

Evaluate the suitability of the emergent essay sample

[Business](#), [Strategy](#)



Throughout this paper I will be looking in-depth at two of the most well recognized strategic management theories, Intended Strategy and Emergent Strategy. I will be evaluating the suitability of the emergent and intended approaches to strategic management and measure the appropriateness of each theory using various academic models (such as PEST analysis, Porter's 5 Forces, Porter's Generic strategy) in order to consider the differing environmental contexts of my chosen organization - Oxfam.

There are many devised explanations of strategy and one solid definition is hard to find. Johnson (2005) identifies strategy as 'the direction and scope of an organization over the long term' and also suggests the way a strategy is implemented depends very much on the industry they are in and what the vision is for an organization.

Two academic views on strategic management approaches are seen as more significant and well recognized than others in this field. These are iconic theories of Henry Mintzberg and Michael Porter who argue differing views on the most effective strategic management approach for an organization.

Mintzberg (1987) suggests an 'emergent' approach is more effective while Porter (1979) emphasizes a very much 'intended' approach. The views of both Mintzberg and Porter have been the calling point for many organizations in their strategic management approach but there is ongoing deliberation over which theory is the most relevant and effective in today's environment (Moore 2011).

Although many theorists have varying labels for these two strategies, for the clarity of this essay I will be referring to them throughout using the titles '

Intended' and ' Emergent' strategy. Strategy can be described as emergent when consistencies occur in the behaviors/actions of organizations over a certain period of time, even though the adoptions of these behaviors/actions were never explicitly intended. Mintzberg is a key academic in this field describes emergent strategy as ' a pattern in a stream of decisions' and furthers this description by stating " strategy forms, as well as is formulated" which suggests that strategy is a consistency in the organization behavior, whether or not intended, but must be acted upon in the best interest of the business (Mintzberg 1996). Similarly, Lynch (2005) expands on this by explaining emergent strategy as ' an organization whose final objective is unclear and whose elements are developed during the course of its life and therefore is on-going as the strategy proceeds'.

Mintzberg (1987) also suggested a concept known as the ' Five P's for Strategy' which looks at various definitions for strategy; this is broken down as - Plan, Ploy, Pattern, Position, and Perspective. This proposes that strategies created using this concept are achievable and the organization is prepared for any changes or challenges which may face the business - it is particularly ' Pattern' which focuses on the ability to acknowledge patterns and the ability to act upon emergent factors facing an organization (Mintzberg, Ahlstrand and Lampel 2005). Other academics such as Lloyd (2000) and Anderson (2000) summaries emergent strategy by suggesting it is about identifying a temporary advantage in the market and then building on this advantage. Overall, emergent strategy is therefore very much exploratory, dynamic, and organically home grown leading a more

supportive drive to a successful strategy with the full commitment from all employees across the whole organization (Moore 2011).

The Intended approach to strategic management differs greatly to the emergent strategic approach. Porter (1985) firstly believes competition is the core of the success or failure of firms and in many cases it is often about 'choosing what not to do ahead of choosing what to do'. Porter (1980) created a model which considers five important forces (Porter's five forces) which aims to establish a profitable and sustainable position against the forces that determine industry competition, therefore position themselves within it and differentiating themselves where necessary in order to strategically gain a competitive advantage - this model gives vision of: Threat of new entrants, Threat of substitute products or services, Bargaining power of customers, Bargaining power of suppliers and Intensity of competitive rivalry (Porter 1980). Using models and academic theory like this allows strategy to be formed through a rational and an analytical process.

Chandler (1962) cited in (Lomash 2003) suggests the analytical process is about the determination of long-term clear goals, adopting actions to achieve these goals and then building the resources within the organization around this strategy in order to ensure it succeeds. Johnson (2005), likewise, simply suggested a three step approach to strategy - analysis, choice and implementation which goes hand-in-hand with intended strategy. An intended strategy approach suggests it is fixated on a specific outcome which may reduce the rigidity of an organization but it does ensure focus is kept. It is argued that an organization is more likely to succeed through

these stricter guidelines as it provides greater consistency in the organization's approach to its strategy and therefore reducing risk through scenario planning prior to creating the fixed strategy (Dyck and Neubert 2008).

In order to evaluate the most suitable strategic approach for Oxfam, intended or emergent, it is important to consider pivotal points throughout their history and reflect on which theory may be most effective and relevant for Oxfam going forward.

Founded in 1942, Oxfam International a non-profit international non-government organization (INGO). Since the beginning their intended strategy and vision has always remained the same - to create a world without poverty. (Oxfam 2014)

Oxfam International's intended strategy sets out the priorities for Oxfam, internationally, over a six year period (current strategic plan - 2013-2019). Oxfam International then distributes power to its sub-confederations (e. g. Oxfam UK, Oxfam Canada etc.) and therefore the program teams can choose their approaches in consideration of the best method to achieve the overall International strategy. Oxfam's overall mission is to ensure they raise the funds needed to reach the people who need their help - this may be through the sales in their stores, through focused marketing campaigns or general donations (Oxfam 2013).

Towards the end of the 1990's Oxfam had around 800 stores in the UK alone but the market was becoming saturated with over 5000 new charity stores

opening over that decade (Arnold 2002). An economic slowdown over this period had started to effect retail market but during times of economic struggle so people who may have less disposable income to spend on the likes of clothes, books, music etc. therefore created a higher demand to have for the alternative, cheaper option (Turner 2002). Although, due to the economy and increase in competition, Oxfam's supplies were slowing and after acknowledging this they began shifting emphasis towards lucrative niches by opening specialist bookshops (Arnold 2002).

With the Department for Education (2012) making an active effort at the time to encourage the reading of literature and independent learning, it came extremely timely for Oxfam to focus on their bookstores using an emergent strategy drive their growth and capitalize on the opportunity.

After the recognition of this emergent market, Oxfam went on to capitalize on this opportunity with a huge sore in demand for new and second-hand books. Oxfam now have over 150 bookstores across the UK and in 2012 they were the biggest seller of second-hand books in Europe (Telegraph 2012). Oxfam had a huge advantage over competitors as they were receiving their books for free so they had little cost, therefore amplifying profit. Although highly reliant on suppliers donations, as a niche this wouldn't be too conflicting and allowed them to position themselves within a broad, cost-focussed strategy.

As expected, competitors could not compete as they were receiving books at zero cost while also benefiting from lower rent rates, lower tax rates. Oxfam

also employed volunteers which meant saving on wages therefore allowing them to significantly undercut competition and forcing some secondhand booksellers out of business (Allen 2010). Through this approach, Oxfam took a blow to their reputation through bad press due to the 'aggressive business tactics' used and although not illegal, it was claimed they were acting socially and ethically unfair to the independent bookshops. Oxfam is a charity but Porter's strategy still applies in order to differentiate yourself in the market (Porter 1979), and as Miller (2012) suggests we are now in a world where charities are conducting themselves more like a cooperate businesses.

The PBFA (Provincial Booksellers Fairs Association) suggested appealing to the government to make it fairer market for independent bookstores suggesting the want of similar financial benefits such as their tax rates reliefs from the government in support of them push to get people reading (BBC News 2009). Oxfam managed to come to an agreement with PBFA at the end of 2009 where they agreed to contact the PBFA should any books of clearly higher value and allow them to take them away for a donation which showed they wanted to rectify their bad press (Flood 2009).

Perhaps if Oxfam had an intended approach to this and planned their entry into the market in a way which wouldn't be so conflicting to local independent stores, this may have prevented the damage to its reputation. Although, if an intended approach was taken it may have meant they missed the opportunity and restrict their growth/success within the industry.

Internationally, there are many uncontrollable environmental factors, such as disease outbreaks and natural disasters which cannot always be predicted (Oxfam 2014). Fortunately, Oxfam have an intended strategy in place to control emerging environmental factors which are inevitable to occur. This preparation is done through working with vulnerable communities and their governments so they can improve risk analysis to ensure adaptation measures are organized should a crisis occur. Oxfam's intended strategy is to build and have a continuous local capacity to assist with a crisis in each country and partner organizations in order to respond quickly to humanitarian emergencies (Oxfam 2014).

Since March 2011, there has been civil war in Syria which began due to anti-government protests and escalated rapidly after the government responded angrily and the army opened fire on protesters killing four (Economist 2014). Since then, there has been around 200, 000 deaths and there are nearly 10 million people in urgent need of humanitarian assistance inside Syria (Amnesty International 2014). Initially, in 2011 this was an emergent factor controlled with an intended strategy to restricting any delay in response time to assisting with lifesaving supplies and potentially preventing a crisis from becoming more severe. After gaining a better understanding of the issues and how the Syrian civilians were affected, Oxfam then were able to adapt an emergent strategy in order to service the people in a more strategically and effective way, acting upon the repercussions of the war which continuously unfolding (Oxfam 2014).

From understanding this they are able to build various projects which would give Syria the essentials in order to begin the rebuild such as clean water, sewage systems and the rebuilding of education centers (Oxfam 2014). So although Oxfam does not know exactly what external factors will emerge, through their intended strategy of working with external sources they can increase their response rate and therefore, through scenario planning, reduce risk (Oxfam 2014).

In conclusion, it is widely agreed that the world is no longer a consistent, dependable or predictable enough to rely on intended strategic planning in advance (Moore 2011). In regards to this, Mintzberg (1996) never specifically states that emergent is the only successful approach, he states that “ reality falls between the two” which Bodwell and Chermack (2010) refer to the ambidexterity of an organization.

Oxfam are an organization so heavily dependent on the external environment so therefore an element of both approaches may be the most effective. Through the pivotal moments within Oxfam’s implementation of strategy there are occasions in which both approaches can be identified as successful. The decentralized decision making structure of the organization gives each sub-confederates high responsibility therefore allowing each of these areas to react quickly to change. This structure may suggest it lends itself to a more emergent approach to strategic management (Daft 2010). With Oxfam being a global operation, it is extremely difficult to predict changes in an incredibly unpredictable environment; particularly on such a broad scale with political, economic, social and, technological factors

changing from country to country. In order to react as effectively as possible they need an element of intended strategy as a plan to dealing with the emerging factors which appear until they gain a full understanding of the issue arisen.

Perhaps for this reason, Oxfam should commit to a notion of ambidexterity with a heavier focus on an emergent approach. By doing this it will give more control and power to the sub-confederates of the organization and consequently involve the input from managers across all levels of the business. As suggested by Hutchison-Krupat (2014) the 'bottom up' approach will allow a strategy to be built specifically for each sub-confederate and each individual operation. This therefore will allow the strategy to be better tailored, more effective and have a larger impact on achieving Oxfam International's overall goal of conquering poverty and injustice in the world by giving to the people in need the opportunity to support themselves and the ability to develop individually so they can have control of their own future. .

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