Active Responsiveness through Adaptive Play: Casting New Light on Strategy Genesis

Working Paper 23
March 2003

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Abstract

Hamel (1997) has pointed out what he calls strategy's dirty little secret: we do not know how it is created. In response to this assertion, we review the prescriptive schools of strategy formation and reflect critically on the simple, behaviorist notion of how organizations respond to the environmental challen   /e then seek to develop a more adaptive notion of responsiveness, and we suggest (following Weick, 1995) that strategy-making should be considered as a process of responding to ambiguity. We show furthermore that adaptively responsive strategy-making requires conversational contexts that allow for reflective modes of conversation. We then consider theories that suggest that the activity of play might be the best way to enhance human adaptive potential. Finally, we argue that the cognitive, social and emotional impacts of play can contribute in practice to the development of adaptive strategy creation processes.

Introduction: A Dirty Little Secret

"The dirty little secret is that we don't have a theory of strategy creation. We don't know how it's done." (Hamel 1997). A wide variety of debates over the last decade have revolved around questions concerning where the emphasis of strategy research should be (Ansoff 1987; Hamel and Prahalad 1993; Mintzberg 1994; Porter 1996; Heracleous 1998; Mintzberg 1998). Indeed, the field is commonly divided by a series of apparently binary oppositions: e.g., strategic planning versus strategic thinking , strategy formulation versus strategy implementation, strategy content versus strategy process, etc. Some effort has been devoted to breaking down this dualistic logic by portraying the different schools of thought in a matrix of adjacent possibilities that, in practice, have distinct pros and cons depending on the organizational context (Mintzberg 1998). We find that such pragmatic analyses, while they diminish the diametric, 'either/or' opposition between formulation and implementation, do not fully satisfy the need for knowledge about how strategies are created. To be sure, we may argue about whether strategies spring fully formed from the mind of the leader, or by contrast, they emerge from the interactions of organizational actors at a higher level of scale that is, itself, visible only in retrospect.   But in any case, leaving ontological and epistemological assumptions about the nature of organizations aside for the moment, a further pragmatic question remains: what is the genesis of strategy?

Following Hamel's observation, we believe the apparent lack of theory about the genesis of strategy is a problem, a fundamental blind spot for our field. In this paper, we diagnose this problem as a result of an inadequate

understanding of strategic adaptation.   More specifically, recalling Mintzberg's conception of strategy as the mediation between an organization and its environment (Mintzberg 2003), we argue that the field would benefit from a more subtle understanding of the micro-level processes through which strategists *respond* to challenges from the environment.   Therefore, in a first step, we substantiate our diagnosis of the problematic blind spot by critically examining the notion of responsiveness as it relates to key concepts in the strategy literature, and we show that the field is dominated by a univocal, reactive model of responsiveness that is firmly rooted in a behaviorist paradigm. Secondly, we address the conversational mode of strategy processes as the lens through which responsiveness in strategy genesis may be studied.   In this regard, we also raise questions about the settings within which adaptive conversations may take place.   Drawing on diverse literature sources, we identify a series of conditions for the emergent possibility of active responsiveness and we analyze three implications of these conditions for the strategy literature.   Finally, in the interest of developing new theories about the genesis of strategy, we consider the suggestion that one practical way for strategists to set the conditions for the emergence of adaptively responsive strategic conversations may be to engage in 'serious play' (Roos and Victor 1998).

Examining Responsiveness in Strategy

One of the few explicit references to responsiveness in the strategy literature refers as an organization's "aggressiveness in competition, its responsiveness to customers, its product leadership, its penetration of new markets" as well as "the time perspective of decision making, the skills of

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managers and workers, by the capacities of the organization, by responsiveness to problems, the flexibility of structure etc. etc." (Ansoff et al. 1976 : 50). On this analysis, responsiveness should be considered as "a function of an organization's internal capability" (ibid.). While a more detailed investigation on responsiveness is not provided here, the adaptive quality implied in Ansoff's (1976) concept of responsiveness is echoed in Cyert and March's (1992) concept of *organizational learning* as adaptation. In their view, decision-making processes consist of three phases: adaptation of goals, adaptation in attention rules, and adaptation in search rules. This conception leads Sitkin et al. to refer to organizational learning as "a change in an organization's response repertoire" (Sitkin, Sutcliffe et al. 1998). Mintzberg et al. (1998) offer a more subtle analysis of this issue, deconstructing the opposition between the internal and external dimensions of the firm. They conceive of strategy as the mediating force between organization and environment. This line of thinking is extended by theorists working from an interpretative perspective on the organization, for whom the environment as such does not exist out there but is enacted (Smircich and Stubbart 1985; Weick 1995). For now, let us consider how responsiveness has been conceived of in the strategy literature following Ansoff's lead, as an internal capability.

In order to discern responsive aspects in strategy theory, we propose to examine three prescriptive schools of thought in strategy formation: the design school (Chandler 1962; Power and et al. 1986; Andrews 1987; Christensen and et al. 1987), the planning school (e.g. Ansoff and et al. 1976; Ansoff 1984; Ansoff 1987), and the positioning school (e.g. Porter 1980; Porter 1985).

The *design school* (e.g. Chandler 1962; Power and et al. 1986; Andrews 1987; Christensen and et al. 1987) thinks of strategy as a process that aims to

attain a fit between the internal capabilities of the organization and external opportunities in its environment. The sense of this 'fit' is thought to reside ideally in the entrepreneurial spirit of the CEO, who is considered the organization's primary strategic, perceptual and creative device. On this model, thinking and action are sequentially distinct, and thus strategy formulation by the CEO precedes its implementation by the organization (Chandler 1962; Andrews 1987). Strategic challenges are conceptualized as problems of ignorance or uncertainty that can be remedied by gathering the appropriate information. In this process of strategy making, the challenge of responsiveness lies primarily with the CEO. This notion of strategy genesis as the correct reading of signals on behalf of the CEO presupposes a reactive, univocal and behaviorist concept of responsiveness.

The *planning school* shares most of the design school's conceptual assumptions, but it replaces the concept of the entrepreneurial spirit of the CEO with a rational, highly formalized strategy formation process. The 'responsive device' of the organization consists of the planners or the planning department. It is furthermore assumed that strategic planning processes can be subdivided into distinct analytical and hierarchical steps that are carried out by strategic planners rather than the senior management (e.g. Ansoff and et al. 1976; Ansoff 1984; Ansoff 1987). Similar to the design school, for the planning school the strategic challenge consists of a lack of information relevant for future actions of the organization. The assumption is that complete information and expert analysis will yield a single, clear strategic response to the environment. This notion of strategy genesis reduces the complexity and multi-vocality of organizations to a univocal, reactive notion of responsiveness.

The *positioning school* (Porter 1980; Porter 1985; Porter 1996) builds on the planning school, but emphasizes the analytic process even more. The claim is that that through a detailed, formalized analysis of a firm's competitive environment, the relative strategic position can be defined. A given set of terms is used to describe the industry (i.e., the five forces framework), and in turn, to determine which of the three generic strategies should be chosen in response. Echoing the two schools of strategy formation outlined above, the key challenge of strategy here consists in confronting the problems of ignorance and uncertainty and developing an 'adequate' representation of the environment. At the core of the strategy process in this approach are the business analysists who have the skills and tools to read the environment correctly and the repetoire of responses ready for strategic implementation. This notion of strategy genesis exemplifies the mechanistic, behaviorist concept of responsiveness, by presuming that the 'same' environmental stimuli correspond to the 'same' strategic responses.

On reflection, these three prescriptive schools of strategy formation differ incrementally, but not categorically in terms of responsiveness. All three schools seem to hold:

(1)   That the *nature of the strategic challenge* consists of uncertainty or ignorance that can be remedied, or at least mitigated, through data gathering and analysis;

(2)   That *communication* consists of the unambiguous process of information transfer, in which content and setting are irrelevant to sense- or meaning making;

(3)   That *strategic responses* to these challenges result quasi-automatically from the data gathering and analysis, or in other words, that generic

strategies as responses to challenges are predetermined by certain environmental configurations.

Thus, the reactive, behaviorist concept of responsiveness assumes a univocal, linear process of strategy making in which mechanistic responses to strategic challenges are driven by an admixture of entrepreneurial drive and data analysis. However, if Hamel is right in claiming that strategy lacks an understanding of its own genesis, then this notion of responsiveness is insufficient for the development of new theories. Hence, we will attempt to elaborate a more active notion of responsiveness in the following section.

Exploring Key Aspects of Active Responsiveness

While univocality is not necessarily a negative characteristic, the overall complexity and ambiguity of the strategic environment seems to requires an openness to multiple perspectives and interpretations of the issues at hand. Such pluralism emerges from the diverse lifeworlds and language games that exist 'within and around' the organization. According to Habermas (Habermas 1984; Habermas 1987), these lifeworlds may be defined as areas of social interaction that are enacted and constituted by language games, i.e., as rules of behavior and language that are learned and developed by participants of these contexts. But how does this theoretical approach translate into the organizational context? If we conceive of organizations as interpretive systems a central concern becomes understanding how people construct meaning: "What sensemaking does is address how the text is constructed as well as how it is read." (Weick 1995: 7). But in this sense, how is the strategic challenge 'written' and 'read'?

According to Weick, ambiguity and uncertainty are two fundamental occasions for sensemaking. Uncertainty refers to a situation where future consequences of present action cannot precisely be estimated. Thus, it is essentially a problem of ignorance that can be remedied by more information. In contrast, ambiguity (or confusion) refers to a situation in which several different interpretations at the same time emerge and persist so that additional information cannot resolve the confusion. In turn, this confusion calls for the invention of meaning, and adequate conversational modes and settings are required for this social construction to happen (Weick 1995: 91-94).

Hence, conceiving of strategy as ambiguity handling refers to responsive practices that allows for multiple interpretations to be voiced and heard as to come to shared understanding of what the actual state of affairs may be: "If the sensable in times of uncertainty, ambiguity, and surprise is seldom sensible, then practices and maxims that begin to correct this imbalance should be welcome and have an impact." (Weick 1995: 182). In the light of our anaylsis, we suggest that active responsiveness holds promise for such a maxim.

As for practices that could correct the above imbalance, appropriate conversational settings are a necessary condition for the emergence of multivocality and, hence, sensemaking. Or, as Schein puts it: "The most basic mechanisms of acquiring new information that leads to cognitive restructuring is to discover in a conversational process that the interpretation that someone else puts on a concept is different from one's own." (Schein 1996: 31). In his view, reflective conversations should be considered in terms of a dialogue that starts off by acknowledging different assumptions, backgrounds, lifeworlds and language games. He proposes that dialogue can be thought of as "a form of conversation that makes it possible, even likely, for participants to become

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aware of some of the hidden and tacit assumptions that derive from our cultural learning, our language, and our psychological makeup" (Schein 1999: 200). The dialogue concept presented by Schein implies that an increased awareness of one's own thought processes will lead to an increasing appreciation of the inherent complexity of communication in such a way as "to enable the group to reach a higher level of consciousness and creativity through the gradual creation of a shared set of meanings and a 'common' thinking process." (Schein 1999: 203). Another important of aspect of dialogue is an awareness of the nature and limitations of our cognitive maps or mental models as linguistic, context-specific constructs: "As we get more reflective in a dialogue group, we begin to see some of the arbitrary ways in which we perceive external reality and realize that others in the group may slice up their external reality differently." (Schein 1999: 204). These considerations add another dimension to our overall argument, namely reflectivity. Reflective conversations can be characterized as rendering visible and acknowledging differences as well as critically reviewing privately held assumptions.

In the light of these considerations, Jacobs (2003) suggests that active responsiveness is concerned with the perceptive, reflective and adaptive capabilities of an organization. On this analysis, perceptivity refers to the ability of an organization to identify signals or stimuli of relevance providing conversational arenas for stakeholders to voice issues, interests and claims as well as to listen to others issues, interests. Reflectivity refers to the ability to make sense of these signals or stimuli in the light of the theories-in-use of the organizational actors. Adaptivity refers to the ability of an organization to respond to these enacted signals appropriately. Whereas strategy literature previously has emphasized adaptivity, we suggest that listening and

understanding are necessary conditions for adaptivity in terms of an active strategic responsiveness.

Hence, the active notion of responsiveness as a perceptive, reflective and adaptive capacity of an organization calls for the creation of contexts that allow for – but do not guarantee – reflective conversations. And *if* reflective conversations take place in these arenas, it is likely that productive answers to strategic challenges can be found.

In terms of strategy genesis, we suggest that productive answers differ from reproductive answers insofar as the former are being invented in the act of answering (Waldenfels 1994). Expanding on this notion, a *reproductive answer* draws from an existing register of answer or response repertoire by responding to standard situations or recurring claims by repetitive or stereotypical answers. As in the case of the positioning school, similar questions are responded with similar answers. By contrast, a *productive answer* can be conceived of as the attempt to cope creatively with a situation that is ambiguous and not similar to previous situations. In the situation of strategy genesis, the strategist, "gives something, that he does not have yet, but that he invents in giving the answer" (Waldenfels 1991: 109, our translation).

In summary, we suggest that an active notion of responsiveness in terms of strategy genesis refers to – at least – the following three aspects:

(1)   Conceiving of the challenge of strategy genesis as a problem of uncertainty might not acknowledge the systematic complexity of the issue at hand. We therefore suggest to conceive of strategy as a problem of ambiguity, i.e. the challenge of strategy genesis consists of responding adaptively to that challenge.

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(2)   Given the ambiguous nature of strategy genesis, a more subtle understanding of the conversational mode and setting is required. We propose that an active notion of responsiveness refers to enhancing the chances for dialogue as a reflective mode of conversation that allows for ambiguity handling.

(3)   Strategy genesis aims at providing productive, i.e. innovative answers to perceived challenges or demands. The key characteristic of a productive answer consists in the fact that it is invented in the process of answering. We propose that strategy genesis can be conceived of as the process of inventing an answer in the process of answering.

In sum, we suggest that strategy genesis (as a process of ambiguity handling in search of a productive answer) requires a conversational context that allows for – but does not necessarily guarantee – a reflective mode of conversation. So the next step in conceptual as well as practical terms involves an investigation of the contexts that allow for strategy to be adaptively responsive.

4. Serious Play: Enhancing Active Responsiveness in Strategy?

Roos and Victor (1998) have proposed that strategy be considered as 'serious play'. They elaborate the concept of strategic imagination and develop the concept of serious play to describe strategy processes that stimulate new ideas and allow participants to create and share meaning. We find their notion of 'serious play' compelling, and in light of the above analysis, we take their suggstion and explore the concept of play in more detail, with a special eye

toward how framing strategy as play might set the conditions of the possibility for more active responsiveness.

But before we go any further, how are we to determine the relevance of play organizations? The fact that this question arises at all may perhaps be traced back to the simple, dualistic opposition between play and work that remains a latent assumption for much of organizational studies as such. This simple opposition carries a strong set of embedded value assumptions (e.g., work=good, play=bad) that have been shown to derive in recent times from the cultural and economic heritage of Protestant capitalism (Weber 1958). And yet, in spite of the influence of this heritage in contemporary organizations (notably including academic organizations), play has surfaced as a phenomenon that merits consideration by organizational theorists.   In fact, play has been addressed as a form of activity that raises very different, yet equally compelling questions, including: intrinsic behavior motivation (March, 1979); information processing and judgment (Glynn, 1994); creativity (Oglivy, 19xx); and product innovation (Schrage, 2000). While these contributions serve as the groundwork for any consideration of play in organizations, we suggest that this line of thinking must be extended in order to reach the blind spot that rests over the genesis of strategy. We have already clarified how the notion of strategic adaptivity invoked by Mintzberg and others can benefit from a definition of responsiveness that moves away from the behaviorist, stimulus-response model. Now, we consider whether play might stand out as an activity that enhances adaptive, strategic responsiveness.

4.1 Entering Ambiguity

We noted above that one implication of the concept of active responsiveness for strategy-making involves a movement away from uncertainty and toward ambiguity as the primary characteristic of the environment to which strategy responds. In *The Ambiguity of Play* (1997)*,* educational psychologist Brian Sutton-Smith presents one of the most broadly-based, well-reasoned and widely-cited studies of play since Huizenga's *Homo Ludens* (1950). Appropriately with respect to our consideration of conversational modes, Sutton-Smith focuses his analyses on the rhetoric that surrounds play, and he finds that play rhetorics are differentiated in terms of "a) definitions by players of their own experiences… b) definitions by theorists of the intrinsic play functions… and c) definitions by theorists of extrinsic play functions" (16-17). Since we are here inquiring into play from the perspective of theories about strategy genesis, and since strategy by definition serves as a means to some extrinsic end (perhaps most paradigmatically, competitive advantage), it is difficult to deny that the extrinsic functions of play are most relevant. So then, what ends might play serve? Why should strategists engage in 'serious play'?

Throughout the book, Sutton-Smith takes great pains (citing Bateson, Goffman, Vygotsky, Piaget and other significant play researchers) to emphasize that, from the perspective of the individual who engages in play, the activity itself involves different layers of ambiguity. As one enters an unfamiliar experience of play, certain questions arise: what is the frame of my activity? What rules govern my actions in this frame? What are the limits to my desires? Who am I? In one sense, given the apparent strategic nature of such questions, we might not need to go any further to identify the value of play for organizations. And yet, in the final chapter, Sutton-Smith argues that it is

precisely the recurrent ambiguity, the need to pose and answer such questions, that makes play the "the primary place for the expression of anything that is humanly imaginable" (1997: 226). Thus while the imaginative aspect of play may well serve the goals of strategic innovation, Sutton-Smith extends his claim in a way that makes play directly relevant to strategic adaptation as such. He embraces the sociobiological notion (not entirely alien to the systems theory that informs Mintzberg's conception of strategy as mediation) that play functions in such a way as to enable the "potentiation of adaptive variability" (Sutton-Smith, 1997: 231). In other words, through play, people imagine and express new possibilities for living, and thereby engage actively in adaptive processes of action and meaning-making.

Our development of a more subtle notion of responsiveness has indicated that the environment within which strategy operates should be considered in terms of ambiguity rather than uncertainty. Thus, the rationally-driven logics of game theory (e.g., Axelrod, 1989) are less appropriate to strategy than the socially- and emotionally-charged experience of play itself. Should strategy orient itself toward ambiguity, Sutton-Smith's analysis of play indicates that it is moving in the right direction toward increased adapative responsiveness with respect to its environment. Additionally, the analysis suggests that framing strategy as play may deepen the ambiguity, and thus in turn further increase the likelihood that it may become more adaptively responsive. Would strategy theorists seeking to understand the genesis of strategy do well to use the categories of analysis that are appropriate to play? Would strategy practitioners seeking to participate in the genesis of an innovative strategy do well to 'play seriously' with their environment? The answers to these questions may be answered with a more detailed

consideration of the conversational settings appropriate to play, and to strategy genesis.

4.2   Contexts for dialogue: levels of impact

The second implication of the concept of active responsiveness for strategy making noted above is the movement away from an understanding of strategy as a formal planning process and toward an understanding of strategy as an endeavor to create contexts within which reflective dialogue can occur. Insofar as such endeavors may be assumed to involve some degree of organizational change, we find it appropriate to turn to the organizational change literature for some indication of the factors that must be considered if we are able to conclude that play might provide just such a context.

We find it appropriate to consider the prospect of creating contexts within which reflective dialogue can occur as a process of organizational change unto itself. With this orientation, it is possible to differentiate (in brief) levels of experience at which transformation takes place for individuals within the organization. With reference to Weick's theory of continuous change (1999), it is clear that individuals are impacted at the cognitive, social and emotional levels simultaneously. More specifically, while sensemaking processes involve information, understanding and cognition at one level, at another level sensemaking necessarily involves the social interactions and negotiations of meaning between individuals. And furthermore, to the extent that individual experience consists of flows of information and action that are constantly subject to interruption, "sensemaking is infused with feeling" (1995, 45). This last connection, that between emotion and organizational change, is perhaps the least well-developed of the three in terms of the literature. However,

significant work has been done recently (e.g. Vince & Broussine, 1996; Huy, 1999; Scherer & Tran, 2001) that suggests that organizations cannot change effectively without taking affective subjectivity into account. Thus, if the creation of contexts within which strategically adaptive responsiveness may occur involves an organizational change, and if in turn successful organizational change requires transformations on the cognitive, social and emotional levels, then can play help?

In short, the relevant literature suggests that play involves adaptive potentiation (following Sutton-Smith, 1997) precisely because it cannot be confined simply to a cognitive, social or emotional process, but instead provides an activity through which it is possible that individuals may be transformed at all three levels simultaneously. Moreover, while much of the literature focuses on children, we will follow Gadamer's lead in presuming that play refers to an ontological mode of relatedness that pertains to adults as well as children (1975).

At a cognitive level, basic processes such as assimilation (through which new perceptual phenomena are rationalized to fit with existing concepts) and accommodation (through which existing concepts are extended and transformed in light of new phenomena) have been shown to develop in children through play activities (Piaget 1958). Cognitive processes such as these have been understood as the primary means through which individuals interact with the world, and this stream of theory holds that the mature, adult cognitive framework takes form as increasingly complex logical operations are enacted through play activities. An adjacent stream of research also emphasizes the developmental character of play, but claims that the capacity to understand meaning in culturally-specific contexts is as crucial as the capacity

to understand purely logical operations (Vygotsky 1978). According to this equally influential perspective, humans in early childhood cannot yet distinguish between the real and the hypothetical, and thus cannot properly be said to have an imagination. The capacity for imagination is thus developed through play activities, which begin with direct mimicry of adult behaviors (e.g., playing dolls) that require only the most simple, constitutive rules (e.g., 'do like Mommy does'). As the individual matures, the rules become more overt and complex (e.g., move the bishop diagonally across the chessboard), and as the imagination becomes more developed, the behavior that is being mimicked becomes ever more covert and hypothetical (e.g., protecting the king from your opponent). In this fashion, through play the individual develops the cognitive capacity to make and understand meaning within cultural contexts that are framed by more or less complex and explicit rules.

Turning then to the social level, in accordance with the conception of the dynamic relationship between self and society that guides the field of sociology, play has been understood a process through which individuals become familiar with societal symbols, identify themselves in relation to others, and acquire skills required to function effectively in the social community (Mead 2001). It has been argued that play has contributed greatly to the formation of civilization as such, influencing and giving rise to institutions such as war, law, art and philosophy (Huizenga 1950). Sociologists have also examined play as a metaphor for human communication, demonstrating that the rule-based frames that are imagined through play also serve to organize the individual's experience of society (Goffman 1974). Another influential project sought to develop an heuristic taxonomy of possible social attitudes through an investigation of different attitudes exhibited by individuals who play games

(Caillois 1961). Following this logic, play develops not only the capacity to understand meaning in contexts, but also to recognize social rules and to act and communicate in accordance with them.

In addition to the cognitive and social aspects, the literature also emphasizes the affective or emotional significance of play. Psychologists have argued that an emotional sense of competence and fulfillment is a prerequisite for the capacity to think in accordance with logical rules or imagine complex social contexts for meaning and identity, and that this emotional state is primarily developed through play activities (Erikson 1963). This line of consideration has lead to the use of play as a method for assessment and therapy, especially with regard to emotional catharsis (following Klein, M. 1932; Winnicott, 1972: see also below).

Overall, the literature clearly suggests that, play is an activity that makes transformation possible at the cognitive, social and emotional levels, thus satisfying the diverse demands of the organizational change literature. Thus it appears legitimate to claim that playing seriously with strategy may not only involve ambiguity as outlined above, but it may additionally provide a context within which the organizational change required to create spaces for reflective dialogue may be accomplished. Phrased more directly, re-framing strategy as play provides a way in which theorists may understand strategy genesis in terms of active responsiveness, as well as a way in which practitioners can engage directly in adaptive strategy processes.

4.3   Productive Answers: The Invention of Meaning

The third and final implication of the concept of active responsiveness for strategy making noted above is the movement away from reproductive answers

and toward more productive answers. We recall that productive answers may be distinguished by virtue of being invented in the process of answering (Waldenfels, 1994). So then, how might 'seriously' playful activities involve the productive invention of answers?

The role of the imagination in play has been analyzed from many different perspectives. Within the discipline of organizational studies, the potential benefits of engaging in playful activities whenever the imagination is required have been analyzed at some length (e.g., De Bono, 1992). And yet, we find that with respect to the question concerning how and why play might function as an enabler of responses that are productive rather than reproductive, the concepts and methods developed by psychoanalyst Donald Winnicott provide the greatest inspiration. In particular, his elaboration of the concept of the transitional object (1971) connects the ambiguity that is a constitutive aspect of play processes with the creation of meaning as such. And while the main focus of his analyses is the relationship between parents and children, he insists that these primary phenomena persist through adult life, albeit in a more complex form.

Winnicott claims "of the transitional object it can be said that it is a matter of agreement between us and the baby that we will never ask the question: Did you conceive of this or was it presented to you from without?' The important point is that no decision on this point is expected. The question is not to be formulated" (*ibid.,* 12). In order to account for the layers of reflexivity that are appropriate to adaptive responsiveness, we might paraphrase this assertion and say that 'of the organization that is discussed in a reflective mode of dialogue, it is a matter of agreement that we will never ask the question, "Did you imagine the organization as it appears, or was the organization presented

to you from without?'" Indeed, to the extent that the so-called transitional object appears to involve not merely the material object as such, but a rather additionally a *process* of object relations in which in which the differentiation of inside and outside, before and after is actually in the process of being accomplished, this paradox of self-identification and self-creation is not to be formulated explicitly, else it be dispelled. Rather, the ambiguity is to be maintained whenever possible in the interest of continuing the process of creation and discovery. Winnicott advocates play as a way to attain the therapeutic benefits of such processes, and it is clear furthermore that play may have considerable benefits beyond the analytic setting.

Indeed, Winnicott's theory of the transitional object applies to the child as well as the adult. The intermediate area of experience, within which the inside and the outside of the self are not fully differentiated, he argues "constitutes the greater part of the infant's experience, and throughout life is retained in the intense experiencing that belongs to the arts and to religion and to imaginative living, and to creative scientific work" (1971, 14). To phrase this claim in terms that are immediately relevant to our considerations here, play appears as an activity that has a primary connection to the production of culture as such, even in fields (such as business strategy) where creativity is not always assumed to be operative. This assertion allows us to tie together the themes of ambiguity, adaptive potentiation and productive responses in ways that are quite suggestive in the context of strategy genesis. Winnicott states clearly: "The place where cultural experience is located is in the *potential space* between the individual and the environment (originally the object). The same can be said of playing. Cultural experience begins with creative living first manifested in play" (ibid., 100). In this light, the question concerning whether play is an activity that

might enable people to invent answers in the process of responding has opened up what appears to be an entirely new field for theory-building about strategy genesis. Not only might framing strategy creation as play serve the instrumentally rational aims of securing competitive advantage – but additionally, it appears that no strategy could be created, no productive answer invented, except through an engagement in that indeterminate experience that takes the primary shape of play.

This grounding of our considerations in psychological theories may provide a more robust framework within which to view those instances when play is advocated in the organizational context of experiential learning (see Kolb, 1984, etc.). Certainly the theoretical basis for play-based adventure activities such as ropes courses derives from psychological sources (Priest 1992; Czikszentmihalyi 1975; Ellis 1973). With respect to the genesis of strategy, we have two distinct suggestions. First, we find it compelling to consider the genesis of strategy, following Roos and Victor (1998), as serious play. Their claim has implications for strategy process theory, and we have tried to explore some of them here. Second, we are compelled to identify in more concrete terms what form of play-based activity might be most appropriate for strategy-making. It would seem that while white-water rafting may have benefits for strategists in terms of the team dynamics, the ambiguity of the experience is not rich enough, and not situated squarely enough with the organizational context in order optimally to enable the invention of answers. In this regard, we call for the development of play-based strategy-making techniques that extend beyond the familiar scenario planning to engage people at social and emotional levels without losing sight of the strategic environment.

5.0   Conclusion

We set out to investigate Hamel's claim that strategy has a dirty little secret. In search of a theory of strategy genesis, we reviewed the prescriptive schools of strategy formation and diagnosed a simplified, behaviorist notion of how organizations respond to the environmental challenges. We then sought to develop a more subtle understanding of responsiveness and found that adaptive strategy-making should be considered as a process of ambiguity handling in search of a productive answer. We then showed that such processes require conversational contexts that allow for – but cannot not necessarily guarantee – a reflective mode of conversation.

Our analysis lead us to consider what kinds of contexts might be appropriate, and in this regard, we investigated the activity of play as a condition for the possibility of active responsiveness. We found that play, by its very nature, is ambiguous, and that this ambiguity allows it to enhance human adaptive variability. Furthermore, we found that that individuals who engage in play may experience and identify significant cognitive, social and emotional impacts, and that this wide range of possible impacts can provide a space within which organizational change can take place. Finally, we found that play can be considered as primary experience through which the invention of meaning occurs, and that this model holds great promise in view of the need for strategy genesis to invent productive answers.

We hope that these contributions have cast new theoretical light on the obscure genesis of strategy, while enabling strategy-makers to engage in more adaptive forms of practice.

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