DIFFERENT SHADES OF STRATEGY: A LITERATURE REVIEW ON STRATEGY DEVELOPMENT IN HUBS.

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Abstract

This contribution to the debate on New Business Models explores the ways in which strategy takes shape in non-hierarchical networking forms of organizing called hubs. This paper aims to clarify strategy formation in such context through a literature review in which we explore how two topics meet: (1) developments in collective strategizing and (2) developments around forms of multi-stakeholder organizing. Our research focuses on the question how strategy formation takes place in loosely coupled multi-party networking forms of organizing.

We observe the emergence of new, pluriform, non-hierarchical forms of organizing called hubs. Hubs are characterized as dedicated networks of collaborative constituents that are bound by common values and shared goals and that operate on a regional level. They implicitly aim to integrate a broader range of values e.g. ecological, economic, and social. In doing so, hubs enable a wide variety of constituents to engage into a process of collaborative and often community-based action while experimenting with new forms of organizing. This leads to the shaping and defining of goals and projects and a shared ambition to realize those goals. We assume that, along this, a collective strategizing process emerges. Yet, how constituents in a hub craft a strategy while simultaneously engaging in a process of cooperation and value creation is unclear. Assuming that hubs do engage in a process of strategy formation we want to know if and in what way existing insights into strategy formation relate to the strategizing processes in developing hubs.

Strategy development is discussed extensively in literature in various, distinct schools of thought. The main ‘Schools of Strategy’ focus on distinguishing different perspectives of strategizing processes in established organisations that operate on the basis of an organisational hierarchy and linear model of value creation. In this perspective strategy is a systematic approach of setting targets and future directions towards a - often single – pre determined goal. In contrast, hubs evolve to facilitate co-creation and value creation by a variety of autonomous constituents. Constituents in hubs realize new, cooperative,
experimental, and innovative approaches to accumulate human, social, natural, physical, and financial capital, aiming to accomplish common goals and to co-create shared values. We refer to this process as ‘strategizing by constituents in hubs’. The strategizing process in hubs seems to involve multiple strategies as it is shaped around multiple goals and by multiple organisations.

We find that these specific organisational developments need to be taken into account in the debate on collective strategy development, particularly in relation to the development of multi-party networking forms of organising.

We investigate how the process of strategy formation in hubs is shaped. More in particular we are looking for theoretical and empirical footholds that can help to understand how this process evolves. To do so, we question strategy formation in hubs from two perspectives: organisational sciences and strategic development. From the perspective of organizational sciences we look for studies that link the development of multi-party networking forms of organising to strategy development. Next to this we are interested to learn how strategy literature relates to strategy formation in multi-party networking forms of organising.

In this study we perform a structured literature search, examining a selection of Q1 journals in the fields of organisational science and strategic management. However, we acknowledge that hubs are new, still developing forms of organising and the organisational concepts that lie underneath may well be studied from other disciplines. This search is therefore broadened by journals in the field of social networks (actors in a network economy) and (strategic) decision-making. In order to do so we will execute a search using Mendeley software.

We start by determining an initial set of search key words that indicate strategy formation in pluriform organisations and strategy formation in networking forms of organising, such as strategy in an adhocracy, collective strategy, collaborative strategy, distributed strategy. We aim to provide a literature overview of how strategy development unfolds in nonhierarchical forms of organizing, thus contributing to the knowledge on strategy formation in hubs. This literature review will serve as a basis for further empirical research.