'best of both worlds'. The dynamic synthesis process is a meta-synthesis in itself: it drives through the tension between divergence and convergence, is guided by the tension between debate and consensus-seeking, acts with the tension between positives and negatives, and may result in synthesis: a best of both worlds, within the tension between conflict and compromise.

A synthesis is not just an end; it's a dynamic process. If top executives and their team are able to go through the model at anytime, they can use the action scheme to generate dynamic resolutions into strategy. The model has been developed and tested in unique research settings that are probably 'as close as it gets' to real life boardroom behavior as possible. As became clear during the test phase, the model increases the likelihood of a thoughtful and substantiated combination of strategy perspectives into a decision, while providing both a structure and leaving room for a dynamic resolution of a strategy issue to emerge from strategy tensions. Furthermore, it serves as a guide to avoid pitfalls along the way.

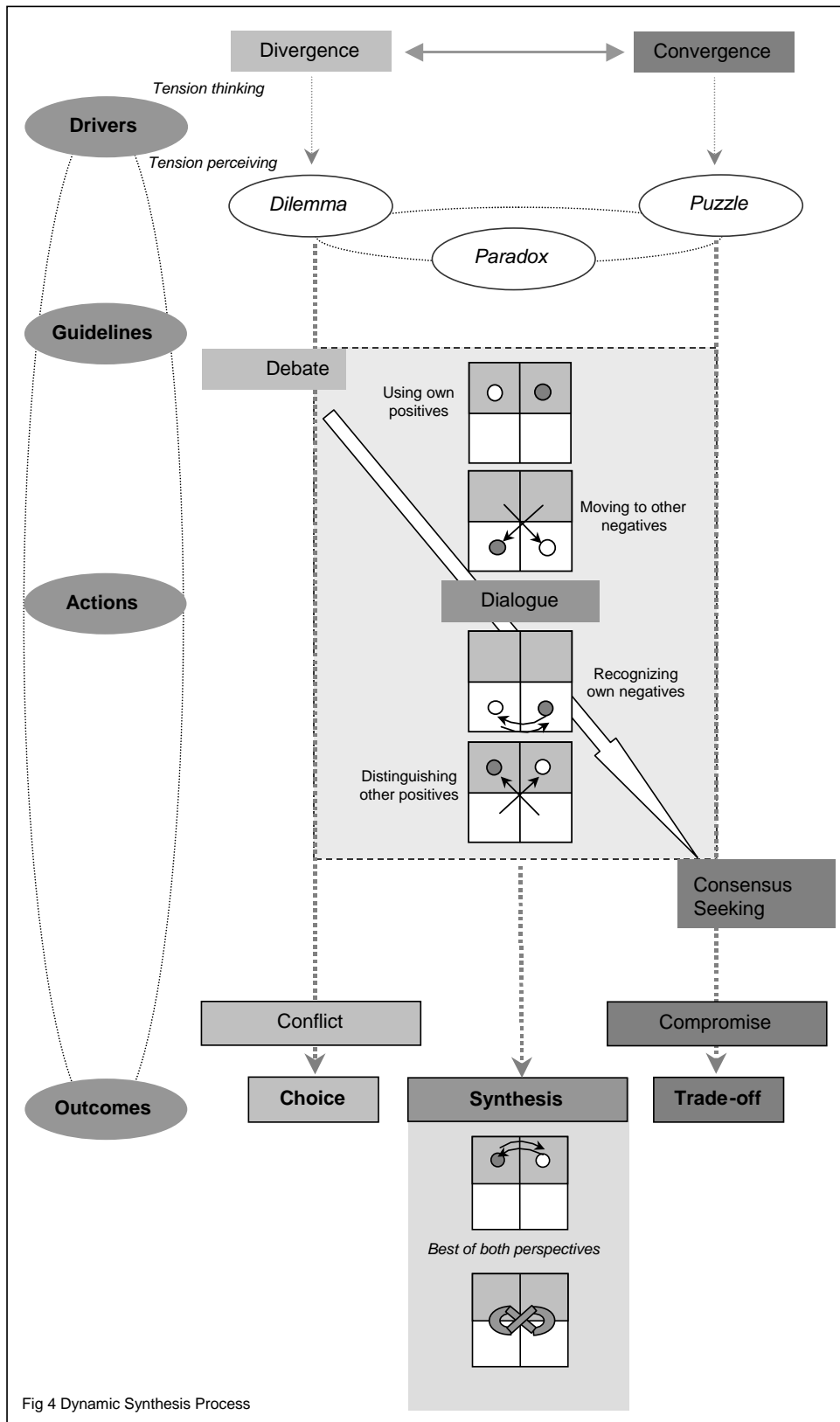


Fig 4 Dynamic Synthesis Process

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