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Relational Strategic Leadership (RSL) Model for Effective Strategy Formation Processes.

Both top management (TM) and middle management (MM) have a decisive role to play in the creation of effective organizational strategy formation processesⁱ. There is a clear tendency in the literature to identify TM as the group that determines, formulates and articulates the organisation's strategic intentions and direction. Additionally, the literature stresses the determinative role of MM in relation to strategy implementation. Despite acknowledging the importance of competent *relational strategic leadership processes* (RSL-processes) between TM and MM in effective strategy formation processes, the primary focus of the literature has either been towards TM's strategic decision-making process or a MM's implementation perspective. Little research has been conducted into RSL processes whereby TM and MM seek to integrate their efforts, boosting the strategy formation process by adding quality and efficiency.

This research-based paper is an attempt to understand and map the RSL processes between TM and MM. These processes are considered as crucial to strategic decision making and strategy implementation, which, in turn, are crucial to organisational efficiencyⁱⁱ. Based on the literature and author's experience as a management consultant the paper reflects on how TM and MM can promote effective strategy formation processes through well-designed RSL-processes. The papers core term: *relational strategic leadership* (RSL) is inspired by the term *relational leadership*. Gittell and Douglass define relational leadership as "a pattern of mutually interdependent relations between staff and management which give a situation meaning and which define what should be done and how ..." (Gittell & Douglass, 2012). Both parties learn from each other – the member of staff contributes knowledge to the project in question in the form of information and

knowledge associated with the member of staff's position. In turn, the manager contributes information and knowledge associated with their position. Together they can create, at any rate in an ideal world, a more nuanced overall picture of a situation's potential and challenges (Gittell & Douglass, 2012). The key to constructive relational leadership is that the *relation* is based on coordinated goals, coordinated knowledge and language and mutual respect (Gittell & Douglass, 2012). Gittell's research demonstrates a positive interrelation between a high degree of relational leadership and high efficiency levels in work and decision-making processes (Gittell, 2009).

However, where Gittell & Douglass' research focuses on relational leadership through the middle management-frontline employee's optic, this paper attempts to develop this approach to encompass relational *strategic* leadership (RSL) with particular focus on *RSL processes between TM and MM in effective strategy formation processes*.

Firstly, the paper will consider RSL processes between TM and MM from an analytical and reflective standpoint in connection with the strategy formation process. The paper highlight that RSL between TM and MM has two significant functions: a) to register important and relevant external changes and integrate knowledge and information about these changes in the strategy formation process; b) to manage the balance between stabilisation-forces and change-forces.

Secondly, the paper will explicate the RSL model and pinpoint a number of central factors that can strengthen the RSL processes between TM and MM in the context of achieving the goal of strategy formation: high quality strategic decision-making and implementation. *Thirdly*, the paper presents a RSL process design that can help the practical implementation of the RSL model.

Goals and functions of the RSL process

Strategy formation is a dynamic process that is most successful when an organisation's internal activities are optimally matched, over time, to the challenges and opportunities it is faced with from the environment (Hambrick, 2007). Therefore, the key to successful strategy formation processes is that the involved parties requisite the necessary knowledge and information, and uses this knowledge and information to assess whether the current strategy should be retained, optimised or whether a new strategic direction is called for. MM plays a key role in these processes and it is often MM who first register new challenges and opportunities and use these to

initiate change processes. On the other hand, and as a consequence of their position, MM also have the power to delay or derail change processes or to "translate" and integrate knowledge and information selectively relative to local interests (Floyd & Wooldridge, 1997; Madsen, 2012).

In order to create synergies and cohesiveness between TM's and MM's separate activities it is crucial that the two parties share relevant change knowledge and change information and relate it to the organisation's current strategy for the purposes of retaining, optimising or identifying a new strategic direction. The *first function* of the RSL process is therefore to register key changes and integrate the various knowledge and information perspectives in strategy formation. The *second function* of the RSL process is to manage the balance between change-forces and stabilisation-forces - a balance which is continuously present in the form of the desire to maintain current strategy and the desire to alter strategy. Both TM and MM can be expected to implement stabilisation initiatives and maintain the current strategy. Such stabilisation initiatives are also necessary in the sense that they help ensure that strategy continues to be implemented successfully over time (Mintzberg, 1978, Mintzberg & Waters, 1985). At the same time, TM and MM also initiate change initiatives based on new ideas and new strategies. Change initiatives often emerge from a registered need for incremental or radical change necessary to adjust strategy to changes in the outside world (Mintzberg & Waters 1985).

Before I present the RSL model, which details the optimal processes whereby TM and MM can generate effective strategy formation processes, I will define the *goal of strategy formation* in terms of the following concepts: the quality of strategic decision-making and the quality of strategy implementation. *The quality of strategic decision-making* relates to the degree to which a decision is "in line with" and adjusted to suit real world requirements and the organisation's mission, plus the appropriateness of the decision's timing (Eisenhardt, 1989). *Strategic implementation quality* relates to the degree to which the communication, interpretation and enactment of a strategic decision is in keeping with the decision's intention (ibid). A positive relationship between high quality strategic decision-making, strategy implementation and organisational efficiency is to be expected, because high quality of decision-making and implementation strengthens a) employees' understanding of and motivation to follow the

strategic development direction identified, b) joins up the organisation's internal activities and c) qualifies the organisation's ability to adjust and innovate (Steensen, 2008).

RSL and communication

In order to achieve high levels of decision-making and implementation quality, communication between TM and MM is of crucial importance. Firstly, communication between TM and MM is vital to achieving the function of RSL processes, both in relation to the registration of external change and the integration of new knowledge, and in relation to the management of forces for change and forces for stabilisation. Secondly, communication has an important coordinatory function, which consists in the two parties' ability to adjust to each other's behaviour and activities. Generally speaking, strategy formation processes' inbuilt and emergent complexity requires relatively frequent, timely and constructive communicative interactions between TM and MM. Thus the absence of frequent, timely and constructive communicative interactions between TM and MM will, in and of itself, constitute a significant barrier to the creation of effective RSL processes.

Knowledge sharing and influence processes in communicative interaction

To foster high quality strategic decision-making and implementation within a given organisation, *knowledge sharing processes* and the incorporation of as much relevant knowledge as possible are required, plus creative and innovative methods for connecting and contrasting items of knowledge (Eisenhardt, 1989). Theory has it that the various values, mentalities and preferences represented in TM mean that various types of information and knowledge are incorporated into decision-making and implementation processes, and that that wealth of knowledge exerts a significant influence on the content and quality of strategic decision-making and implementation. The same is true of MM. MM also possesses a multitude of values, mentalities and preferences, which are of significance for the various types of information and knowledge that are significant in MM's contribution to strategic decision making and implementation processes and influence their content and quality. Even though knowledge sharing is extremely relevant to strategy formation processes generally, knowledge sharing is perhaps of particular relevance in relation to integrating knowledge and information about external change. I thus define knowledge sharing as

a two-way process between TM and MM which consists in sharing, researching and reflecting on potentially significant external changes.

In relation to *influence processes*, TM makes use, amongst other things, of interaction with MM to generate understanding, motivation and commitment to the strategic decision. Additionally, TM is occupied by the need to generate ownership and motivation to implement the strategic decision, especially amongst MM, which is crucial to effective strategy implementation (Floyd & Wooldridge, 1997). For their part, MM have an interest in influencing TM in order to ensure that they secure sufficient implementation resources, both such that their knowledge and experience is taken seriously and incorporated in decision-making processes, and to ensure that they receive recognition for innovation and the generation of new ideas on behalf of the organisation. Additionally, MM will seek to influence the makeup of the strategic agenda and to convince TM of the quality of their strategic insights and action plans (ibid). In relation to this, I define influence processes as a two-way process between TM and MM which consists in mutual attempts to exert influence, reflect and negotiate with the intention of managing forces for change and stabilisation.

RSL and *positioning*

In relation to understanding how TM and MM coordinate their initiatives, I use the concept of positioning. An agent's organisational position is constructed through a complex interplay between the agent's expectations with regard to their own behaviour and other's expectations in regard to their behaviour. Positions are not static, but develop over time as the agent's own expectations and those of others develop. Given that MM's organisational position implies that they, at one and the same time, are representatives for TM and for their own organisational unit, it is not unthinkable that discrepancies can arise between TM's and MM's expectations of themselves and each other. When TM and MM are made aware of such discrepancies they will either seek to adjust their own positions or influence the other part to adjust theirs.

Research shows that even where MM are involved in strategic decision-making and strategy formulation and TM are involved in implementation, TM are primarily attached to strategic decision-making and formulation as a consequence of their formal responsibility for same and the

fact that it is a significant aspect of their function as TM. By contrast, MM's are primarily attached to strategy implementation (Floyd & Wooldridge, 1997, Wooldridge & Floyd, 2008). These relational positions are of determining importance with respect to how TM and MM act and position themselves when communicating with each other.

Asymmetries in information, power and interests

TM and MM are thus deeply interdependent when it comes to creating effective strategy formation processes, and this despite the fact that the two groups experience asymmetrical access to information and have different powers and interests. TM has access to a wide range of knowledge and information from a large number of internal and external sources. MM has good access to knowledge and information from internal and external sources at a lower level and are the first to work with TM's strategic decisions. TM have the formal power; it is TM that has the authority to fire, hire and promote MM and determine which members of MM they wish to interact with in relation to specific strategic tasks. MM's power lies in their ability to influence TM by "selling" messages and ideas, take action and relate proactively to a range of subjects in order to get the attention of TM. The two parties' interests are also asymmetrically aligned in that MM will often be more interested in following goals on behalf of their own business unit, goals which do not necessarily align with TM's goals.

So, in the absence of complete knowledge and information, given their asymmetrical power relations and their, more likely than not, divergent interests, both parties experience a degree of risk (Eisenhardt, 1989). TM experience risk in trusting the knowledge and information made available to them by MM since this knowledge and information will, at least to a degree, reflect local interests, either of the manager in question or the business unit within which he or she is employed. MM experience risk associated with sharing their information and knowledge with TM as they don't know whether TM will use this information to their advantage or disadvantage. Even though TM, considered formally, are the most powerful party and can reduce the extent of their risk by exercising formal control mechanisms relative to the collection of knowledge and information and the securing of loyalty, MM experience a relatively large degree of freedom in relation to the degree to which they allow TM to influence them and the degree to which they choose to provide TM with the knowledge, information and loyalty required of them (Ibid).

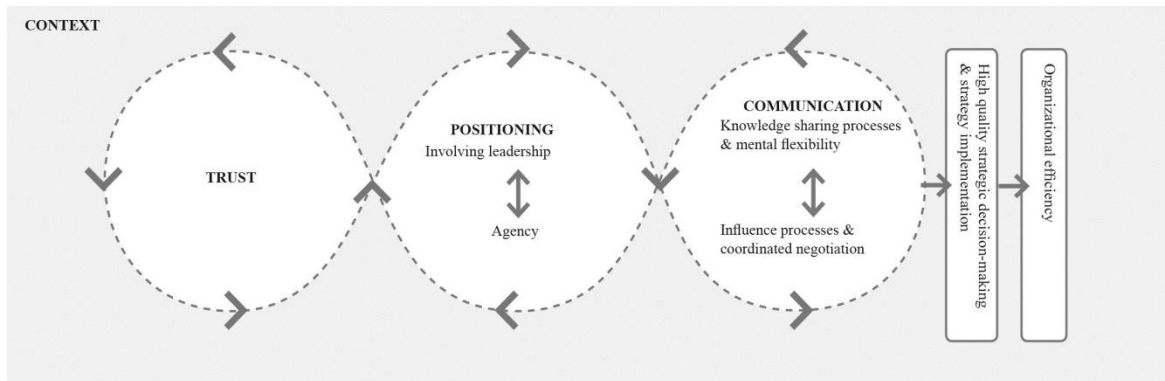
RSL and trust

When risk and mutual dependence coexist in RSL processes between TM and MM, trust becomes a key factor. *Trust* relates to the extent to which one or the other party fundamentally regards the other as competent and of value to the strategic partnership and as a cognitively and morally accountable and trustworthy party whose intentions are positive (Honneth, 2003). Trust is defined as having at least three significant relational functions. 1) Trust strengthens the sense of togetherness in a strategic partnership; 2) it strengthens mutual respect and curiosity and 3) it strengthens useful knowledge sharing and influence exertion processes in communicative interactions. In terms of followership, research shows that a high degree of trust results in positive proactive behaviour relative to TM's change and strategy initiatives (Hasle, 2011). At the same time, TM are more willing to take risks in relation to MM that they trust. In summary, TM's and MM's mutual trust plays a determinative role in relation to the relational positioning processes in a context that's heavily influenced by asymmetrical information provision, power and interests.

The RSL model

The RSL model illustrates, how RSL processes between TM and MM can be strengthened in order to deliver more effective strategy formation processes. In the following, I will explain the RSL model in greater detail and point out a number of central tools for qualifying and optimising the RSL model's various processes and their internal relations in order to optimise the quality of strategic decision-making and implementation. I have already touched on the fact that RSL process communication between TM and MM is characterised by knowledge-sharing and influence exertion. Whether or not these processes take place in a useful and effective fashion is determined by the degree of mental flexibility in the knowledge-sharing process and the degree of coordinated negotiations in the influence process.

RSL model for Effective Strategy Formation Processes.



Communication in the RSL model

Mental flexibility

In principle, the potentially rich and diverse knowledge and information from TM and MM raises the quality of strategic decision-making and implementation. However, for this knowledge and information to be of use in practice it must be made explicit by one party and the other party must have sufficient trust in the other party and recognise them for what they are and be willing to attempt to understand them. *Mental flexibility is here defined as knowledge-sharing processes between TM and MM that are characterised by the following work values, priorities and skills: information- and knowledge-inquiry; positions-, and perspectives-shifts; the containment of multiple perspectives and the development of multiple interpretations and decisions possibilities.*

There are a number of reasons for which mental flexibility has a positive significance for the quality of strategic decision-making and implementation. Firstly, diverse and complex knowledge can be taken into consideration where significant mental flexibility is present. Secondly, high levels of mental flexibility imply that agents are able, to a greater extent, to understand the complex cause and effect structure of strategy formation processes, in part by generating meaning from the continual and unpredictable stream of information characteristic of emergent strategy formation processes. Thirdly, high levels of mental flexibility can boost the creativity with which information and knowledge is interpreted to generate alternative interpretations and recognise potential innovations. Such creativity and mental changes can, under certain circumstances, increase the quality of decision-making and implementation – not least where innovative ideas are required.

However, it is far from always the case that TM experience a need to explicitly ask for, let alone exhibit curiosity about, knowledge and information from MM because TM are of the opinion that they already possess the requisite knowledge. At the same time, MM can exercise restraint in sharing knowledge and engaging in critical discussions if they fear that such openness will have negative consequences for their position within the organisation or if they feel that the chances of their creative ideas being listened to are slight. Additionally, it seems reasonable to assume that power structures can also influence the open knowledge-exchange process because those in a position of power keep their knowledge to themselves in order to protect or improve their positions. Generally speaking, one would expect that TM's and MM's ability to achieve mental flexibility in knowledge-sharing processes will vary with the resultant impact on the quality of decision making and implementation.

Coordinated negotiation

In order to determine whether mutual influence processes are worthwhile and effective I wish to introduce the term *coordinated negotiation*. The fundamental asymmetry in information, power and the interests of TM and MM also points towards a fundamentally differentiated, motivated negotiating process, rather than a collectively motivated negotiating process (Edmondson et al., 2003). Coordinated negotiation in the RSL model describes the process whereby the exercising of influence by TM and MM is characterised by joint and complementary interests shared by both parties. When coordinated negotiation is to the fore, influence processes are oriented towards win-win outcomes. If, on the other hand, coordinated negotiation is not to the fore influence processes will tend to result in win-loss dynamics. In this situation the parties are interested in protecting their own viewpoints, interests and positions. *Coordinated negotiation is here defined as mutual influence processes between TM and MM that are characterised by the following work values, priorities and skills: the intention of delivering high-quality decision-making and implementation; integrated and coordinated intentionality; a balance between the degree of respect for one's own and other's information, knowledge and interests.*

There are a number of reasons why coordinated negotiation has a positive significance for the quality of strategic decision-making and implementation. Firstly, coordinated negotiation processes further MM's commitment to strategy implementation management. Given that

coordinated negotiation, at least in principle, takes both parties' points of view and interests seriously, MM will experience a greater connection between strategic decisions and their interests, which will, in turn, ensure greater motivation and commitment relative to both strategic decisions and strategy implementation (Edmondson et al., 2003). On the other hand, the likelihood is that TM and MM will suppress or trivialise subjects and create win-lose dynamics remains if levels of coordinated negotiation are low (Ibid). In such situations, there will, additionally, be a tendency for MM to express superficial support for a given strategic decision, whilst, in reality, not putting much effort into implementing it. MM may even go so far as to exhibit apathy or resistance because they don't see their interests or views represented or recognised in the decision-making process. Given that MM often exhibit greater insight into the effects of and complications involved in implementation and since coordinated negotiation implies a higher degree of integration of MM's input into strategic decision making and strategy formulation, one could imagine that a higher degree of coordinated negotiation will also deliver more efficient resource utilisation during the implementation process than a lower degree of coordinated negotiation would. Thirdly, coordinated negotiation would boost creativity, idea generation and the innovative solutions which would also increase TM's and MM's understanding of and commitment to the strategy in question.

It goes without saying that knowledge sharing and influence processes are mutually reinforcing when it comes to communicative interactions. Effective knowledge sharing processes further constructive influence processes and constructive influence processes further effective knowledge sharing processes. In other words, mental flexibility stimulates and qualifies coordinated negotiation in influence processes and coordinated negotiation stimulates and qualifies mental flexibility in knowledge sharing processes. In the above, I have described which work values, priorities and skills further mental flexibility and coordinated negotiation. To expand on this I wish to underline a significant point, which is that high mental flexibility and coordinated negotiation are also furthered by communication patterns between TM and MM that are characterised by: a 1:1 relation between inquiry and advocacy, a 3:1 relation between positive and negative comments and a 1:1 balance between self-reference and references to others (Losada & Heaphy, 2004).

Positioning in the RSL model

I have now described the processes which characterise RSL communication between TM and MM and how these communication processes can be expected to influence the quality of strategic decision-making and implementation. In the following, I wish to consider more closely how relational positioning can also exert significant influence over TM's and MM's actions in relation to strategic decision-making and strategy implementation. I will build on the assumption that the relation between TM and MM is characterised by asymmetry in information, power and interests which imply potential risks and challenges for both parties.

Top management and involving leadership

A significant challenge for TM is the degree of TM's trust in MM's knowledge and information and the use of resources to research and relate to ideas and initiatives suggested by MM. If TM allows, I will refer to this as *involving leadership* versus self-sufficient leadership. Involving leadership is defined as a leadership position where TM involves MM in the strategic decision-making process. Involving leadership entails that TM prioritises and searches out frequent and timely communicative interactions with MM with the intention of expanding and integrating their knowledge and information as a basis for qualified strategy formation processes. With involving leadership, TM acts from a position based on an understanding that both TM and MM possess valuable knowledge and information to contribute to the strategy formation process. Research shows that when TM positions themselves in an involving leadership position they won't just make better strategic decisions, they will also do so more quickly (Eisenhardt, 1989).

Additionally, research suggests that, generally speaking, a negative relation pertains between the degree of top-down strategy formation processes and organisational efficiency (Steensen, 2008). Further research also indicates that 2/3 of all major organisational strategy implementation processes fail if MM are not positively involved in the strategic decision-making process (Kaplan & Norton, 2008). On the other hand, research documents successful implementation rates of up to 80 % if MM are involved, experience ownership of the changes determined on and are proactively involved in leading the implementation process (McKenzie Global Survey, 2008).

Involving leadership is closely and positively associated with mental flexibility and coordinated negotiation RSL processes between TM and MM. When TM practice involving leadership it

implicitly strengthens the awareness that both TM and MM are mutually dependent on each other's varying knowledge and information perspectives. There is thus a tendency for TM's risk-willingness and trust in MM's perspectives to increase (Edmondson, 2003). And when TM shows this trust MM will often respond by bringing TM further important information as well as advancing their own understanding of themselves serious strategic partners relative to the organisation's strategic development and decision-making processes (Ibid).

This perception will act to boost mental flexibility in TM's and MM's knowledge-sharing processes as both parties will be open to each other's knowledge and information perspectives, critical reflections and eventual change-oriented viewpoints. This will further stimulate coordinated negotiation of the mutual influence processes since both parties show each other trust and exhibit the will to take an interest in each other's points of view and interests with the intention of generating mutual value – with the organisation as the highest context. By contrast, if TM position themselves in a self-sufficient leadership position, and ignore the mutual interdependence entailed by the strategic decision-making process, relations will be characterised by low degrees of trust, a lack of mental flexibility and a low degree of coordinated negotiation with respect to RSL processes – not least because TM see no value in involving themselves in these processes. Further, involving leadership entails that TM have a tendency to seek out more frequent, timely and constructive communicative interaction with MM, which will act both to strengthen mental flexibility and coordinated negotiation. Finally, involving leadership will also improve mutual respect in communication between TM and MM.

It is further given that involving leadership will stimulate constructive critical debate and interest in active research and responses to MM's viewpoints. In this way TM's and MM's communication moves, to a greater extent, towards achieving coordinated goals and creating joint results rather than wasting time on formal procedures, positional battles and divergent goals. Additionally, involving leadership also boosts coordinated negotiation since it supports both parties in their attempts to research the various interests and perspectives associated with the parties' positions and as well as supporting the creativity which is often threatened by integrated and innovative solutions and decisions.

Middle management's agency

MM's agency describes the extent to which they are actively interested in reflecting on and proactively engaging with the strategic decision-making and implementation process. MM's agency is high when they experience themselves as having a significant role to play in the strategy formation process and when they proactively seek out interaction with TM in order to convey knowledge and information inputs. MM's agency will relate positively to the mental flexibility and coordinated negotiations in RSL processes between TM and MM. With reference to the above reflexion relating to the effects of TM's involved leadership, MM's agency is a fundamentally constructive relational dynamic. Firstly, MM's agency implies a greater will to share knowledge and information, both because of the perceived recognition as a serious strategic partner and because MM sees the relevance of their knowledge input in securing effective strategic decisions and implementations of high quality. Further, this in turn boosts mental flexibility as it allows TM and MM to maintain a broader and more detailed view of the factors that have a positive influence on creative and innovative approaches to problems. Coordinated negotiation is also better supported as a wide-ranging and diverse store of information and knowledge creates a more plausible basis for the creation of integrated win-win situations. Secondly, MM's agency also entails that MM are better motivated to research, discuss and reflect on the knowledge and information which TM makes available to them which implicitly boosts mental flexibility. Coordinated negotiation is also strengthened by MM's motivation to focus more on achieving effective strategic results on behalf of the organisation as a whole rather than more local organisational interests etc.

Trust in the RSL model

Trust, involving leadership and agency

TM's motivation for positioning themselves in an involving leadership position and MM's motivation for positioning themselves with agency in the strategy formation process depends on the degree of *mutual trust*. TM will be motivated to a greater extent to position itself in an involving leadership position when they believe that MM will implement TM decisions in accordance with their intentions and deliver significant input to the strategic decision-making process on behalf of the organisation as a whole, rather than on the basis of their own interests or local interests. This generates a positive self-reinforcing process as it provides TM with the

incentive to take on an involving leadership position as they have the courage to demonstrate vulnerability and to take greater risks in their relations with MM. If, on the other hand, TM do not trust MM, TM will, to a greater extent, be motivated to take on a "self-sufficient" top-down management position, where they miss out on the benefits of involving MM's knowledge in the strategic decision-making process and heighten the risk that MM will "misuse" their power.

Similarly MM will also be incentivised to show a greater degree of motivation to interact constructively and with agency with TM when they believe that TM will involve MM as a strategic partner in the strategic decision-making process as well as adding the necessary implementation resources. Additionally, MM will also proactively seek more frequent, timely and constructive communicative interaction with TM in order to secure appropriate resource transfers and communicate important strategic input. The self-reinforcing effect is also evident here in the form of MM's greater courage to show vulnerability and risk-willingness in their interactions with TM. If, on the other hand, MM have little trust in TM, they are more likely to see communication with TM as a symbolic ritual than as an opportunity to exert constructive influence and demonstrate commitment. Furthermore, this position will reduce MM's willingness to exhibit vulnerability and risk willingness as they will experience the risk that TM "misuses" their knowledge and information as being greater.

Conclusion

The RSL model is based around two fundamental scenarios. *The positive self-reinforcing process* is created on the assumption that RSL processes between TM and MM strengthen mutual trust over time on the basis of positive experiences gained with mental flexibility and coordinated negotiation, which, in turn, generate more involving leadership and agency. When RSL processes fail to strengthen mutual trust a *negative self-reinforcing process* is created that reduces the degree of involving leadership and agency that, in turn, leads to less mental flexibility and coordinated negotiation.

The RSL model identifies a number of key elements for strengthening the RSL process between TM and MM thereby improving the quality of strategic decision-making and implementation: 1) When knowledge-sharing and influence processes between TM and MM are characterised by a

high degree of mental flexibility and coordinated negotiation, strategic decision-making and implementation quality are strengthened; 2) When TM position themselves in an involving leadership position and MM position themselves in an agency position, the quality of strategic decision making and implementation is strengthened; 3) When TM's and MM's communication is characterised by mental flexibility and coordinated negotiations, TM's involving leadership position and MM's agency position are brought to the fore; 4) When TM position themselves in an involving leadership position and MM position themselves in an agency position the mutual trust will be strengthened - and vice versa.

Thus the RSL model identifies a number of significant action points for both TM and MM.

Firstly, the RSL model points to the time factor as a significant challenge to relational strategic leadership. This implies that communication between TM and MM consists of significant small pockets of interaction to be used frequently, in a timely fashion and constructively. *Secondly*, the RSL model draws attention to the fact that it is especially important to strengthen mental flexibility and coordinated negotiation in communicative interaction processes between TM and MM. *Thirdly*, the RSL model suggests that TM and MM pay more attention to their relational positions, as these affect RSL processes both directly and indirectly. The key central term in these relational positioning processes is trust. *Fourthly* the RSL model illustrates the options available to TM to improve the quality of strategic decision-making and implementation and thereby organisational efficiency – not least by positioning themselves in an involving leadership position and prioritising and strengthening their own mental flexibility and coordinated negotiation skills. *Fifthly*, the RSL model suggests that, in general, TM and those involved in recruiting, coaching and training them should regard TM as the party chiefly responsible for facilitating and managing professional RSL processes.

Suggestions for implementing the RSL model - *RSL process design in five steps*

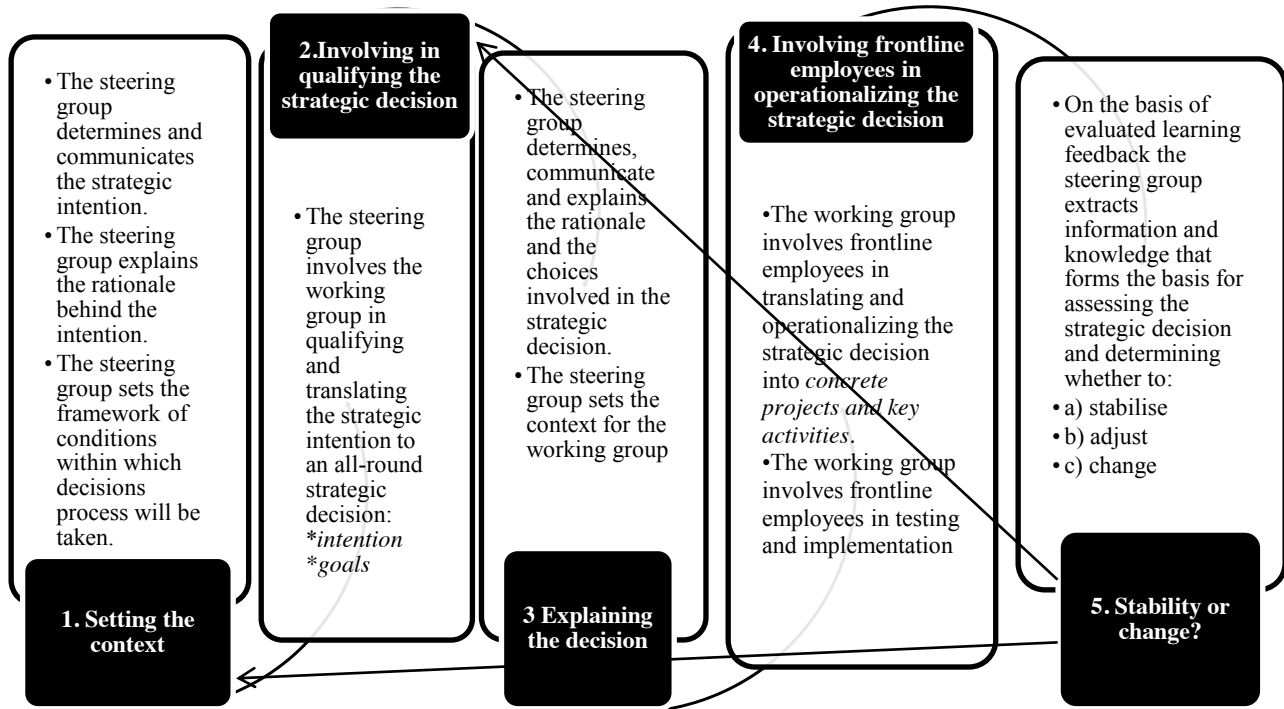
In the following, I will outline a framework *RSL process design* that could be of useful help in implementing the RSL model in practise. The RSL model is fundamentally concerned with creating a strategic decision-making practice that aims to operate somewhere between a top-down approach where TM and consultants conduct top-down analysis of strategic intentions and concrete goals and prioritised key activities *and* a classic bottom-up-approach involving the

facilitating of MM's knowledge, information and ideas. In other words, the RSL model seeks to inspire a strategy formation process that is simultaneously top-down and bottom-up.

RSL process design in five steps

1. The steering group, consisting of TM and central stakeholders drawn from MM, *sets the context*, including determining the strategic intentionⁱⁱⁱ - decided on the basis of communicative interaction characterised by mental flexibility and coordinated negotiation. Hereafter the steering group communicates and explains their strategic intention to the working group.
2. The working group consists of the "rest" of MM and key employees is *involved in qualifying the strategic intention and translating it into a joined-up strategic decision* (intention and goals) - communicative interaction characterised by mental flexibility and coordinated negotiation.
3. With this knowledge and information base, the steering group determine, communicate and *explain the strategic decision* (intention and goals) – decided through communicative interaction characterised by mental flexibility and coordinated negotiation. Furthermore, the context for the working group's further work is determined.
4. The working group *involves frontline employees in operationalizing the strategic decision* and transforming it into concrete projects and key activities. Additionally, the working group involves employees in testing/implementing the concrete projects and key activities in real work life.
5. On the basis of evaluated feedback, the steering group extracts information and knowledge on which basis *the steering group maintains, adjusts or completely changes the strategic decision* – determined through communicative interaction characterised by mental flexibility and coordinated negotiation. In other words, it is determined in this phase, to what extent the strategic decision will be, a) maintained and stabilised, b) adjusted via a new phase 2, or 3) completely changed and reformulated via a new phase 1.

The five step model



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Notes

ⁱ *Strategy formation process* is a term that covers the entire strategy development and strategy implementation process. Strategy development relates to the choice of a particular course and strategy implementation is the communication, interpretation and enactment of the course in practice (Mintzberg &

Waters, 1985). The strategy development and strategy implementation process is often conjoined under the term *the strategy formation process*, in order to underline that they constitute an interrelated process which incorporates both planned and emergent aspects (Mintzberg & Waters 1985).

ⁱⁱ *Organisational efficiency* is defined on the basis of the following five factors: 1) *Direction* – the organisation's staff understand the desired strategy development direction; 2) *Synergy* – internal work processes generate synergies and joined-up thinking between internal activities; 3) *Adjustment* - the organisation reacts promptly to changes in external circumstances and utilises new market potential; 4) *Motivation* –staff are motivated and engaged in creating excellent results for the organisation; 5) *Innovation* – the organisation is innovative within its sector (Steensen, 2008).

ⁱⁱⁱ Work with strategic intentions falls into two fundamental categories: 1) *Strategic intention normative for radical innovation* – typically a change which entails a redefinition of the organisation's goals, structures, technologies and work processes. 2) *Strategic intention as a context determinant for incremental innovation* - typically change projects which entail relatively slight changes to organisational goals, structures, technologies and work processes (Søholm & Willert, 2010).