

RETHINKING OF ORGANIZATIONAL CONTEXT PARADOXES ACCORDING TO POWER SCHOOL

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1. Introduction

One of the most answered questions of strategy creation and implementation process is "whether organization follows strategy or strategy follows organization?" To respond this question, it is important to understand the relationship between the strategic process and the organizational context.

Organizational context refers to the organization's internal environment. Organization's structure, culture and political context creates organizational context¹. De Wit and Meyer² emphasizes that there are two opposite views about strategic process in the organizational context. These are control paradox and chaos paradox. Control paradox sees strategic process as a process which is executed by leaders and top management. Accordingly, leader, such as the person who holds all the control of a machine, identifies strategy and implements this strategy. In the contrary, chaos paradox views the organization as constantly changing complex interactions, strategy has developed such an environment of this complex mechanism in which the leader has a little effect on formation of the strategy.

To describe the strategic process, one of the developing approaches is "Power School". Power

school is introducing concepts such as power, politics and coalitions to strategic process and in this point of view, it can be said that, organizational context and the concepts of power school is closely related. Structured literature research showed no results of any study that is associated with the relations between the two concepts. So, in this study strategic process will be evaluated in terms of power school and the evaluation will be based on control and chaos paradox in the scope of organizational context and relations between power school and organizational context will be examined. On the first section, power, politics and power school will be examined as conceptually. On the second section, control and chaos paradox is explained in organizational context and strategic process will be discussed on the perspective of organizational leadership and organizational dynamics perspectives which are based on those paradoxes. In the last section, organizational context will be discussed according to power school.

2. Power, Politics and Power School

Power in organizations, is key for actors to achieve their goals. To analyze power and its influence is very important to understand, how an organization works. For this reason, in organizational studies, power and politics concepts are examined more often. To understand the power and politics, it is helpful to provide necessary definitions.

Weber defines power as, the possibility of an actor in a social network to be in a position to perform defined

¹ Pettigrew, A.M., *Context and Action in the Transformation of the Firm*, Journal of Management Studies, 24(6), 649-670.,1987(b)

² De Wit, B. and Meyer.R., *Strategy, Process, Content, Context: An International Perspective*, International Thomson Business Press, London, 1998, 657

goals, despite resistance³. According to Pfeffer power is to influence and persuade others to act in a defined direction⁴. Valesquez⁵ defines politics as the process of interaction of connected people or groups who are different in some aspects (authority, purpose, personality, etc.), but interconnected in terms of success. The process involves effecting each other to influence decision making mechanism which is used to create methods and processes.

According to Mintzberg, Ahlstrand and Lampel the power and politics can encountered in many times including strategy formation of organizations. Starting with similar views, power school begun to take place more often in strategic management literature since 1970s. According to the power school, strategic process is an influence process in which power and politics are used⁶. From a wider perspective, strategy is an output of negotiation and persuasion process between powerful interest groups inside and outside. Between the studies which address strategy formation in terms of power school, Narayanan and Fahey⁷ asserts that organizational coalitions tries to influence strategic decisions and because of that political process are important to strategic decisions.

2.3. Power School: Historical Development Processes

Until the 1970s, strategy formation is considered as a rational decision-making process. Until this

period, organizations were seen as structures which their preferences are known, in harmony, understood in terms of cause and effect relationship and has sufficient information flow⁸. During the 1970s and 1980s, Pfeffer, Salancik⁹ and Mintzberg¹⁰ began to describe organizations as a political entity which includes coalitions of different interests and expectations inside and outside. According to this view, decisions are a result of the process of coalition building that decision makers come together for different purposes and it reflects the will of the strongest. From this perspective, power school based on theories which attributes importance to groups in organizations. Among those, Strategic Contingencies Theory, Resource Dependence Theory and Resource-Based Firm Theory will be reviewed.

2.3.1. Strategic Contingencies Theory

Strategic Contingencies Theory asserts that, sub-groups (individuals, departments) which could resolve organizational problems and uncertainties acquire power. For example, when organizations are threatened by the existence of legal problems, the legal department will be more powerful and influence organizational decisions¹¹. Hickson and others¹², according to the Strategic

³ Grimes, A.J., Authority, Power, Influence and Social Control: A Theoretical Synthesis. *Academy of Management Review*, October, 1978.

⁴ Pfeffer, J., *Managing with Power: Politics and Influence in Organizations*, Boyner Holding Pb. Istanbul, 1999, 41.

⁵ Valesquez, M.G., *Business Ethics* (5.Edition), Prentice Hall Pb, 2002.

⁶ Mintzberg, H., Ahlstrand, B. and Lampel, J., *Strategy Safari*, The Free Press, New York, 1998, 236.

⁷ Narayanan, V.K. and Fahey, L., The Micro-Politics of Strategy Formulation, *Academy of Management Review*, 7, 1, 1982, 25-34.

⁸ Rouleau, L. and Seguin, F., Strategy and Organization Theories: Common Forms of Discourse. *Journal of Management Studies*, 32(1), 1995, 101-117.

⁹ Pfeffer, J. and Salancik, G.R., *The External Control of Organizations: A Resource Dependence Perspective*, New York: Harper ve Row, 1978;

¹⁰ Mintzberg, H. Power and Organization Life Cycles, *The Academy of Management Review*. 9, Nisan, 1984, 207-224.

¹¹ Salancik, G.R. and Pfeffer, J., Who Gets Power and How They Hold on to it: A Strategic-Contingency Model of Power, in *Readings in Managerial Psychology* (H.J. Leavitt, L.R. Pondy, D.M. Boje), University of Chicago Press, 1988, 348.

¹² Hickson, D.J., Hinigs, C.R., Lee, C.A., Schneck, R.S. and Pennings, J.M., A Strategic Contingencies Theory of Intraorganizational Power, *Administrative Science Quarterly*, 16(2), 1971, 216-229.

Contingencies Theory, defines the factors that directly affects the acquisition of power as; to cope with uncertainty, cannot be substituted and to be in a central role.

According to the power school, the individual or the unit, who can cope with the uncertainty, can collect the power for itself, take the most critical decisions for the organization, and be able to identify the organization's strategy in line with their requests. It is likely that strategies that are created by people who can cope with uncertainty can create critical competitive advantages for their organizations, but in this way the resulting strategies of the most powerful forces may not reflect the continuity of the power balance and also not the best strategy for the organization.

2.3.2. Resource Dependence Theory

According to this theory, each organization depends on the environment in order to perform its functions. According to this theory, actors that provide critical resources for the organization and place in the center of power relationship will gather power on themselves¹³.

According to power school and resource dependency theory, it is possible to say that, those who have critical resources would be effective in formation of the organization's strategy. Depending on this approach, those who do not have critical resources of the organization will try to expand their power by establishing various coalitions with political games, and will try to influence respective strategies. Thus, in-time, a conflict environment will arise out and to have the power will be most important resource. This case would lead political tractions even in the slightest decision and lead organizations to waste time and resources and even prevent the organization's strategy to form correctly.

2.3.3. Resource-Based Firm Theory

Resource-Based Firm theory is one of the most important theories in strategic management. In his article "Firm Resources and Sustainable Competitive Advantage" (1991) Barney asserts that, a company's competitive advantage is based on creating resources that is valuable, scarce, not easily imitated, and not substitutable in the same strategic levels. In addition, Baden-Fuller declares that firms with powerful resources do not always win; the companies to take advantage of these resources should have the right skills as well¹⁴. Here, we can say that with "skills" organizational capabilities are mentioned. Oliver¹⁵ claims that, with the help of the organization, the selection of rational resources depend on employees' willingness of use this resources politically and culturally. Oliver in the same study asserts that, some resources that would provide competitive advantage to the companies is rejected by employees because they are not parallel organization's cultural, political and learning structure. Similarly, managers may not in favor of changing resources because they perceive it as threats to their power.

In summary, resource-based theory suggests the importance of organizational culture and policies in organizational context to adopt resources that will provide to strategic competitive advantage to organizations. So, the resource-based firm theory can be assessed, in the context of power school because of it's emphasize on political structure in organizations.

¹⁴ Bakoğlu, R., Kaynak Bazlı Firma Teorisi Kapsamında Değişen Rekabet Avantajı Kavramı ve Analizi, *İstanbul Üniversitesi İşletme Fakültesi Dergisi*, 1, 2003, 65-76.

¹⁵ Oliver, C. Sustainable Competitive Advantage: Combining Institutional and Resource-Based Views, *Strategic Management Journal*, 18(9), 1997, 697-713.

¹³ Pfeffer, J. and Salancik, G.R.,

2.3.4. Power and Related Approaches

Considering above mentioned theories which power school is based on, we can say that individual or department who have critical or scarce resources in organizations have the power. There are two opposite opinions of this theory that emphasizes the importance of resource as the basis of power.

According to Mills¹⁶ first opinion, power is about control of resources and it is a game where the total sum is zero when a party's win means for the other party to lose. Mills describes society as layered and conflicted initiatives. Therefore he rejects generalization of resources and he reaches to the concept of zero sum game. Opposed to this view, Parsons¹⁷ puts forward that power is derived from mobility of resources and it is not a game with zero sum. Parsons sees society and organizations as functional systems and based on consensus. As a result, he considers resources not as a potential conflict but as a tool for improvement capacity.

2.4. Criticism for Power School

The most important criticism of the power school states that, it constantly focuses on destructive issues so it may ignore the constructive aspects of conflicted situations. The second criticism is directed by Mintzberg and others¹⁸ stating that power is not the solely factor in the formation of strategies so its role in strategy is exaggerated.

Up until here, power and politics are explained conceptually and development of the power school and its approach to strategy process is declared. In light of the above descriptions, the suggestions of the power school can be summarized as follows: power and policies shape the strategy formation

within the organization and outside the organizations. Different interest groups within the organization use persuasion and negotiation through a variety of coalitions to archive their purposes and requests. Power struggle between various organizations are carried out through alliances, networks and strategic maneuvers. In line with these assertions of power school, strategy is created as a result of the negotiation process within the organization and across organizations.

3. Strategic Paradoxes and Perspectives in Organizational Context

This section focused within the organization for developing and implementation of strategy and search answer to the question that "to what extent can strategist apply his desires?" Can strategist shape the organization or does the organization have its own dynamics and shape strategist? With a shorter statement, does strategy follow the organization or does the organization follow strategy?

The answer to this question can be given by evaluating organizational context from the framework of two different paradoxes and perspectives that will be broadly discussed in the following section. According to De Wit and Meyer the first of these are control paradox and organizational leadership perspective which is related with that. Control paradox is expressed as, leader decides on strategy and organization is guided to implement this strategy as a whole. The second is chaos paradox and organizational dynamics perspective related with that which states that strategy is developed through the complex dynamics of organization's structure, not selected by the strategist.

3.1. Strategic Paradoxes in Organizational Context

Lewis defines paradox as "neither a compromise between

¹⁶ Mills, C. W., *The Power Elite*, New York, Oxford University Press, 1956.

¹⁷ Parsons, T., *The Social System*. Glencoe, IL: Free Press, 1964

¹⁸ Mintzberg, H., Ahlstrand, B. and Lampel, J,

conflicting tensions, nor is a separation but is to be aware of both"¹⁹. From this definition the two end points to create and implement strategy in organizational context can be reviewed as control and chaos paradox. Control is the state which people have the power of shaping environment through their decisions; chaos is the state that the environment is shaped by the dynamics that cannot control.

3.1.1. Control Paradox

According to the control paradox in organizational context when leader fully has control in determining strategy, organization can be directed to implement the strategy. Leader continuously monitors and analysis internal and external environment, search for alternative strategies to create strategy and select the appropriate one then determines the objectives through this strategy and shares the resources. To achieve all of this, leader must have very good communication and management skills²⁰. In this sense, control paradox sees creating and implementing strategies directly as a function of top management.

Control paradox can be said to show parallelism with Newtonian physics paradigm which can be taken as the logical thinking paradox or rational thinking perspective. According to the research of Schwartz and Ogilvy, named, "Emerging Paradigm: Changing Patterns of Thought and Belief" (1979), objectivity, causality and the principles of mechanical universe are the basic assumptions of this paradigm. By the principle of objectivity knowing is possible

with understanding through the mind and in this processes the observer and the observed were separated with strict limits. In causality, if relations of causality between parts are clear then the results can be explained. According to the mechanical universe principle, machine example has been adapted to the functioning of universe. It estimates that there are smallest particles which are basic building blocks of reality and a series of laws that are managing particles' behavior, discovering these laws will help to make predictions related to the future of the world²¹.

Similarly control paradox put forward that leader, like the administrator of a machine, analyses internal and external environment to identify the causality relationship then creates strategy with the assumption that, to predict future from today is possible by these relations of causality. In this sense it can be said that control paradox see strategic thinking as a logical activity which directly executed by top management. When we look in terms of power-related approaches Mills' view, which accepts power as a zero sum game because it controls resources, can said to be related with control paradox.

3.1.2. Chaos Paradox

Stacey²² states that concept of chaos in scientific meaning specified as irregular behaviour patterns arising from nonlinear systems that are often seen in nature and human society. Chaotic systems are complex, nonlinear dynamic systems that are not predictable and showing non-stationary behaviors. De Wit and Meyer states that, organizations are complex systems where the development of an event depends on many complex factor's complex interactions, host chaos. Consequently,

¹⁹ Eisenhardt, K.M., Paradox, Spirals, Ambivalence: The New Language of Change and Pluralism, *Academy of Management Review*, 25(4), 2000, 703-705.

²⁰ Christensen, R., Andrews, K., Bower, J., Hamermesh, R. and Porter, M. The CEO: Leadership in Organization. *Strategy: Process, Content, Context: An International Perspective* (B. de Wit, R. Meyer), International Thomson Business Press, 1998.

²¹ Yıldırım, A. and Şimşek, H. *Sosyal Bilimlerde Nitel Araştırma Yöntemleri*. Seçkin Pb, 2005

²² Stacey., *Strategy as Order Emerging from Chaos in Strategy: Process, Content, Context: An International Perspective* (B. de Wit, R. Meyer). International Thomson Business Press, 1998

approaches describing the formation of strategy in the organizational context as chaos paradox have emerged. According to chaos paradox in organizational context, strategy is not selected by the strategist but is born in the complex dynamic systems of organization²³.

Chaos paradox, shows parallelism with a new rising paradigm in science which is seen as Einstein physics paradigm or creative thinking perspective. Schwartz and Ogilvy put forward that, this new paradigm is developed with Einstein "Relativity Theory" and then Heisenberg's "Uncertainty Principle", and eroded the Newtonian paradigm assumptions. According to Schwartz and Ogilvy the new paradigm shows that features²⁴:

- Reality is complex; there are not general, right legislation for all systems. However each system develops some features specific to its own. Therefore, events and facts should be examined within their own environments.

- Relationships are not in linear causality, they are in reciprocal causality. Future and direction is uncertain. Probability can be determined, but the final results can not be predicted.

- There is no such thing as objectivity. Subjectivity is inevitable.

As it could be seen, chaos paradox' paralleled with Einstein Physics paradigm, highlights complexity, mutual interaction and subjectivity. It seems to be very difficult to know the future, doing long-term plans and controlling.

As a result according to chaos paradox the formation of strategy, in the organization that is a chaotic system, is possible to explain as a process emerging from the organization's own internal dynamics. When we look at in terms of one of the power-related approaches, Parson's view which states that power is not a zero sum game because it received its source from the mobility of resources, it can be put into

front that this view is related with chaos paradox.

3.2. Perspectives in Organizational Context

The studies of formation and implementation of the strategy process has been categorized in different ways. For instance, Bourgeois and Broadwin in their article " Linking Planning and Implementation"²⁵ mentioned about the following five approaches in implementing strategy: order approach claiming that strategy process have been executed by leaders or top management, organizational change approach, co-operation approach that see the strategy as a product the organization, cultural approach and organizational movement approach. Johnson²⁶ has divided the strategy formation and implementation into two views as rational approach and organizational movement approach. Both approaches basically say that strategy is a product of either the leader or the organization. Similarly, De Wit and Meyer reveal two main perspectives by reviewing strategy formation and implementation on the axis of control and chaos paradox. These are organizational leadership perspective and organizational dynamics perspective.

According to De Wit and Meyer the organizational leadership perspective is based on control paradox. They say that most strategists assume that leader has control over the organization and there is no need to limit them by organization dynamics. Accordingly, if leader entirely have control in determining the strategy, organizations may be directed to implement the strategy. On the other hand, according to

²³ De Wit, B. and Meyer.R.

²⁴ Yıldırım, A. and Şimşek, H.

²⁵ Bourgeois, L.J. and Broadwin, D., *Linking Planning and Implementation in Strategy: Process, Content, Context: An International Perspective* (B. de Wit, R. Meyer). International Thomson Business Press, 1998.

²⁶ Johnson, G., *Rethinking Incrementalism, in Strategy: Process, Content, Context: An International Perspective* (B. de Wit, R. Meyer), International Thomson Business Press, 1998.

De Wit and Meyer organizational dynamics perspective is based on chaos paradox. In this perspective, strategy is not selected by strategist, but is developed in the complex dynamic systems within the organization which is a chaotic system. Moreover, according to this opinion leaders are a product of organizational context and they may have only marginal impact on the strategy of the organization.

In this section, organizational leadership perspective and organizational dynamics perspective will be compared on the axis of control and chaos paradox thereby organizational contexts will be tried to understand. This comparison on the axis of control and chaos paradox will make it possible to assess both two perspectives, within the framework of the transition through Newtonian physics paradigm to Einstein physics paradigm which forms the basis of new scientific understanding.

3.2.1. Organizational Leadership Perspective

According to the organizational leadership perspective, the leader executes the strategy creation process. This perspective is based on the control paradox. Based on logical thinking control paradox defends that leader may analysis internal and external environment correctly by using his/her own mind, determine the causality relationship and predict the results for the future in today. To the organizational leadership perspective that is based on the control paradox, strategic decision-making process is a logical process directly executed by leader/top management, and includes the steps of; systematic environmental analysis, determining internal strengths and weaknesses, put specific goals, performing an extensive plan for these specific goals²⁷. Leader, according to the

information gathered will determine the best vision for the organization and requires organizations members to apply it.

Organizational leadership perspective matches with Chandler's expression that "organizations should follow strategy" in his book "Strategy and Structure"²⁸. According to Chandler, senior management as well as in a car's steering wheel, must take control in his/her hands, manage the strategy process, impose his/her requests to the organization. The structure of the organization should be adapted to the decision makers' intended strategy.

In summary, organizational leadership perspective advocates that not the organizational dynamics but the leader is important and takes it forward that the successful leader is very important person that always keeps control in the hand and can take the organization to its purpose.

3.2.2. Organizational Dynamics Perspective

According to the organizational dynamics perspective, strategy emerges as a result of the organizational dynamics. This perspective is based on chaos paradox. According to chaos theory, chaotic systems' structure is irregular and does not have a pattern, so it is not possible to forecast the future on the long-term. For this reason, chaos paradox sees strategic process as a process that is not a logical process determined by the strategist, but emerging from the complex and dynamic structure of the organization²⁹.

According to advocates of organizational dynamics perspective which is based on chaos paradox, the organization's political, cultural and learning structure create chaotic internal dynamics of the organization, and those internal dynamics restrict the

²⁷ Hart, S.L. An Integrative Framework for Strategy-Making Processes. *The Academy of Management Review*, 17(2), 1992, 327-351.

²⁸ Chandler, A. *Strategy and Structure*, Cambridge, MA: MIT Press, 1962, 15.

²⁹ De Wit, B. and Meyer.R.

management power of top management³⁰. According to this perspective the organization members play an important role in the process of creating strategies³¹. As Johnson³² expressed, factors such as different political objectives of organization members, cultural structure and difficulty to change investment that is made with acquired competence, affects the strategy creation and implementation process. Johnson also expressed that, cognitive structures of leaders affect the strategy so that, in the strategy formation, Einstein physics approach of subjectivity of logic and the principle of relativity is more applicable than the principle of objectivity and logical thinking. Johnson in the same study puts forward that, even leaders of organization actually think that they are rational, indeed their cognitive map is shaped by the culture and influences the way they perceive the environment. These cognitive maps, has gained legitimacy through organization culture, legend and rituals. Therefore, the decisions of leaders should be considered as not independent from the environment. For these reasons, the organizational dynamics perspective of the organizational context asserts that the leader do not influence organizational context but organizational context influences the leader and the strategy.

Stacey asserts that the top management can not and should not try to control the strategy of the organization. Accordingly, the organizational dynamics and learning during strategy formation process is so complex that it cannot be controlled by managers. According to him, the absence of control does not mean dragging of the organization uncontrolled. Organizational dynamics, as in chaotic systems, self-controlled and can produce behavior that is capable of organizing itself. Real strategic change requires a chaos. Thus, ongoing process will be collapse and new solutions will be

sought. Manager's task is to affect the organizational context to create such a change environment. In this way, unexpected strategies will spontaneously emerge.

Organizational dynamics perspective is affected by Einstein physics paradigm and based on the chaos paradox in which organizations are seen as complex and chaotic systems. Organizational dynamics such as organizational culture, policies, acquired competencies, the difficulty of changing investments and cognitive maps of leaders restrict leaders in their decisions. For this reason, according to the organizational dynamics perspective, the strategic process emerges as a result of organizational context.

4. Organizational Context According to Power School

Up to this section, organizational context's role in creating and implementing strategies was addressed according to organizational leadership and organizational dynamics perspective. In this section, organizational context will be evaluated in terms of power school.

De Wit and Meyer states that to develop a new strategic direction requires political interaction, and complicated learning processes, thus discussion and conflict chaos occurs. In other means to develop and implement a new strategy includes a number of processes and challenges. Organizational leadership perspective that sees organization as a machine operated only in the control of management team or leader, and organizational dynamics perspective that sees organization as a result of different group's political, cultural structures and learning experiences, appears to be on two opposite position. Accordingly, while centralized organizations where a strong culture, centralized power, formal procedures and hard structures have seen reflect the control situation, organizations where many sub-separation unit, divided center of culture

³⁰ De Wit, B. and Meyer.R.

³¹ Mintzberg, H.

³² Johnson, G.

and power have seen show the status of the chaos. However, in reality it is difficult to separate organizations between control and chaos with strict lines. In most organizations it is possible to say that in strategic process, organizational leadership and organizational dynamics perspectives act in conjunction with each other.

It can be seen that organizational dynamics perspective overlaps with the new scientific paradigm's mutual causality, subjectivity, complexity, uncertainty principles. In addition the leaders control oriented role in organizational leadership perspective is needed to be redefined. The understanding of organizational leadership perspective in the strategic process which accepts the organization as a mechanical system, sees the leader in absolute causality, and objective in the analysis of the organization's internal and external environment and creator of the most appropriate strategies with the assumption of the possibility to forecast the future, is subjected to change with new scientific paradigm.

It might be useful to assess the relationship between organizational context and power school according to Mill's view which stands near control paradox and Parsons' view which stands near chaos paradox.

According to Mills' view every actor in the organization will effort to get the most and best of limited resources. In such a race, the more high a group receives a share, the more the other will lose. Game theory named this case as "zero sum game" that total earnings and total benefit each other lead to the result of zero means. On the other hand according to Parsons it is possible that power is a game that total is not zero. Consequently, it is possible to interpret that instead of winning despite another, to increase total resources through a partnership will increase all the group's gain, so that conflicts will be reduced by increasing of all resources. In this respect, it can be said that Parsons's view overlaps more with the new

scientific understanding, thus, not in practice but in theory, it is more accepted.

From the point of organizational leadership perspective organizational context-power school relationship is explained as next. According to De Wit and Meyer the implementation of the strategy in organizations is possible with the extent of the power of leader. Strategy reflects the leader's/upper management's decisions. Leaders should be able to influence and ensure their subordinates to follow himself/ herself by using both the formal position power and charisma, experience, persuasive power caused by his/her personality³³. Organizational dynamics like politics, resistance to change, culture, and learning difficulties are always present, but a strong leader always knows to overcome the challenges. Accordingly, leader will be able to gain power when he/she should analyze internal and external environment and developed strategy through the awareness that each system has its unique characteristics. Leader's chance of winning control over organizational behavior increases while he/she have the power of proactive action. If leader can truly analyze the existing political structure and powerful individuals/groups in the organization, he/she can lead the organization to new directions by changing its culture. In this case, although organizational dynamics are important, the power of leader may be an effective tool to shape organizational context. In addition, leader can increase the success of the organization by supporting a political environment that generates creative conflicts.

When organizational context evaluated from the organizational dynamics perspective, this perspective seems to coincide with the new scientific paradigm. According to the new scientific paradigm cause and effect relations based on the principle of causality

³³ Pfeffer, J., *Managing with Power: Politics and Influence in Organizations*,

disappear in social events, the results of long-term plans cannot be estimated. In the organizations that people are at the center, rules and generalizations cannot be created related with events and facts due to different and diverse perceptions. In line with this understanding Fahey³⁴ claims that, in strategic process not the hierarchical position of individuals but the social relations reflections are seen and strategic activities are the expression of mutual interaction between the individuals and coalitions.

According to organizational dynamics perspective from the frame of power school, strategy will be applicable while the dominant political group's decisions are included. Papadakis and others³⁵ were found that CEO and senior management are ineffective in influencing political activities. CEOs failure in affecting political activity displays that although they create strategy, they will encounter problems while the implementation. Ongoing political and cultural environment in summary can create barriers to leaders while taking the organization to the direction they want. Therefore, the organizational dynamics perspective argues that the role of leader in the strategic process is, to create an environment where strategy is self-developed from the sub-units to upwards by holding the change limited, and to act as a guide and a judge in political environment.

That might be useful to take into account the cultural differences while evaluating organizational context from the organizational leadership and organizational dynamics. According to Hofstede in the communities where uncertainty avoidance level is high, it is important to know that things are under

control³⁶. Consequently, it may be possible to say that organizational leadership perspective would be more dominant while developing strategy. Leaders will gain power to the extent of eliminating uncertainty and realize strategic change under less resistance. According to Hofstede, in the communities where the uncertainty tolerance is higher, the rate of worrying about uncertain conditions is low. Execution of tasks under chaotic conditions does not obsess these people. In this type of communities it is more likely that organizational dynamics perspective be active in the strategic process.

5. Conclusions

In this study, the place of organizational context in the strategic process was assessed in terms of power school. Organizational context is discussed on the basis of control and chaos paradox which show the formation and implementation of the strategy. Accordingly, strategic process in the organizational context has been addressed in the axis of organizational leadership perspective which reflects control, and organizational dynamics perspective which reflects chaos, then the relationship with power school was assessed.

As a result it can be said that in strategic process control and chaos paradoxes cannot be entirely separated, but in terms of new scientific approaches to power school it can be asserted that in organizational context strategic processes associated more closely with chaos paradox. It is possible to say that for the organization keeping itself always in case of imbalance is important who want to adapt to the chaotic nature of the environment. In today's rapidly changing environmental conditions the success of strategy lies between the imbalance of stable organizational leadership and non-stable organizational dynamics

³⁴ Fahey, L. On Strategic Management Decision Processes. *Strategic Management Journal*, 2(1), 1981, 43-60.

³⁵ Papadakis, V.M. and Lioukas, S. and Chambers, D. Strategic Decision-Making Processes: The Role of Management and Context, *Strategic Management Journal*, 19, 1998, 115-147.

³⁶ De Wit, B. and Meyer.R.

perspective. In accordance with changing conditions leaders who are able to change their systems and structures between these two states are closer to success. This seems to be possible when leader have the power to leading, the main planner role and the role of a judge and guide between organizational politics, together by the rate that conditions required.

Between the two opposite assumptions of Mills and Parsons about power, it is seen that Parsons assumption is more appropriate with the

new scientific understanding theoretically. Accordingly, the thought which power is defined as a zero-sum game can turn into the thought that power is a game that everyone win due to the resources expand capacity. From a theoretical perspective such a change could be possible, but in practice the question of "which view is applicable?" must be answered. In future work, it will be very useful to research whether the paradigm shift in theory applicable or not in practice.

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