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# Bringing an Operational Strategy into Practice

A Case Study on Strategy Implementation in a  
Maintenance Organization in the Hydropower Sector  
Master's thesis in Quality and Operations Management

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**DIVISION OF INNOVATION AND R&D MANAGEMENT**

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#### SUMMARY

Translating strategic intent into day-to-day action remains a key challenge for organizations. This thesis explores how a newly developed Operations and Maintenance (O&M) strategy was implemented and followed up at the case company, a large Nordic power utility. Following a major organizational shift involving the insourcing of local O&M functions, the O&M strategy was introduced to support a transition toward value-driven maintenance and strengthen internal capabilities.

The purpose of this study was to examine how the O&M strategy has been translated into practice, and how its core values have been internalized across the maintenance organization. This thesis explores the implementation of the O&M strategy from a micro-perspective, focusing on how the strategy is translated into daily work and internalized by managers. A Strategy-as-Practice perspective was applied to understand how individuals and routines shape the execution and perception of the strategy. The research was conducted as a qualitative case study, based on interviews with managers from the O&M division and other key stakeholders, complemented by document analysis and reflections from a validation workshop.

The findings show that strategy translation relies both on formal tools and the interpretive efforts of middle managers, whose engagement shapes how the strategy is embedded locally. While several practices support implementation, the link to strategic intent is often implicit and behavioral dimensions are not systematically followed up. The internalization of core values varies depending on their character and the extent to which they are reinforced through appropriate implementation practices. Further, the findings suggest that while operational control is strong, it could be complemented by more reflective practices to better capture the cultural and behavioral dimensions of the strategy.

The thesis recommends strengthening performance dialogues, enabling strategic reflection, clarifying leadership expectations, and improving cross-divisional coordination to support long-term implementation of the O&M strategy.

Keywords: Strategy implementation, Operations and maintenance strategy, Hydropower generation, Organizational change, Strategy-as-Practice, Strategic practitioners and practices



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*Marie Stenelo & Lisa Hedlund, May 2025*



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# 1.0 Introduction

In many organizations, strategies are developed with the ambition to guide long-term priorities and shape organizational behavior. Yet, formulation of a strategy does not guarantee that it will be understood, accepted, or followed in practice (Hrebiniak, 2006). A growing body of research highlights the persistent challenge of closing the gap between strategic intent and actual behavior in organizations. While strategic plans often articulate high-level goals and visions for the future, these elements risk remaining symbolic unless they are actively translated into daily routines, decision-making, and communication across the organization (Johnsson et al., 2003). For organizations undergoing a transformation, strategy is not just a tool for control but also a means of building shared understanding, alignment, and identity (Balogun & Johnson, 2004). In such contexts, it is essential to follow up whether the organization is moving in the intended direction and whether the strategy has been meaningfully anchored in daily operations.

Previous research suggests that strategies are more likely to succeed when they are supported by both formal structures and ongoing local engagement (Mintzberg, 1994; Mantere & Vaara, 2008). However, empirical studies often focus on either the formulation of strategy or its intended outcomes and less attention has been paid to how strategy is implemented and sustained (Tawse & Tabesh, 2021; Vigfússon et al., 2021). In parallel with these developments, strategy research has evolved from a predominantly macro-level focus, concentrated on markets and competitive positioning, toward a deeper interest in the everyday practices of strategizing (Johnson et al., 2003; Jarzabkowski et al., 2007). *Strategizing* refers to the situated, social, and often informal actions through which strategy is realized and sustained in organizations. It highlights that strategy is not only something organizations have, but also something people do (Jarzabkowski et al., 2007). Scholars such as and Mintzberg (1994) laid the foundations of traditional strategic management, but in recent decades, researchers such as Whittington (2006) and Jarzabkowski (2005) have started emphasize the importance of understanding what happens inside organizations when strategy is put into action. This shift reflects a broader recognition that strategy is not only designed at the top of the organization, but also interpreted and shaped by individuals throughout the organization (Jarzabkowski et al., 2007). In response to limitations in earlier strategy research, which often emphasized plans and outcomes over lived practice, scholars have increasingly shifted attention to what actors actually do when working with strategy in everyday settings (Jarzabkowski, 2005; Johnson et al., 2003). This micro-level perspective highlights that strategy emerges not only through formal documents or decisions, but through the ongoing activities, routines, and interactions that bring strategy to life across the organization (Mantere & Vaara, 2008; Whittington, 2006). Understanding the doing of strategy, how it is interpreted, enacted, and maintained, has

become essential for grasping whether and how strategic intent translates into real organizational change (Jarzabkowski et al., 2007).

To explore how strategy is implemented and sustained over time, this study investigates the implementation of an operational strategy within the maintenance division of a Nordic power utility. The following sections introduces the case company and provides contextual background on the organizational setting and the strategy in focus.

## **1.1 The Case Company and its O&M Strategy**

### **1.1.1 Description of NordKraft**

One organization that has recently formulated a new strategy and is now seeking to understand how it has been implemented in practice is the case company examined in this study. To maintain confidentiality, the company is referred to by the pseudonym NordKraft. NordKraft is a major power utility with core operations in electricity generation and energy sales services across the Nordic region. The company plays a key role in the Nordic energy system, both by supplying electricity to customers and contributing to regional energy security. NordKraft operates across several energy segments, including hydro, nuclear, solar and wind.

One of the company's largest and most strategically important business areas is Hydro Generation, see figure 1. NordKraft is a market leader in hydropower and operates a substantial portfolio of hydropower assets. The Hydro Generation business unit is responsible for the operation, maintenance, and development of the company's hydropower fleet. This unit plays a central role in the company's corporate strategy, providing flexible and renewable electricity to balance the power system.

The Hydro Generation business unit is structured to manage both day-to-day operations and long-term development of the hydropower portfolio. It is organized into several functional areas known as divisions, including operations and maintenance (O&M), project execution, investment planning, business development and support functions such as safety and security, and environmental services, as seen in figure 1. The unit operates across multiple geographic regions within Sweden and Finland, with teams located in central cities but also close to the hydropower plants to ensure effective local presence and responsiveness.

Within the Hydro Generation business unit, the Operations and Maintenance (O&M) division is responsible for the ongoing operation and maintenance of NordKraft's hydropower assets. The division works in close collaboration with other parts of Hydro Generation to ensure efficient and reliable operations and the availability of the power plants. Until recently, a large share of the maintenance work had been carried out by external contractors as part of a long-standing outsourcing model. The O&M division is organized geographically, with Area Managers responsible for operations and teams within their respective regions. These managers oversee local power plants and maintenance activities, supported by engineering teams and asset managers who focus

on technical projects and asset-specific needs. At the operational level, technicians and team leaders carry out day-to-day maintenance tasks on site, playing a critical role in the upkeep and functionality of the hydropower plants.

This division is the primary focus and context for this study due to its recently development and implementation of a new Operations and Maintenance (O&M) strategy and the following decision of insourcing of a large number of maintenance employees to strengthen internal capabilities.

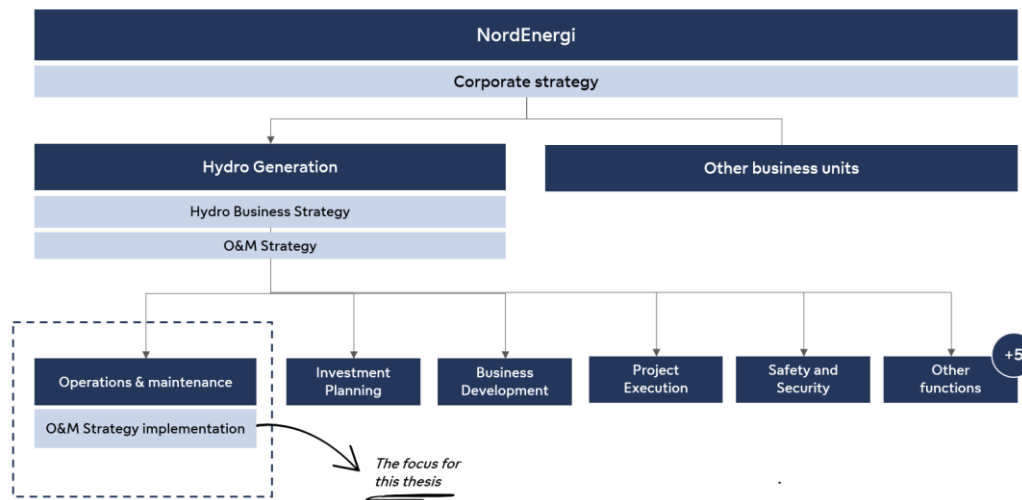


Figure 1. Illustrative figure of organizational structure and strategic layers within NordKraft

### 1.1.2 The Organisation of the O&M Division

Figure 2 provides a simplified overview of the organizational structure of NordKraft’s O&M division. The division has recently undergone significant growth following the insourcing of a large number of maintenance employees who were previously employed by external contractors. This restructuring has led to the rapid expansion of the organization and the introduction of several new hierarchical levels.

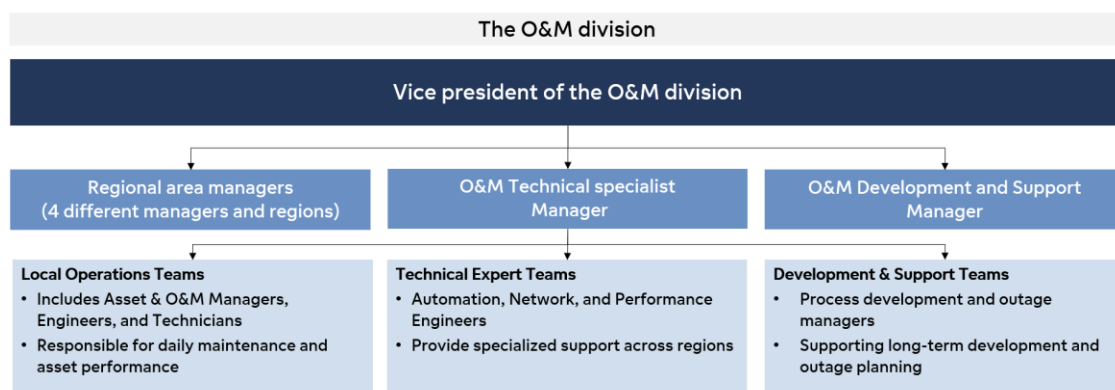


Figure 2. A simplified representation of the O&M division’s organizational structure

At the top of the division is the *Vice President*, who holds overall responsibility for the leadership and strategic direction of the O&M unit. Reporting directly to the Vice President are three managerial functions: the Regional Area Managers, the O&M Technical Manager, and the O&M Development Manager.

The *Regional Area Managers* represent the largest organizational branch and consist of four individuals, each responsible for maintenance operations in a specific geographic region in Sweden or Finland. These managers hold operational asset responsibility for their respective regions, overseeing the daily maintenance activities at the power plants. While some Area Managers were already part of NordKraft prior to the insourcing, many of the teams reporting to them, such as Asset Managers, O&M Managers, and Service Technicians, are newly integrated into the organization from the former contractors.

The *O&M Technical Manager* leads a team focused on ensuring the technical integrity and reliability of the power plants. This includes troubleshooting, maintaining operational continuity, and ensuring that machinery and equipment function as needed. This part of the organization comprises several engineering functions. Like the operational teams, many of these engineers are newly incorporated into the division as a result of the insourcing process.

Finally, the *O&M Development Manager* oversees functions related to long-term development and process improvement within the maintenance organization. This includes managing areas such as outage planning and process development.

Together, these three managerial branches represent the key structural pillars of the O&M division and form the basis for how the organization translates strategic priorities into operational action.

### **1.1.3 The Background of the O&M Strategy and the Insourcing Project**

In late 2020, NordKraft entered into a joint venture with another utility, here referred to as Company B, with the aim of exploring synergies in areas such as Nordic hydropower and trading optimization. The collaboration showed strong potential for knowledge exchange and operational alignment. However, the outbreak of the war in Ukraine shortly thereafter led to major shifts in the European energy market. This development placed the companies in a challenging position, leading to the agreement of deconsolidating the partnership.

Although short-lived, the collaboration offered several learnings and knowledge exchange opportunities between NordKraft and company B. One of the most notable differences between the two organizations was their sourcing models: Company B maintained a hybrid model, with mainly in-house teams, whereas NordKraft relied

primarily on outsourced contractors. Inspired by this contrast, NordKraft initiated a strategic project to a project to strategically evaluate its own approach to operations and maintenance.

The purpose of the project was to develop a comprehensive Operations and Maintenance (O&M) strategy. The strategy was intended to define a desired future state for maintenance operations, and to serve as a foundation for decision-making regarding operating models, improvement initiatives, and sourcing model(s). The strategy would guide the company in aligning its maintenance practices with long-term performance goals. To support this work, the organization established an internal project team to analyze the current and future state of maintenance operations. The team conducted interviews and workshops with maintenance personnel, managers, and other key stakeholders throughout the organization. These discussions helped identify operational challenges, organizational needs, and opportunities for improvement. The team also performed a market analysis to understand external trends and practices. By combining insights from internal engagement and external analysis, the project team formulated a vision for the desired future state. The outcome of the project was a strategic document that serves as the foundation of the O&M strategy and is intended to guide future decisions on maintenance operations.

Based on the analysis and stakeholder input, the project concluded that an insourced maintenance model would better support the company's strategic objectives. As a result, a large number of maintenance employees from external partners were brought in-house and fully integrated into the Hydro Generation business unit as of July 2023.

Following the insourcing decision, the organization initiated a comprehensive integration process. This included not only the onboarding of new employees but also structural adjustments to accommodate the expanded internal workforce. Several organizational changes were introduced over time, including the creation of new roles and revised reporting structures. In parallel, efforts were made to operationalize and communicate the newly developed O&M strategy. This included the implementation of updated work processes and the alignment of maintenance practices across different regions. Training programs were introduced to build competence among the new employees, with a focus on safety, internal routines, and company-specific procedures. To support the change, communication initiatives were carried out to explain the rationale behind the insourcing decision and to strengthen the connection between day-to-day operations and the strategic objectives of the O&M strategy. These efforts aimed to build engagement and shared understanding among both new and existing staff during a period of significant organizational transition.

The development of the O&M strategy was not only a response to emerging needs but also a key driver behind the insourcing decision. It was based on a structured assessment of the organization's current state, long-term goals, and future requirements for maintenance operations. As such, the strategy provided a clear foundation for shaping the new operating model and guiding the broader organizational transition.

With the strategy in place, the next step involved translating its intentions into practice. The following section presents the core components of the strategy that now guide the company’s approach to operations and maintenance.

### 1.1.4 The Content of the O&M Strategy

The O&M strategy developed by the O&M division serves as a guiding framework for how maintenance work is organized and executed. It was developed as part of a strategic initiative to assess the future direction of maintenance operations and to support long-term goals related to performance and internal capability. To support communication and accessibility, the strategy has been summarized in a one-page PowerPoint slide that is widely used within the organization as seen in figure 3. This slide serves as a visual representation of the strategy’s key components and is used to reinforce its core message in various internal settings.

The strategy consists of three main elements as seen in figure 3: a vision statement, a set of core values and strategic objectives. a basis for both daily operations and long-term development.



Figure 3. An illustrative figure of the O&M strategy summery slide

#### Vision statement

At the heart of the strategy lies a vision statement that articulates the overarching purpose of the organization’s O&M efforts, as seen in figure 3. The statement emphasizes delivering reliable, fossil-free energy while ensuring safety, flexibility, and availability:

*“We maintain our power plants with pride and deliver reliable fossil-free energy while optimizing flexibility and availability and ensuring safe operations for our employees and society.”*

## **Core values**

Further the strategy defines a number of core values that are meant to guide behavior, culture, and decision-making throughout the organization, seen in figure 3. These values include:

*Safety behaviors* – emphasizes the importance of protecting the health and safety of all employees. In an environment where most of the work takes place at remote and technically complex hydropower stations, safety must be an active, ongoing concern. This value promotes routines and behaviors that prevent accidents and ensure that everyone returns home safely.

*Competence & pride* – encourages employees to take initiative and responsibility for their work, and to care for the assets they operate. Pride means taking pride in one's workplace and is seen as essential for ensuring quality and driving long-term performance. This value also highlights the need for continuous competence development and in-house technical expertise.

*Well-kept and sustainable assets* – focuses on ensuring that facilities are clean, orderly, and maintained in good condition. This value reflects both an internal and external responsibility: creating a safe and respectful work environment for employees, while minimizing environmental impact on the natural surroundings of the hydropower stations.

*Balance decision based on value and cost* – promotes a shift from a cost-driven mindset to one where long-term value is prioritized. Rather than always choosing the cheapest solution, employees are encouraged to consider the broader impact of their decisions. It is important to consider how decisions affect the strategic goals of the organization to maximize long-term value. This value aims to support a more holistic, value-driven approach to operations.

*People and processes enabling flexible and available assets* – highlights the need for both organizational systems and individual behaviors that support adaptability. In the hydropower context, availability means that power plants must be ready to produce electricity when the market need it or even when market conditions make production most profitable. Achieving this requires operational flexibility: maintenance teams must sometimes shift plans, reschedule work, or respond to last-minute demands. For this to be possible, both people and processes need to support a culture of responsiveness.

## **Strategic objectives**

The strategy also outlines a set of nine strategic objectives that is to be focused on in order to meet the Vision and Core Values of the strategy. These objectives are meant to translate the strategy into actionable focus areas, and the character of the objectives have different focus. All the objectives is shown in figure 4.

In order to reach our Vision and fulfill our Core Values and Mission, these are the strategic objectives we need to focus on	
Continue to work actively with improving the safety culture and safety behavior all the way from management to local level	We ensure flexibility of our operations to respond to a fast-changing market environment
We have an operating model incl. sourcing model that supports our core values	We have defined expected performance levels and ownerships for our O&M processes that guides our O&M
We have a clear and simple governance model enabling seamless communication and collaboration across the organization and with partners	We have differentiated operating targets for different categories of power plants and dams based on business value and characteristics
We are an attractive employer with a sustainable resource and competence strategy	We are data-driven in O&M activities utilizing CMMS and other digital tools to their full extent
Fulfillment of legal requirements and our policy's (dam safety policy, environmental policy etc.) underpin the strategy	

Figure 4. Strategic Objectives

## 1.2 Aim and Research Questions

The aim of this thesis is to examine how the O&M strategy at NordKraft has been implemented and followed up within the maintenance division. The study investigates how the strategy is interpreted and applied by managers, with a particular focus on how its key components, such as the vision, core values, and objectives, are used to guide the organization. Emphasis is placed on understanding how the O&M strategy is translated into practice and what is actually occurring in the operational reality. The study further investigates the organizational mechanisms that support this process, including routines, tools, communication and leadership.

The objective is to assess how the implementation and follow-up of the O&M strategy aligns with the strategic intent. Through this analysis, it seeks to understand how strategy becomes practice within a large, complex maintenance organization while identifying the factors that enable or challenge effective implementation.

To reach the aim and objective this study is guided by the following two research questions:

1. *How is the O&M strategy translated into practice and how is the implementation followed up and evaluated?*
2. *How are the core values of the strategy internalized within the organization?*

## 1.3 Delimitations

This thesis is limited to studying the implementation and follow-up of the O&M strategy within one internal division of NordKraft's Hydro Generation business unit. While Hydro Generation has its own strategic roadmap, this study focuses specifically on the O&M strategy developed by the O&M division.

All empirical data is based on interviews with individuals in managerial roles within or closely connected to the O&M division. As such, the study reflects a managerial perspective on strategy implementation. The findings regarding how the strategy affects technicians and frontline employees are therefore based on managers' observations, interpretations, and assumptions and not on direct input from operational staff. The study does not assess the technical content of the strategy, nor does it aim to measure its financial or operational outcomes. Instead, it seeks to understand how the strategy is perceived, enacted, and followed up in daily practice within its intended organizational context.

In addition, the study was carried out over a limited period, from mid-January to the end of May. It takes a retrospective view of the strategy's implementation and does not track its development or long-term effects over time. While multiple theoretical frameworks could be used to study strategy implementation, this thesis applies a *Strategy-as-Practice* perspective. This framework is used to examine how strategy is enacted through day-to-day activities, tools, and interpretations, with a particular focus on how strategic values are embedded and maintained through local practices.

## **2.0 Frame of Reference**

This chapter presents the theoretical foundation for analysing how the O&M strategy is translated into practice, followed up, and how its core values are internalized across the organization. Section 2.1 outlines the shift from classical to practice-based views of strategy and introduces the Strategy-as-Practice (SAP) framework, focusing on the roles of practices, practitioners, and praxis. It also highlights how strategic practices can enable or constrain action, and how middle managers shape strategy through sensemaking. Section 2.2 draws on literature on strategy implementation to identify recurring implementation practices and the tools and processes through which strategy is enacted and monitored in organizations.

Together, these perspectives provide a foundation for exploring both the execution and evaluation of the strategy, as well as the internalization of its core values.

### **2.1 Strategy-as-Practice**

Rather than viewing strategy implementation as a linear process, this study adopts a practice-based perspective that emphasizes the everyday actions, interactions, and interpretations through which strategy work is carried out. Central to this approach is the SAP framework, which focuses on the role of practitioners, the practices they engage in, and the situated nature of strategic activity.

#### **2.1.1 From Classical to Practice-Based Views on Strategy Implementation**

Strategy implementation has been widely studied, yet remains conceptually fragmented and inconsistently defined across the literature. As noted by Friesl et al. (2021), researchers have applied the term to various objects, often without a clear or shared conceptualization. Historically, strategy implementation was framed through contingency logic, emphasizing internal fit between strategy, structure, and environment. These studies assumed a rational and planned process of alignment between strategy and organizational design. However, more recent work has challenged this view, pointing to the emergent and often unpredictable nature of implementation in practice (Weiser et al., 2020). Within this view, implementation depends not only on formal structures but on how managers and employees make sense of strategic intent and negotiate its relevance in context (Johnson et al, 2003). Rather than treating implementation as a linear phase following strategy formulation, this approach emphasizes the emergent and situated nature of strategy work across organizational levels (Friesl et al., 2021).

This shift reflects a broader movement in strategy research toward more processual and practice-oriented approaches. In response to the limitations of traditional strategy research scholars have developed what is known as the SAP approach (Friesl et al, 2021). This approach shifts attention from what organizations have in terms of strategy

to what people actually do when they engage in strategic work (Jarzabkowski et al., 2007). The approach views strategy as a socially accomplished and situated activity, emphasizing everyday actions, routines, and interactions within organizations.

SAP seeks to humanize strategy research (Jarzabkowski et al., 2007; Whittington, 2006). It argues that strategy is not only something designed by top management but also interpreted and enacted by individuals throughout the organization. This perspective focuses on the practices and people and asks what activities people involved in strategy do, which tools they use and how their organizational context shape their actions (Whittington, 2006).

Taken together, the SAP perspective offers a lens through which strategy implementation can be examined. This is particularly relevant for this study, which seeks to understand how a maintenance and operations strategy is implemented and followed up in practice. Since the research focuses on how individuals interpret and use the strategy, a practice-based lens enables an analysis of the concrete activities, tools, and interactions that shape strategic outcomes. To explore this in greater detail, the following sections outline the core analytical components of the SAP lens which offers distinct perspective on how strategy is enacted in practice.

### **2.1.2 Core Strategy-as-Practice Concepts: Practices, Practitioners, and Praxis**

At the core of the SAP perspective lies a triadic framework which distinguishes between *practices*, *practitioners*, and *praxis* (Whittington, 2006). This framework provides a structured way to examine how strategy is constructed and enacted in organizational life, moving beyond abstract notions of strategy to the actual work through which it is performed.

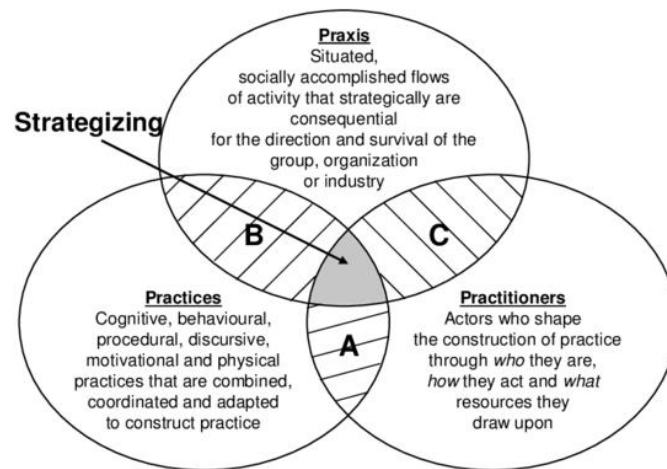
*Practices* - Practices refer to the shared routines, tools, norms, and procedures that guide how strategic work is done (Whittington, 2006). These may include formal processes such as strategic planning, as well as informal patterns of thinking and acting. Practices provide the cognitive and material resources that shape how individuals approach strategy in their context. In a strategic context, practices can include everything from decision frameworks and meeting formats to reporting routines and leadership dialogues. Jarzabkowski et al. (2007) further argues that practices are not abstract; they are directly connected to “doing” and are carried out through the use of various resources. Through these resources, actors interact with one another to complete strategic activities and decisions.

*Praxis* - Praxis refers to the actual flow of activities through which strategy is enacted (Whittington, 2006). It captures what people do when they strategize, both in formal settings like workshops and in informal contexts such as hallway conversations. Praxis is dynamic and can take place across multiple levels (Jarzabkowski et al., 2007).

Through praxis, strategy becomes visible in action. It embodies presentations, project meetings, review discussions, and other moments where strategic direction is interpreted, challenged and translated into behavior. Rather than viewing strategy as something abstract or detached from daily activity, the concept of praxis shifts attention to how strategy is shaped by situated and context-dependent behaviors (Whittington, 2006). By studying praxis, researchers can examine how strategy is continuously shaped and maintained over time.

*Practitioners* - Practitioners are the individuals who engage in strategic activity. They can be senior executives, middle managers, team leaders, or external consultants and anyone involved in shaping, translating, or executing strategy (Whittington, 2006). The SAP perspective emphasizes that strategy work is distributed, and not limited to those with formal planning roles. Understanding practitioners involves analyzing how their skills, experiences, and positions influence strategic outcomes. Practitioners interpret the same strategic situation differently based on their competence and context (Whittington, 2006). Their role is critical in shaping how practices are used and how praxis unfolds.

Jarzabkowski et al. (2007) build on Whittington's (2006) foundational categories, practitioners, practices, and praxis, to propose a conceptual model for studying strategy as practice. This framework emphasizes that strategizing, understood as the actual doing of strategy, emerges at the intersection of these three elements. While each component can be studied in isolation, Jarzabkowski et al. (2007) argue that their interrelations are central to understanding how strategy is constructed and maintained within organizations. Strategizing takes place where these three dimensions intersect. Jarzabkowski et al. (2007) illustrates this through a model that highlights three distinct areas of interaction, as seen in figure 5, where each of these intersections offers a different lens for research.



Strategizing comprises the nexus between practice, practices and practitioners. A, B, and C represent stronger foci on one of these interconnections depending upon the research problem to be addressed

Figure 5. An integrated framework for strategizing (Jarzabkowski et al., 2007, p. 11)

This integrated framework offers a dynamic understanding of strategy, not only as a designed plan, but as something enacted and continuously shaped through everyday actions and interactions. It shifts the analytical focus from strategic outcomes to the social and material practices through which strategy is performed (Jarzabkowski et al., 2007).

The distinction between practices, practitioners, and praxis is especially useful in this study as it enables a more nuanced analysis of strategy. Distinguishing between these dimensions enables a more detailed examination of how strategy implementation unfolds within each area. Together, these dimensions help us understand how strategizing takes place in our case company, NordKraft, where potential gaps or misalignments arise.

### 2.1.3 Strategic Practices as Enablers and Disablers for Championing Activity

While the triadic framework of *practices*, *practitioners*, and *praxis* offers a broad lens for analyzing strategizing activity, other contributions have examined how specific types of *practices* influence individuals' ability to engage in strategic work. Mantere (2005) explores how organizational practices can either enable or constrain what he calls strategic championing, defined as the active involvement of individuals in promoting strategic issues beyond their formal roles.

Mantere (2005) developed a framework in which strategic practices are categorized along two dimensions: (1) whether they are *adaptive or recursive*, and (2) whether they relate to *strategy formation, organizing, or control*. The distinction between adaptive and recursive practices builds on Jarzabkowski's (2004) theoretical work, which draws on structuration theory (Giddens, 1984). *Recursive practices* are characterized by repetition, institutionalization, and the reinforcement of existing norms and structures. They draw on established routines and provide predictability to organizational actors. However, such practices can also constrain reflexivity and narrow the space for alternative ways of thinking about strategy directions Jarzabkowski's (2004). They are more likely to emerge in hierarchical or bureaucratic contexts, where top-down planning and formal control systems dominate (Jarzabkowski, 2004). *Adaptive practices*, by contrast, arise from localized, reflexive engagement and are shaped by the dynamic interplay between actors and their environments. These practices are associated with reinterpretation, innovation, and the potential to alter or reconstruct existing structures (Jarzabkowski, 2004). Adaptive practices are more common in decentralized, and flexible organizations, and they allow for strategic learning and responsiveness in the face of uncertainty or change. Further, Mantere (2005) draws on Argyris' (1977) concept of *double-loop learning* to distinguish between *single-loop* and *double-loop organizations*. In single-loop organizations, recursive practices dominate, enabling individuals to follow existing strategies and correct deviations without questioning the underlying assumptions. In contrast, double-loop organizations support adaptive practices that allow individuals to reflect on and challenge strategic assumptions themselves.

In addition to this structural dimension, Mantere categorizes strategic practices according to their functional role in the strategy process. *Strategy formation* practices refer to the processes through which individuals make sense of how their activities relate to the organization's strategic direction (Mantere 2005). Rather than viewing strategy as top-down and pre-formulated, these practices emphasize how strategy emerges from the collective actions of multiple actors, both those executing and those shaping strategy, through routines like feedback mechanisms, strategy operationalization practices and Sensegiving practices. *Organizing practices* involve the routines through which strategic activities are legitimized and coordinated, such as task definition practices, organization design practices and negotiation of responsibility (Mantere 2005). These practices shape what is considered appropriate behavior in line with strategy, determining who is expected or authorized to act. *Control practices* refer to the mechanisms through which resources, such as time, funding, and knowledge, are allocated to support strategic action (Mantere 2005). These practices include monitoring, evaluation, and performance incentives, but also determine who gets access to the tools and support needed to carry out strategy. While strategy formation enables sensemaking and organizing defines expected behaviors, control ensures that individuals can actually realize those behaviors by leveraging the necessary resources. Together, these three categories highlight how the design and enactment of practices

can significantly influence whether individuals are empowered or discouraged from participating in strategy work.

This framework is valuable for the study as it allows the understanding of how different types of strategic practices either support or hinder managers to the implementation of the O&M strategy in the case company. By distinguishing between adaptive and recursive practices across the areas of formation, organizing, and control, it becomes possible to identify which practices enable or constrain individuals' ability to act on the strategy in daily operations.

#### **2.1.4 Sensemaking and the Role of Middle Managers**

A growing body of research within the SAP field integrates the concept of sensemaking to shed light on the cognitive, emotional, and interpretative dimensions of strategy work (Whittington et al., 2021). Originally developed by Weick (1995), sensemaking refers to the ongoing, retrospective process through which individuals construct plausible interpretations to rationalize their actions. In the context of strategic change, it describes how managers interpret strategic issues and create meaning for themselves based on the information surrounding the change (Rouleau, 2005). Within the SAP literature, sensemaking is recognized as a broad and evolving concept that highlights how strategic activity is influenced by individuals' subjective interpretations (Glynn & Watkiss, 2020). Closely related to this is the concept of sensegiving. These two processes are viewed as complementary and reciprocal (Rouleau, 2005). While sensemaking concerns how individuals make sense of their environment, sensegiving focuses on how managers attempt to shape the interpretations of others, communicate their understanding of change, and gain support (Rouleau, 2005). In this role, managers are required to interpret and convey the meaning of strategy to key audiences, such as operational-level employees. This dynamic becomes particularly important in contexts of change, where ambiguity is high and the meaning of the change is contested.

To further explain how managers engage in these processes, Rouleau and Balogun (2011) introduce the concept of discursive competence. In their view, middle managers influence strategic outcomes not through formal authority but through their ability to craft and share messages that are meaningful within their local context. This competence involves not only the use of appropriate language but also the ability to draw on symbolic, cultural, and relational knowledge to adapt communication across different settings and audiences. Through these discursive efforts, managers perform and embed strategy in day-to-day interactions.

This interplay between sensemaking and sensegiving becomes especially important at the middle-management level. Several studies in the SAP field have highlighted that middle managers are key drivers in organizational change (Mantere, 2008). They play a crucial role in translating strategic objectives into action, serving as a vital link between senior leadership and operational staff (Floyd & Lane, 2000). This role becomes particularly relevant during structural change. Balogun and Johnson (2004)

demonstrate that in decentralized organizations, middle managers' sensemaking is primarily influenced by peer interactions and shared local experiences rather than direct input from senior leadership. When top management is physically absent, middle managers develop collective interpretations of strategic change through informal social processes such as conversations and routines (Balogun and Johnson, 2004).

A key concept in understanding these dynamics is schema change, the adjustment of underlying cognitive structure through which individuals make sense of organizational life. According to Balogun and Johnson (2004), shifts in structure can disrupt established schemata, prompting middle managers to negotiate new ways of understanding their roles, responsibilities, and relationships. These changes occur not in isolation but through social processes, including informal conversations, shared experiences, and symbolic cues. When cultural and managerial support for new schemata is lacking, middle managers may default to familiar routines and control-based practices.

## **2.1 Strategy Implementation and its Practices**

Over time researchers within SAP has studied different types of practices, however most studies focuses on practices connected to formulating the strategy and making decisions on strategic direction (Vaara and Whittington, 2012). Hence, Friesl et al. (2021) suggest that there is potential for new insights in the practice field related to the execution of a strategy. Further Friesl et al. (2021) mapped out existing research on strategy implementation and used that to identify practices that are dominant in strategy implementation. The authors describes five key practices of strategy implementation; *Structure and process matching*, *resource matching*, *monitoring*, *framing* and *negotiating*. For each practice, the authors also focus on the practitioners involved and the tools they use.

Firstly, *Structure and process matching* is a practice that involves aligning organizational structures and process with the strategic intent (Friesl et al, 2021). While early studies emphasized general organizational alignment, more recent research investigates situated activities involved in this alignment. Rather than linking implementation directly to performance, newer research focuses on how managerial actions are shaped by structural and procedural configurations. For instance, Friesl & Silberzahn (2017) studied how small routine interactions can have significant effect on how well a strategy is executed. Their study shows that when communication lacks clarity, managerial accountability diminishes, resulting in a situation where no one fully owns or follows up on strategic tasks. Furthermore, Jarzabkowski et al. (2019) highlight how efforts to align structures and processes with strategic intent may produce unintended consequences that hinder implementation. These disruptions can trigger reflective action cycles, where actors reassess and adapt strategy based on emerging challenges, illustrating the dynamic and situated nature of strategy work.

Friesl et al. (2021) refers to *resource matching* as a practice to align an organization's available resources with the demands of a new strategic intent. It involves assessing whether existing capabilities are adequate, or need to be developed to support the implementation of the strategy.

Moreover, *monitoring* is a central practice for ensuring strategy implementation by allowing to track progress, maintain alignment and make adjustments (Friesl et al. 2021). Early studies focused on formal monitoring by top management using structured reporting systems and control mechanisms. However, more recent research focus on informal monitoring practices to facilitate sensemaking and learning (Thomas & Ambrosini, 2015). These findings suggest that excessive reliance on formal controls can inhibit implementation by limiting perceived autonomy and discouraging reflection, especially in strategies that rely on behavioral and cultural change. Tools used for internal monitoring range from mathematical models to performance systems that integrate financial and behavioral indicators (Friesl et al. 2019). Micheli and Mura (2017) emphasize the importance of using performance management systems that integrate both financial and non-financial measures to capture the full scope of strategic progress and behavioral alignment.

*Framing* refers to how a strategy and its rationale are communicated and interpreted by the strategic practitioners (Friesl et al, 2021). Framing is linked to sensegiving, as it help build an shared understanding of strategic intent and direction. Further, management plays a central role in sensegiving and can actively shape perceptions to align employee understanding with strategic goals (Mantere et. al 2012). In practice, framing includes symbolic actions, which can challenge old interpretations and prepare for new ones (Friesl et al, 2021). The purpose of framing practices is to challenge an existing frame of reference and introduce an alternative one while also being able to justify certain decisions.

Lastly, *Negotiating* practices is recognized as a central part of strategy implementation, involving both interest-based and interpretation-based negotiations (Friesl et al., 2021). Interpretation-based negotiations focus on meaning-making during strategy implementation. These processes may occur through formal communication or informal conversations, such as gossip, stories, or shared experiences (Balogun & Johnson, 2004). If senior managers fail to actively frame the strategy, meaning it is likely to be negotiated through these informal channels, shaping perceptions and ultimately influencing outcomes. These findings underscore that negotiation is not just a managerial task but a distributed process that unfolds across levels, shaping the strategy's content and meaning in practice (Friesl et al., 2021).

Together, these five practices highlight the complex and situated nature of strategy implementation. Friesl et al. (2021) emphasize that implementation is not a linear process, but a dynamic effort that requires coordination across multiple activities and organizational levels. Rather than focusing only on strategy content, the emphasis is

placed on understanding what managers do to bring strategy into action. This reinforces the need to shift analytical focus from abstract strategy content to the situated actions of managers who bring the strategy to life. Successful implementation depends on how managers engage with and enact these practices. Hence, the framework adds a valuable lens for the study with a more nuanced perspective on which practices are needed to support different aspects of the strategy.

## **3.0 Methodology**

In the following section, the methodology used to answer the research questions is presented. It addresses the research strategy and design, data collection, data analysis, and ethical considerations.

### **3.1 Research Approach**

This study employs a qualitative research strategy, as described by Bell et al. (2019), focusing on the interpretation of textual and visual data rather than numerical analysis. The strategy was chosen as it emphasizes words and images in the collection and analysis of data rather than quantification. The study follows an inductive approach, where the data collection and analysis is used to develop theoretical insights. A single-case study design was selected, focusing on NordKraft, a large Nordic power utility. NordKraft was chosen due to its recent development and implementation of an O&M strategy, combined with its complex organizational structure and recent decision to insource maintenance operations. These characteristics make it a relevant case for exploring how strategic initiatives are translated into practice in the energy sector.

The case study approach is widely used in business research with numerous of successful examples according to Bell et al. (2019). While the findings from this study are specific to NordKraft, they may also offer broader insights into how power utilities can approach the development and execution of operational strategies in similar contexts.

### **3.2 Data Collection**

The data collection process was executed in two phases: a pre-study phase and a main study phase. In the pre-study phase, initial information was gathered to develop a foundational understanding of NordKraft's Hydro Generation division and its O&M strategy. This phase involved conducting interviews, performing literature reviews, and analyzing relevant documentation. The insights obtained were important in shaping the interview guide and overall approach for the main study.

During the main study, in-depth interviews were conducted to explore how managers perceived and applied the strategy, as well as which formal tools were used to implement and work with it. To further deepen the analysis, additional literature reviews, documentation analyses, and a workshop were also carried out, providing a comprehensive perspective on both the theoretical and practical aspects of the strategy

### **3.3 Literature Review**

A literature review was conducted to provide an overview of the research area and establish a theoretical foundation for the study. As emphasized by Bell et al. (2019), a

comprehensive literature review is a fundamental component of academic research, helping to position the study within existing theoretical contributions.

The initial focus was to gain an understanding of the SAP research field. To do so, academic databases such as Google Scholar and Web of Science were used to identify relevant articles. Search terms included “strategy as practice,” “practices and practitioners,” and other related keywords. In addition, literature by well-established authors in the field, such as Jarzabkowski, Whittington, Mantere, and Rouleau, was reviewed both to gain a deeper understanding of core theoretical concepts and to guide the selection of search terms during the literature search process. This review informed the study’s analytical lens and helped define relevant concepts for examining how strategy is implemented and followed up in practice.

### **3.4 Sampling Strategy**

This study adopts a purposive sampling strategy, in which participants were strategically selected based on their relevance to the research questions (Bell et al., 2019). Given the aim of the thesis, it is essential to interview individuals who hold responsibility for, or have direct insight into, the execution and follow-up of the strategy. As such, the sample consists of managers and managers at different levels within or closely connected to the O&M division. In alignment with the purpose of purposive sampling, participants were selected based on criteria that maximized their likelihood of contributing to a deeper understanding of the strategy’s implementation (Bell et al., 2019).

To support the identification of relevant participants, a pre-study was conducted in which informal conversations were held with key stakeholders in the organization. During this phase, we also applied snowball sampling, where initial contacts were asked to recommend further participants who were involved in or affected by the O&M strategy (Bell et al., 2019). This technique helped ensure that perspectives from multiple leadership roles and geographic regions were captured.

### **3.5 Pre-Study**

A pre-study was conducted to delineate the project scope and gather preliminary insights into the case company and its strategic direction. Refer to Table 1 for a summary of the pre-study interviews.

A set of initial interviews was carried out with managers from the O&M division and other divisions within the Hydro Generation business unit. These interviews were semi-structured, featuring open-ended and general questions to maintain a flexible, exploratory approach in understanding the strategy (Bell et al. 2019). This format allowed for follow-up questions when needed and facilitated a deeper understanding of the O&M strategy, as well as the functioning of the O&M division.

Nr.	Respondent	Position	Division	Involvement in projects	Time duration
1.	Person A	Middle manager	O&M	-	30 min
2.	Person B	Middle manager	O&M	Involved in strategy development project	30 min
3.	Person C	Middle manager	O&M	Involved in strategy development project	30 min
4.	Person D	Middle manager	O&M	-	35 min
5.	Person E	Middle manager	Other	Involved in strategy development project	30 min
6.	Person F	Middle manager	O&M	Involved in strategy development project	30 min
7.	Person G	Middle manager	O&M	-	30 min
8.	Person H	Executive manager	O&M	Involved in strategy development project	35 min
9.	Person O	Manager	Other	Involved in strategy development project	25 min
10.	Person P	Manager	Other	-	25 min
11.	Person Q	Manager	Other	-	45 min

*Table 1. Short description of pre-study interviewees*

Further insights were obtained through internal documentation, such as the O&M strategy, KPI handbook, and records of monthly performance management dialogues, among other materials. Which created an initial understanding for the O&M strategy and the current performance management system and governance structure. The findings from the pre-study were important in developing the interview guide for the main study, laying the groundwork for a more focused data collection.

### **3.6 Main Study**

A total of 16 individuals participated in the main interview study, as seen in Table 2. All respondents held managerial positions either within the O&M division or in other parts of Hydro Generation. Many had been directly or indirectly involved in the strategy development project, ensuring that they possessed relevant knowledge of the O&M strategy. As managers, they had either used the strategy in their own work or had experience engaging with strategic processes more generally. Each interview was conducted individually, allowing participants to provide detailed responses and speak more openly about their views on the strategy, its implementation, and its use.

The interviews were conducted using a semi-structured format, which is widely used in business research according to Bell et al. (2019), and supports both consistency and flexibility in data collection. This approach was chosen to enable a deeper understanding of how the O&M strategy was perceived and applied across the organization. An interview guide was developed based on insights from the pre-study and structured around key themes, including the content of the O&M strategy as well as the processes for its governance and follow-up. While the guide ensured that core topics were consistently addressed across interviews, the format also allowed the interviewer to deviate from the guide when relevant. This flexibility enabled the interviewer to follow up on issues raised by respondents and explore emerging topics in greater depth, in line with how Bell et al. (2019) describe the adaptive nature of semi-structured interviews.

Nr.	Respondent	Position	Division	Involvement in projects	Time duration
1.	Person A	Middle manager	O&M	-	60 min
2.	Person B	Middle manager	O&M	Involved in strategy development project	60 min
3.	Person C	Middle manager	O&M	Involved in strategy development project	60 min
4.	Person D	Middle manager	O&M	-	60 min
5.	Person E	Middle manager	Other	Involved in strategy development project	60 min
6.	Person F	Middle manager	O&M	Involved in strategy development project	60 min
7.	Person G	Middle manager	O&M	-	50 min
8.	Person H	Executive manager	O&M	Involved in strategy development project	60 min
9.	Person I	Line manager	O&M	-	50 min
10.	Person J	Line manager	O&M	-	50 min
11.	Person K	Executive manager	Other	Involved in strategy development project	45 min
12.	Person L	Executive manager	Other	Involved in strategy development project	45 min
13.	Person M	Executive manager	Other	Involved in strategy development project	45 min
14.	Person N	Manager	Other	Involved in strategy development project	60 min
15.	Person Q	Manager	Other	-	60 min
16.	Person R	Manager	Other	Involved in strategy development project	50 min

*Table 2. Short description of the main study interviewees*

Each interview lasted between 45 and 60 minutes, with most conducted digitally. The questions primarily focused on how the O&M strategy was used, as well as the tools and methods employed to implement and follow up on the strategy. Insights from the pre-study helped ensure that the questions were relevant and allowed the interviews to be conducted efficiently.

The interviews began with general questions about the business unit and division's strategic direction to understand the respondents' initial perspectives on strategic matters. Following this, a PowerPoint slide summarizing the O&M strategy, already well-known to the organization, was presented to serve as a basis for discussing how the respondents worked with the strategy in their roles. The slide helped anchor the conversation and allowed the participants to reflect on how the strategy related to their day-to-day responsibilities.

### **3.7 Data Analysis**

Thematic analysis was chosen as the method for analyzing the interview data. This is a widely used approach in qualitative research, described by Bell (2019) as a common method for identifying themes in collected data. According to Bell et al (2019) thematic analysis involves searching for themes in transcripts or field notes. In this study, themes were identified by looking for patterns, repeated ideas, and shifts in topics, which is consistent with the approach recommended by Ryan and Bernard (2003). Since many of the interview questions were open ended, thematic analysis provided the flexibility to interpret the data in depth.

The thematic analysis followed the five-step process presented by Castleberry and Nolen (2018), namely compiling, disassembling, reassembling, interpreting, and concluding. First, the interview data was transcribed to make it possible to review and organize the content. This step corresponds to compiling, where raw data is prepared in a usable form to support the research questions. The transcriptions were based on audio recordings from the interviews, which were processed using the transcription tool in Microsoft Teams. Each transcript was reviewed and typographical errors were corrected by the authors.

In the next step, the data was disassembled by breaking it down into smaller segments and organizing these into relevant categories. Citations were extracted from the interview transcripts and sorted according to these categories. The categorization was guided by the structure of the interview guide and the overarching research questions. This process made it possible to group similar statements and ideas in a meaningful way, which aligns with what Castleberry and Nolen (2018) describe as disassembling. Furthermore, the data was then prepared for the next stage of analysis called Reassembling, where patterns across categories were identified and compared to begin forming broader themes. The themes identified encompassed key areas such as the governance structure and the tools utilized for executing the strategy, methods for monitoring and following up on the strategy, and the perceived anchoring of the strategic core values within the organization.

In the interpreting phase, the identified themes were examined to understand their relationships and to draw analytical conclusions. This analysis provided insights into how the themes connected and contributed to the study's overall findings. The theoretical framework of strategy as practice was applied to contextualize these insights and to deepen the understanding of the data.

The final phase, concluding, involved determining which data and analytical insights were most relevant to the research questions. This step ensured that the conclusions drawn were directly aligned with the study's objectives and effectively addressed the research questions. As noted by Castleberry and Nolen (2018), the concluding phase is essential for synthesizing the analysis into a comprehensive response to the research questions or the purpose of the study.

### **3.7.1 Validation of Data Analysis**

To validate the findings and ensure accurate interpretation, a workshop was held with the O&M division's leadership team at the end of the study. The aim was to reflect on the current state and desired future state of strategy implementation. While the results from the workshop are not included in the study, the session was used to validate the empirical analysis and check whether our interpretations aligned with the participants' experiences. All participants contributed by writing down reflections on post-it notes, which were immediately transcribed and thematically sorted by the authors while the

input was still fresh. This served as an important accuracy check and final reflection on the reliability of the study.

### **3.8 Research Ethics**

This study was carried out in accordance with established ethical standards in business research. Ethical aspects were taken into account throughout the research process, from the formulation of the research purpose to the collection and handling of data. In line with the principles outlined by Bell et al. (2019), four core areas were considered: informed consent, protection of privacy through confidentiality, prevention of deception, and avoidance of harm.

All participants were provided with clear information about the study's purpose, scope, and the nature of their participation prior to the interviews. This ensured that participation was voluntary and based on informed consent. At the beginning of each interview, respondents were reminded that they were not obligated to answer any question and could withdraw or revise their answers at any time without consequence.

According to Bell et al. (2019), privacy in business research involves protecting the privacy of participants. In this study, all interview responses were anonymized, and no identifiable information was included in the thesis. To further ensure confidentiality, no audio recordings or transcripts were shared with the case company. Additionally, all recordings were permanently deleted once the transcription process was completed. These measures were taken to safeguard the integrity of individual contributions and to minimize any risk of exposing sensitive information.

The study was presented transparently to both interviewees and representatives from the case company. The aim and focus of the research were clearly communicated to avoid any form of misunderstanding or misrepresentation. To ensure that the collaboration respected the interests of all parties involved, regular meetings were held with company supervisors to discuss progress and clarify any matters related to data disclosure or the framing of results. This approach aligns with Bell et al. (2019), who emphasize the importance of assessing and minimizing potential harm to research participants. In addition, a non-disclosure agreement (NDA) was signed between the research team and the case company prior to the start of the study. This agreement formalized the confidentiality of the collaboration and helped minimize the risk of harm to the company or its employee.

### **3.9 Research Quality**

To assess the quality of this qualitative study, the concepts of trustworthiness and authenticity were used as guiding criteria. These are proposed by Bell et al. (2019) as suitable for evaluating qualitative business research and an alternative approach to the traditional criteria of reliability and validity. Trustworthiness, as outlined by Bell et al. (2019), consists of four key dimensions: credibility, transferability, dependability, and confirmability.

### *Credibility*

Credibility refers to the accuracy with which the findings represent the perspectives of the participants and if it is collected and interpreted in an accurate manner (Bell et al., 2019). In this study, credibility was supported by the use of multiple qualitative methods, including in-depth interviews and document analysis, which allowed for triangulation of the findings. Furthermore, representatives from the case organization were involved at various stages of the research process. Preliminary findings were shared and discussed with key stakeholders during meetings enabling the researchers to confirm that the interpretations were aligned with the organizational experiences. Additional feedback was gathered when the final results were presented internally, and this input was used to strengthen the conclusions.

### *Transferability*

Transferability concerns the extent to which the study's findings may be applicable in other settings (Bell et al., 2019). In qualitative research, the aim is not to generalize broadly. Instead, the goal is to provide enough detail so that others can judge the relevance of the findings to their own situation. In this study, a detailed description is provided of the case company, the role of the O&M division, and the background of the insourcing initiative and strategy development. This contextual information helps readers evaluate whether the findings may be applicable to similar organizations.

### *Dependability*

Dependability relates to the stability and consistency of the research process over time (Bell et al., 2019). To ensure dependability, all stages of the research, from the development of the interview guide to the final stages of data analysis, were documented. Interviews were transcribed in full using audio recordings, and transcription quality was reviewed manually.

### *Confirmability*

At last, confirmability addresses the need to ensure that the findings are derived from the data rather than being shaped by researcher bias or assumptions (Bell et al., 2019). In this study, confirmability was enhanced through a structured and transparent analytical process, supported by regular supervision and feedback.

The overall aim was to ensure a high level of methodological quality through continuous dialogue with the case organization and critical reflection on the research process. Interview participants were selected based on their managerial roles and experience related to the O&M strategy and the insourcing initiative. Most participants took part in two interviews, which allowed for richer insights and a deeper understanding of their perspectives. Although the findings are primarily based on qualitative data, they are grounded in a systematic analytical process supported by theoretical frameworks, ensuring that the conclusions are relevant in relation to the research questions.

## 4.0 Interview findings

The following chapter presents findings based on data from the initial pre-study and main interview study. To maintain anonymity, the interview participants are referred to as Respondent A-N. The focus is on reporting how the O&M strategy is perceived, applied, and followed up in practice, without interpretation or analysis, which is provided in the subsequent discussion chapter.

### 4.1 Perspectives on the O&M Strategy

This section presents how the O&M strategy is described and understood by managers across the organization. It explores how the strategy is positioned, communicated, and perceived by those involved in its development and use.

The empirical material covers both the intended purpose of the strategy and the different ways it is interpreted within and outside the O&M division. It also highlights the role of managers in shaping, communicating, and engaging with the strategy, both through formal responsibilities and individual initiatives. Together, these findings provide insight into the role managers play in implementing the strategy in the organization and form a starting point for examining how it is translated into action.

#### 4.1.1 The Role and Perception of the O&M Strategy

The O&M strategy at NordKraft was developed to provide a clear direction for maintenance operations, and the strategy was the important basis for the decision to insource the maintenance personnel. During the interviews with the managers outside and in the O&M division it became clear that the strategy played a key role in supporting the organizational transformation that followed. All respondents described the strategy as meaningful and valuable in guiding the development of the O&M division.

The strategy was developed internally and built on lessons learned from earlier collaboration with external contractors, as well as a belief in the potential of new ways of working. As a result, it places strong emphasis on human resources and the development of internal capabilities. According to both managers within the O&M division and other members of the leadership team, the strategy reflects a shift from a cost-driven approach to a more value-driven mindset. This shift was described as a key development, broadening the O&M division's focus from minimizing costs to prioritizing long-term value creation and quality in maintenance work.

*“We are moving more towards value driven maintenance. And that sounds like, ‘yes this is reasonable,’ but then you should know that we are moving from cost driven maintenance. That is the strategic blueprint that we are on.” – Respondent H*

The insourcing decision was described by O&M managers and other members of the leadership team as a key step in executing the O&M strategy and enabling the shift toward a more value-based approach. During the interviews, many respondents emphasized that the decision to insource was not driven by a goal of reducing maintenance costs. Instead, it was motivated by the ambition to strengthen internal capabilities, build a more collaborative organization, increase organizational knowledge, and improve the quality of maintenance work.

The O&M strategy was also described as closely aligned with the broader strategic direction of Hydro Generation, which includes five strategic priorities. According to several respondents, the O&M strategy serves as the concrete expression of the strategic priority “value-driven operations,” for which the O&M division is primarily responsible. As Respondent F explained, the O&M strategy contributes to this priority by emphasizing employee commitment, engagement, a sense of ownership, and high availability of power plants. These elements were consistently mentioned by managers as central to how they interpret and apply the strategy in practice.

*“There are five strategic priorities for Hydro Generation (...) and ‘value driven operations’ is one of them. That’s where a lot of the maintenance strategy comes into play: commitment, engagement, a sense of ownership, and high availability. (...) We have actively worked with the strategy and updated it and have made strategic decisions based on it - I would say the core of it is that we want to achieve.”* – Respondent F

These O&M managers described the strategy as a long-term and ongoing effort that provides a clear direction for the unit. It was described as central to the unit’s work and as a foundation for making strategic decisions and setting priorities.

At the same time, managers from other parts of the organization expressed somewhat different views on the role of the strategy. Several respondents associated the O&M strategy primarily with the insourcing decision, viewing it as a tool to structure and legitimize the transition rather than as a long-term strategic framework. Respondent O described the strategy as having been created mainly to ensure the success of the insourcing process, rather than to guide future development of the O&M division or the broader business unit. In their view, it serves to maintain continuity and keep operations running smoothly, rather than setting a new strategic direction.

*“I think the O&M strategy is in a sense more like ‘business as usual’ rather than really strategic choices. (...) We insourced this and there has to be a strategy in place how to make it successful.”* – Respondent O

Respondent L expressed a similar perspective, also linking the strategy closely to the insourcing of personnel. However, the respondent further explained that in their view the current strategy is not a ‘maintenance strategy’ in the traditional sense. In their view,

a maintenance strategy should focus more explicitly on the technical management of the power plant fleet, such as aligning maintenance practices with asset classification, rather than primarily addressing the personnel of the maintenance organization and ways of working.

*“I have to say that I do not think it is a ‘maintenance strategy’. It is a choice. For me, it should be an insourcing or outsourcing strategy. A maintenance strategy is more about having, for example like we do at Hydro, classified facilities and adapting the maintenance according to the value of each facility (...)”* – Respondent L

The quote expresses the respondent’s view that the strategy should be understood as an insourcing strategy rather than a maintenance strategy. Further, the quote illustrates that the O&M strategy is interpreted differently across the organization.

#### **4.1.2 O&M Managers and the Strategy**

The O&M strategy was not developed through a traditional top-down process. Instead, it emerged from a dedicated project designed to incorporate diverse perspectives from across the division. During this process, interviews and workshops were conducted with operational employees, managers and other managers within the division. This approach aimed to identify operational challenges and needs, and to formulate a strategy that would be both practically relevant and broadly accepted across the organization.

As a result, the current leadership team, including the Vice President, several Area Managers, and functional managers, was not only responsible for implementing the strategy but had also played a key role in shaping its content and direction. One member of the team served as project manager during the strategy development, while others participated actively in workshops and internal discussions that defined the strategic priorities. These same individuals were also closely involved in the later insourcing project, where the strategy was repeatedly communicated to employees as part of the organisational integration effort.

Among those most involved in the strategy project, particularly the Vice President and several Area Managers, a strong sense of familiarity and ownership was evident. These individuals were often able to reference the strategy’s components, such as its values or intentions, with clarity and confidence. They described how the strategy continues to guide decisions and communication in an intuitive way.

*“I do not know how many times I repeated this strategy (...) so they would feel ownership of it. Now it is so deeply rooted that we are almost steering subconsciously. But we still have it written down and repeat it regularly.”* – Respondent B

*“At least it exists, I believe, with me and Respondent F. We have it in the back of our heads. It is there when we make decisions in business planning, so we do not need to have it physically beside us.” – Respondent H*

In contrast, some members of the leadership team were less directly involved in the initial development of the strategy, as they joined the organization or the division during or after the insourcing project. These managers expressed strong support for the strategy’s overall direction and demonstrated knowledge of its core elements, particularly the values. At the same time, a few described how they were continuing to deepen their understanding of the strategy's background and intentions, largely through internal communication, peer dialogue, and ongoing practical experience.

*“It is partly that I try to communicate them (referring to the core values) to the organization. I have not gotten that far yet, so I probably need a bit more time (...) But I think if I can have them as my core values, then I believe I can communicate them over time.” – Respondent A*

This difference in prior involvement has led to some variation in how fluently individual managers work with the strategy in practice. While all members of the leadership team appear committed to the strategy and demonstrate familiarity with its content, those who participated in its development tend to reference it more intuitively and connect it more consistently to operational decisions and team communication. One Area Manager reflected that the content of the strategy is clear and meaningful, but that the ability to communicate it effectively depends on context and dialogue.

*“I would argue that I believe everyone understands the core values, but it is about how you communicate it. It might be difficult to just read these of the page for it to sink in. I think it is important to talk about it like you and I are doing right now, actually.” - Respondent C*

Beyond formal strategy implementation, some managers have also initiated independent efforts to further embed the strategy within their own teams. One respondent described how they designed a workshop during a team kick off, where asset managers, technicians and other staff in the maintenance unit were invited to work with the five core values in a hands-on format. Participants were encouraged to reflect on what was working well, what could be improved, and how they could personally contribute to the division’s overall ambition. The workshop generated a number of concrete ideas and reflections from the participants, and the leader has since encouraged the managers reporting to her to revisit this input together with their teams and explore whether any of the contributions could be developed into individual performance goals.

*“We received a lot of suggestions (...) and I thought, we really should have followed up now that a year has passed. They were also asked to include individual goals in their Personal Development Plans, meaning in their performance reviews. So I guide my*

*managers to go back to what was written during the workshop and ask: is there something here they can use as a personal goal? Something they themselves suggested.”- Respondent B*

This quote indicates that respondent B expressed an intention to follow up on the input gathered from the workshop one year ago, noting that this follow-up has not been carried out yet. However, at the time of the workshop participants were asked to translate some of their suggestions into personal goals as part of their personal development plan (PDP).

## **4.2 The Tools and Mechanisms for Operationalizing the O&M Strategy**

This section presents how the O&M strategy is operationalized within the organization. It explores the mechanisms that support or structure the implementation of the strategy in the operations. The empirical result covers both formal mechanisms, such as the Business Plan, KPIs, and PDPs and more informal processes including meetings, communication, and local adaptations. Together, these findings provide insight into what people actually do to implement the strategy and how it is carried out through everyday routines, tools, meetings, and structures.

### **4.2.1 Strategic Components and Their Use**

The O&M strategy is summarized on a one slide highlighting its three core components: vision statement, core values, and strategic objectives. This PowerPoint format has been widely used in communication, particularly during the insourcing period. Interviews indicate that while the vision and core values remain actively referenced, the strategic objectives have become less prominent over time. The mission statement and core values were consistently described by interviewees as the most visible and actively used components. These elements played a prominent role during the insourcing process, where they were frequently communicated by the management team during town halls and organizational gatherings to frame the rationale for change.

*“We usually only show the vision and core values from the strategy. (...) We used it a lot during the insourcing project to explain and communicate ‘Why are we making this change?’” – Respondent F*

Beyond their communicative function, several managers describe the core values as active tools for motivating teams and guiding decisions in their daily work. In particular, the values are used to support internal prioritizations and justify strategic choices. One manager emphasized how the values help navigate trade-offs between short-term operational efficiency and long-term capability development.

*“I also use [the values] to hold us accountable. For example, why is it valuable to spend time sending service technicians to training instead of having them billing hours on site? Well, we’ve said we want to build competence.” – Respondent F*

Area Managers and other mid-level managers were identified as key actors in translating the strategy into practical terms for their teams. Several respondents emphasized the importance of making the strategy relevant and accessible, with some managers taking an active role in filtering and tailoring information for different audiences.

*“There’s a lot of information circulating, which makes it difficult at my level. But my manager has filtered the strategy down to me in a good way. (...) I don’t really have any doubts about what direction we’re heading.” – Respondent I*

However, not all interviewees felt that the vision and core values are fully embedded in day-to-day practice. Some managers described that the values were more visible during the insourcing process but have since become less prominent in operational work. One respondent noted that, although the mission and values are frequently mentioned in strategic communication, they are not consistently reflected in everyday decision-making.

*“Our vision and core values are not that visible in daily decisions or day to day work. They should be, but they’re not.” – Respondent D*

The same respondent also pointed out that not all aspects of the strategy are embedded in the governance structure. While safety topics are consistently prioritized, other strategic core values are not always reflected in the standard meeting agendas. The respondent said that safety is always on the top of every meeting agenda and therefore gets a strong presence in operational reality.

*“The agenda is something we need to rethink. Not all strategic topics are visible in our current structure. (...) We should ask ourselves if the agenda and our discussions support the strategy and make that visible.” – Respondent D*

In contrast, the strategic objectives appear to play a less prominent role in the current phase of strategy execution, compared to the core values, which are more actively referenced by managers. While these objectives were seen as relevant during the strategy’s development and the insourcing phase, they have since been largely absorbed into the division’s Business Plan or are perceived as already completed. As a result, they are seldom referenced in day-to-day operations or used actively by the management team. One example is the objective stating, *“We have an operating model incl. sourcing model that supports our core values”*. Several interviewees explained that this goal had effectively been achieved through the completion of the sourcing project that led to the insourcing of the maintenance unit. As such, the objective is

perceived as concluded, and no longer referenced in current planning. *Respondent H* highlighted that many of the strategic objectives became concrete actions that were put into their business plan, which will be further described in section 4.2.3. Further, respondents suggested that not many in the organization are aware of the objectives since the managers often exclude them in communication.

*“You can see the strategic objectives as the embryo of what later became the Business Plan, or an embryo that became the activation plan for insourcing. (...) That’s why when I look at the whole strategy, I usually remove these [referring to the objectives]. It was like a Business Plan that existed then but has now become other actions.”* – Respondent H

*“The strategic objectives is quite unknown to many. Some things have already been done, and others were perhaps included with a short term perspective when we presented the strategy.”* – Respondent F

Despite this lack of visibility, some respondents emphasized that the content of the strategic objectives is still present in the organization, even if it is no longer explicitly referred to as such. According to these respondents, many ongoing initiatives reflect the original intent of the objectives, although the terminology has evolved. However, when the link is not clearly communicated, employees who were not involved in developing the strategy may not recognize this connection.

*“Yes, I think the strategic objectives are present. Maybe not all of them, and not for every technician or project manager. It depends on how you organize things. For instance, when it comes to being ‘data driven’, they’re not directly involved in digital development, but they notice things like: ‘Wow, now we’ve got a computer in the control room, and we can log in and check temperatures.’ And that makes it more real somehow.”* – Respondent B

This quote illustrates that elements of the strategic objectives continue to be experienced in operations, even if they are no longer explicitly framed or labelled as such.

#### **4.2.2 O&M Strategic Meetings**

Managers in the O&M division described several recurring leadership forums where the strategy is discussed and coordinated. While the division has a broader governance structure, this section focuses on the specific meetings that respondents linked to the O&M strategy. However, several noted that strategic discussions are sometimes sidelined by more immediate operational concerns.

One of these meetings are the quarterly leadership team meeting, where the Business Plan is reviewed. In these meetings all participants of the leadership team are involved. These meetings constitute a way for the managers of the O&M division, such as area

managers, development manager and the technical manager, to discuss important initiatives in the organisation and align on decisions and what needs to be done. It was mentioned by several respondents that these meetings also were an opportunity to discuss and align on the strategic matters. Although this meeting provides a regular touchpoint for discussing progress on key initiatives, several respondents noted that it focuses more on activity tracking than on reflecting whether initiatives are leading toward the division's broader strategic goals.

*“We do go through the Business Plan in these meetings, but it's more about status and updates. The question of whether we're getting closer to our goals doesn't always come up.”* – Respondent F

To complement this, a bi-weekly development meeting was introduced during the past year. Respondents described this forum as a platform for following up on development initiatives, many of which are linked to Business Plan activities. The meeting brings together managers from departments such as asset development, project engineering, and operations, enabling cross-functional collaboration and alignment. Although these meetings have a development focus within an operational context, the O&M strategy remains in the background. According to the manager that leads these meetings, and was involved in developing the strategy, it serves as a basis for decision-making in detailed process discussions.

*“It's hard to make these kinds of decisions without the strategy in the back of your head. That's how we guide things, otherwise it doesn't hold together.”* – Respondent H

In addition, the weekly leadership check-ins provide shorter alignment opportunities focused on current issues. While not specifically designed to follow up on or align around the O&M strategy, they contribute to ongoing cohesion within the leadership team and offer space to address emerging tensions or relevant topics. One manager noted that these meetings could offer an opportunity to raise issues related to the O&M strategy.

Despite these recurring interactions, several respondents highlighted the lack of a formal forum dedicated to revisiting or updating the O&M strategy over time. Respondents explained that the strategy continues to serve as a guiding framework in everyday conversations and meetings, but there are no structured occasions where its direction or assumptions are critically assessed. One respondent explained that while the leadership team continues to communicate the strategy, there are no sessions where they collectively ask whether it is still the right path forward.

*“Right now, beyond the leadership using the strategy to communicate in meetings with the organisation, we don’t have any sessions where we bring it up and ask, ‘Should we change something? Are we heading in the right direction?’ We don’t have that today.”*  
– Respondent F

The following quote reinforces the point that, although the strategy is used as a guiding framework, there is currently no structured space for questioning its continued relevance or direction.

### **4.2.3 The O&M Division’s Business Plan**

The Business Plan emerged as a central mechanism for translating the strategy into action and for coordinating improvement efforts. It serves both as a planning tool to initiate and prioritize activities, and as a structure for tracking implementation. The plan is structured as a list of approximately 20–30 concrete, action-oriented activities, typically planned with a time horizon of up to one year. Each activity is assigned a responsible lead which usually is a member of the O&M division leadership team. Furthermore each activity includes a defined deadline, a status indicator, and a prioritization score on a scale from one to five. In addition, each activity is categorized according to one of the five strategic priorities outlined in the Hydro generations roadmap. While the plan serves as a practical tool for coordinating ongoing improvement efforts, it also reflects an attempt to link different initiatives to broader strategic ambitions.

While the Business Plan is not formally presented as a direct extension of the O&M strategy, several managers emphasized that its content is influenced by the strategy’s intent, and that activities are prioritized with the strategy in mind. This alignment is often discussed informally during the division’s leadership meetings.

*“We have our maintenance strategy which is still relatively recently updated. (...) Our Business Plan actually originates from there, you could say. It aims to help us fulfil the different strategic directions.”* – Respondent B

Several managers explained that the Business Plan still includes older initiatives, but it has been updated over time to better reflect the values and goals of the O&M strategy by changing the prioritization of activities. This alignment happens mostly during leadership team meetings and is based more on a shared understanding of the strategy than on formal use of strategy documents.

*“To be honest, we had things in the Business Plan that we brought with us from before. But when we look at them now with fresh eyes, through the lens of the new strategy, we have reprioritized. Something might become number one because it aligns perfectly with our strategy.”* – Respondent B

Respondents noted that although they do not explicitly refer to the strategy when working with the Business Plan, they still consider its intent. One manager explained that the strategy is not formally referenced during prioritization, but remains present as a mental reference that guides decisions.

*“Do we sit down and look at the strategy when prioritizing the business plan? No, but it is right here.”* – Respondent H (*pointing to her head*)

Despite its practical relevance, some respondents noted limitations in how the Business Plan links to the broader strategic intent. While activities are categorized and prioritized in line with strategic themes, the contribution of individual actions to overarching goals is not always fully discussed or made explicit.

*“Yes, I think we have categorized them [the activities], so to speak. (...) But we may not really discuss in depth whether this provides value in terms of meeting the fundamental goal. That is where we might fall a bit short. Probably due to time constraints—we do not dive deep enough.”* – Respondent B

Another respondent noted the challenge of managing the volume and ambition of the actions included in the plan, joking that it sometimes requires crafting excuses ahead of summer holidays.

#### **4.2.4 Monitoring and Following Up the O&M Strategy**

During the interviews, managers were asked how the implementation of the O&M strategy is monitored and followed up. Most O&M managers explained that there is currently no formal governance structure in place for systematically monitoring the strategy. Rather than relying on a dedicated framework or oversight process, the follow-up of the strategy is largely based on existing operational tools.

*“Do I think there is a structured governance system in place to monitor and follow up on the implementation of the strategy? No, no.”* – Respondent H

*“No, there isn’t really a structured governance system in place for monitoring the implementation of the strategy. It’s quite scattered, it’s mainly the Business Plan and our KPIs.”* – Respondent B

Although a formal monitoring system is not in place, several managers referred to existing operational tools that can serve as indirect means of tracking strategic progress. In particular, respondents highlighted the O&M division’s Key Performance Indicators (KPIs) as a practical way to follow up on aspects of the strategy’s implementation. The KPI framework includes both leading and lagging indicators, covering areas such as safety, documentation practices, maintenance completion rates, cost control, resource utilisation, and power plant availability. While the indicators are primarily operational in nature, many respondents described them as offering a clear overview of how

maintenance activities are progressing. The KPIs are reviewed systematically through monthly performance dialogues and are used to evaluate performance at both the team and divisional levels. Most managers expressed confidence in the existing KPIs, viewing them as a reliable and well-established foundation for monitoring day-to-day operations, even if they do not capture the full breadth of the strategy

*“Absolutely from an operational perspective, I think these are good KPIs. There are definitely things we can develop with them, but I would say that the KPIs we are following now give us a pretty good picture of how the business is doing.”* – Respondent F

*“I think that the KPIs we follow up on are good and that they work hand in hand with operations and what we previously looked at in core operations and where we are heading forward, so I think it is good and it is interesting.”* – Respondent C

Among the existing metrics, power plant availability was consistently highlighted as a particularly important indicator. Several managers described it as a key measure of whether maintenance work is being carried out efficiently. Availability is also one of the core goals reflected in the O&M strategy, making it a particularly relevant KPI when assessing how well the operations align with the strategic direction. However, not all respondents viewed KPIs as sufficient for evaluating the full scope of the strategy. Many managers pointed out that certain dimensions of the strategy, especially the core values, are more difficult to monitor. While KPIs may reflect progress in concrete operational areas, several respondents noted that behavioural and cultural aspects of the strategy are harder to capture in quantitative indicators. Some managers explained that improvements in such as ownership, pride, and safety might eventually be visible in traditional KPIs, but that the connection is indirect and difficult to isolate.

*“For example, if our alarms show a downward trend (referring to a KPI on alarms) (...) then we have increased the sense of ownership, we have established that it's important to work systematically and in an organized way, and we're gradually achieving better availability. (...) So it's more like a conclusion that if these traditional KPIs are improving, then we must be doing something right in terms of our strategic goals.”* – Respondent F

*“It's a bit more abstract, they're difficult to grasp and measure directly (referring to the core values). For example, safe behaviours will eventually lead to a lower TRIF, for instance. In the end, they result in more concrete KPIs.”* – Respondent H

Further, some managers also brought up the organization-wide engagement survey or informal team observations to as a way to assess how well the strategy's core values are being internalised. The engagement survey is distributed bi-annually and focuses on general aspects of the work environment, including employee satisfaction, leadership, collaboration, and perceived support. While not designed specifically to

measure the O&M strategy's implementation, interviews suggest that some managers interpret its results as an indirect signal of how values like pride and safety are perceived in the organization.

*"The softer parts of the strategy, like pride and safe behaviours, can be followed up through the employee survey."* – Respondent E

In addition to other tools, several managers described how PDPs are used to support the implementation of the O&M strategy at the individual level. The PDP process provides an opportunity for employees and their managers to define personal goals that align with both individual development and the division's strategic direction. Respondents explained that core values, such as competence, safety behaviors, and a sense of pride in the work, are often referenced during these discussions.

By linking personal goals to the O&M strategy, the PDP was described as a way to embed strategic considerations into regular performance dialogues. The individual objectives set during the annual PDP meetings form part of each employee's personal monetary bonus. While the bonuses are primarily based on team performance against predefined KPIs, the personal goal was described by some managers as a smaller but still meaningful component of the overall bonus structure. One manager noted that this approach is becoming more common in practice:

*"We use them [referring to the core values] as tools during PDP conversations and goal setting. It is something new now, if you are talking to someone, you can say: 'You can have a personal goal, but you can also choose something that benefits the company.' Then we look at the goals for the O&M division. Ownership, for example."*  
– Respondent A

Finally, in the absence of a formal monitoring system for the strategy, a senior O&M manager described how she had developed her own informal method to assess progress. She referred to internal documentation originally produced during the insourcing project, which outlined key criteria and expectations linked to the strategy's underlying rationale. By reflecting on each criterion, she evaluates where the strategy appears to be gaining traction and where further leadership effort may be needed. The self-assessment is used as a guiding tool to determine which areas require renewed attention or stronger follow-up in her leadership work.

*"It's really just a self-assessment, something I do for myself as a way of guiding where I, as a leader, need to put more focus. I did this in December, and then I reviewed it again by myself about a month ago. It's about asking: where do I need to push more?"*  
– Respondent H

This comment illustrates how respondent H uses personal reflection to identify strategic focus areas in their leadership, compensating for the lack of formalized follow-up structure.

### 4.3 Anchoring of the Core Values

A central element of the O&M strategy is the five core values. Findings suggests that the core values appear more visible compared to the strategic objectives. The core values have an important role in guiding organizational culture, behaviour, and decision-making across the O&M division. While the managers are generally familiar with all the values, the interviews show that how well they are used and reflected in daily work varies.

When asked which values appeared most embedded in the organization, respondents frequently referred to *competence & proudness* and *safety behaviours*. These were described as being integrated into daily communication, emphasized in leadership dialogue, and understood by employees. Although the value of *Well-kept and sustainable assets* was mentioned less frequently, it was also referred to having a strong presence in the organisation. By contrast, the values *balance decision based on value and cost* and *people and processes enabling flexible and available assets* were perceived as less integrated into daily practice.

In the following sections, each core value is presented in more detail. The findings show how the values are used in practice by managers, what enables their integration in the organization, and which challenges may limit their impact. This helps explain why certain parts of the strategy have become more anchored while others remain more abstract, as suggested by the findings presented in section 4.2.

#### 4.3.1 Safety Behaviours

The value of *safety behaviors* is widely regarded as one of the most well-anchored elements of the O&M strategy among managers. Several Area Managers described how safety is consistently communicated and reinforced through daily routines, leadership dialogue, and operational practices. It is often placed at the top of meeting agendas and integrated into decision-making on all levels.

One explanation for its strong presence is that safety builds on long-standing industry practices that predate the O&M strategy. Unlike the newer strategic values, safety was already a familiar and established priority among both managers and operational staff before the change of the sourcing model. This existing foundation has made it easier to reinforce and maintain through continuous communication and leadership emphasis.

*“The safety culture is something we work with every day. It is always the top item on the agenda.”* – Respondent J

*“Safety is always highlighted. And to be honest, in daily discussions it’s about making sure people have the right resources to work safely.” – Respondent D*

The depth of the safety culture was also described in terms of individual responsibility and awareness. Managers emphasized that safety is not only a formal requirement, but a mindset that must be maintained and developed over time.

*“Safety is an extremely important part that is usually at the very top of our agendas, so to speak. (...) So we work with it constantly and you never become fully learned in it. You never become completely trained—you always have to think safely and we talk about it very much.” – Respondent G*

At the same time, the O&M managers also tracks the number of completed safety-related trainings, which are tied to internal performance goals and group-level bonus targets. These efforts aim to strengthen safety awareness and promote a proactive safety culture.

*“There is some kind of index for how many trainings have been completed, and this is linked to NordKraft’s bonus goals.” – Respondent F*

Despite the strong anchoring of safety, one challenge raised in the interviews is how safety performance is measured. While NordKraft has both lagging and leading KPIs in place, some respondents noted that most follow-up focuses on incidents rather than improvements.

*“We mainly track KPIs to see how well they are going. But when it comes to following up improvements, that’s more difficult. Most safety indicators are reactive—based on when things go wrong, like incidents or near misses.” – Respondent D*

The comment highlights that the current monitoring of safety are perceived as reactive, making it more difficult to systematically follow up on proactive improvement efforts.

### **4.3.2 Competence & Proudness**

The value *Competence and proudness* is widely seen as well anchored in the organization according to management. Many respondents described how the insourcing of maintenance personnel have created a stronger sense of belonging and responsibility among the operational employees. Several respondents highlighted how the technicians becoming part of NordKraft has led to increased engagement, greater pride in the facilities, and a shift in mindset.

*“The organization naturally takes more ownership now that they are part of NordKraft.” – Respondent B*

*“Engagement increased after insourcing, when everyone became NordKraft. You’re no longer tied to a contract that prevents you from focusing on softer aspects like development or long-term quality.” – Respondent F*

Management viewed the shift as not only cultural but also operational. Respondents described how the new setup has enabled more structured work with competence development. The organization is now actively mapping existing skills, identifying training needs, and making these visible through internal systems. This transparency allows strategic planning of individual development.

*“We’re mapping what competence we have, what training is required, and who needs to go through which courses. It’s now much more transparent.” – Respondent F*

According to several respondents, the *competence* aspect of the value *Competence and proudness* is not only well communicated but also supported by practical structures and tools. Several respondents mentioned ongoing training efforts with a stronger emphasis on building internal competence as a long-term investment. This focus has been made possible by the shift away from an outsourced model where time was monetized, allowing more space for long-term development. One manager described how dedicating time for training is now seen as both a strategic priority and a reflection of core values:

*“Why is it valuable to spend time sending service technicians to training instead of having them billing hours on site? We’ve said that we want to build the right competencies internally, and we see this as part of both our core values and our goal of being an attractive employer.” – Respondent F*

From the managers perspective, this value was seen as central to maintaining control, quality, and efficiency over time. One senior respondent explained how in-house competence enables the organization to manage its facilities with better insight and at lower risk.

*“We have the competence to lead our operations. We know our plants, their condition, and have access to all the information. That transparency is simply not possible when you operate through a contract interface. With insourcing, we can run and maintain our plants with better quality, higher safety, and at reasonable cost.” – Respondent K*

While *competence & proudness* is currently perceived as strong, some managers expressed the need for caution. One manager emphasized that the high motivation and engagement observed after insourcing should not be taken for granted. According to the respondent, the strategy and organizational shift initially generated a strong sense of pride and purpose, which was seen as a way to support more effective maintenance over time. However, the manager warned that this momentum might fade over time if not actively maintained. In particular, sustaining a sense of proudness requires

continuous attention to organizational clarity. Without clearly defined roles and responsibilities, the risk of confusion increases.

*“It’s like a honeymoon phase. Right now, everyone is happy, but that can change. I’ve seen it happen before. What’s important is to keep roles and responsibilities clear. In outsourcing, that clarity is built in—if we lose it internally, friction may arise.”* – Respondent K

The quote illustrates the respondent’s concern that the initial engagement may decline over time if role clarity is not actively upheld.

### **4.3.3 Well-Kept Assets and Sustainable Environment**

The value *Well-Kept Assets and Sustainable Environment* is described by several respondents as increasingly well-known and managers suggest that the organization is aware of its importance. Many linked this development to the greater sense of pride that followed the insourcing process. When employees became part of NordKraft, it became easier to take pride in the condition and appearance of the plants. Several managers noted that this shift in identity made it more meaningful for staff to care about their work environment.

*“Before, it was impossible to ask people to feel proud of the plants—because they weren’t theirs. Now, after insourcing, it’s different. The plants are their own.”* – Respondent P

Findings suggest that managers believe that an increased sense of pride contributes to a stronger focus on order and cleanliness across the power plants. One manager explained that now, with full control over all assets, it is easier to justify investing time and resources into keeping the assets in good condition.

*“Now we own all the plants, and there is more focus on keeping them in good shape. We accept that it costs money to keep things tidy and well-maintained, and I think that message has come through.”* – Respondent I

To reinforce this cultural shift, some teams have taken practical steps. One example involved dedicating an entire day at each plant for cleaning and organizing as a group. This kind of hands-on effort was seen as both symbolic and effective in encouraging collective responsibility.

*“We’ve had a reset at each plant—a full day where everyone joins in to clean and organize. That kind of initiative helps show that it’s okay to spend time and money on keeping things in order. It also sets a standard, those who are careless need to step up, and those who value order shouldn’t be left doing it alone.”* – Respondent I

However, while this type of initiative was seen as effective, some respondents noted that such efforts are not part of a structured or recurring approach. Although the ambition is shared across the division, the absence of formal routines and shared practices makes it difficult to maintain this value consistently. Some parts of the organization prioritize it more than others, and there are few mechanisms to support learning across different plants. Moreover, although this value is not formally tracked through KPIs, some managers described informal ways of assessing its presence. One mentioned that signs of pride and engagement can be observed through small actions, such as who takes initiative to clean, organize, or improve the local environment.

*“Pride is harder to measure, but you notice who goes the extra mile. For example, who decides to clean up or make things look nice? You can quickly see differences between areas—some care, some don’t. That’s one way to measure it.”* – Respondent F

The findings indicate that while the value is broadly understood and appreciated, acting on it consistently remains difficult. Several respondents noted that employees are now allowed to spend time on cleaning tasks, which was harder under the previous outsourced model. Still, time is often limited, and operational priorities take precedence. Further, respondents pointed out that improvements to plant conditions often occur before planned visits from senior leaders or external guests. This suggests that the value is not yet fully embedded in everyday routines.

#### **4.3.4 Balance Decisions Based on Value and Cost**

Among the five core values in the O&M strategy, *balance decisions based on value and cost* was described as one of the least anchored across the O&M division. While it is acknowledged in strategic documents and leadership communication, interview findings indicate that the value is not yet well understood in the organization and reflected in decision making. A frequently cited reason for its lack of internalization was the long standing cost efficiency culture within NordKraft and the Hydro Generation division. Respondents described how cost control has traditionally shaped both operational and investment decisions. Although this has contributed to financial discipline, it has also made it harder to adopt a broader perspective focusing on activities more related to long-term value, as promoted by the current strategy. The strategy’s focus on shifting to a more value-based maintenance approach, moving away from the minimizing cost approach, tend to clash with established norms that emphasize budget compliance and cost minimization.

*“NordKraft has historically been very cost efficient, very focused on costs—perhaps at the expense of not choosing the best products, which has become more expensive in the long run. (...) People tend to optimize their own small budgets instead.”* – Respondent B

Several interviewees also highlighted a lack of alignment between organisational functions as a key barrier. While O&M division is aiming to apply more value based

thinking, other parts of the organisation are still prioritizing cost minimization as their strategic focus. This divergence in priorities can make it harder for the core value to gain traction in practice. Interviews also highlighted that although all divisions ultimately work toward the same overall goals, too much focus on individual KPIs, projects, or departmental boundaries can hinder collaboration and long-term value creation.

*“As facility owners, we actually want the strategy to be followed by, for example, Project & Engineering. But they are still stuck in this cost driven mindset.”* – Respondent H

*“Fundamentally we all want what is best for the power stations. But when you are at my level, it often comes down to practical matters. For them, finishing projects on time and within budget is the focus. We perhaps focus more on availability and having a facility that’s good for maintenance.”* – Respondent I

Another issue raised was the lingering influence of the previous outsourcing model. Some respondents noted that technicians, many of whom were previously external contractors continue to operate with a cautious approach to spending. This mindset, shaped by a culture of strict cost control, has proven difficult to shift even after the organization moved to insource maintenance and promote more value-driven decisions. As a result, there is often hesitation to make decisions that involve higher costs, even when they may generate long-term benefits.

*“Supervisors are drilled to stick to budgets. For example, they might need six safety harnesses but only buy two because they’re trying to save money.”* – Respondent A

*“Many come from contractor backgrounds, where time is only spent if someone pays for it. Even though Hydro has achieved its cost targets, we haven’t yet empowered people to balance value and cost in their own decisions.”* – Respondent P

Interviews also revealed that the organization has taken steps to decentralize decision-making by assigning individual operational budgets to all maintenance managers. However, the findings suggest that the ability to act on this mandate also depends on whether employees feel confident in making trade-offs and understand what is meant by creating value.

#### **4.3.5 People and Processes Enabling Flexible and Available Assets**

Interview findings suggest that the value *people and processes enabling flexible and available assets* is not yet well anchored within the O&M division. While its strategic importance was consistently acknowledged by both members of the O&M leadership team and other managers, its integration into daily operations remains limited. However, when respondents were asked what they considered most important for the O&M function, availability consistently emerged as the top priority. This emphasis is

closely linked to the strategy's mission and reinforced through KPIs, indicating that availability is already well established as a strategic focus.

When this core value was brought up in interviews, most respondents directed their attention toward the concept of flexibility. One explanation may be that availability is already well understood and integrated into existing processes, whereas flexibility is still largely perceived as an ambition rather than a lived principle. As a result, while this value includes both flexibility and availability, the interviews primarily focused on the flexibility dimension, which managers described as less clearly operationalized in their daily work.

The interviews frequently raised that having people and processes that enable flexibility is recognized as abstract and difficult to translate into concrete behaviour. This was exemplified by one manager who facilitated a workshop on the core values for their organization. While other values generated tangible and relatable discussions, *people and processes enabling flexible and available assets* proved significantly harder for participants to engage with. According to the manager, employees struggled to articulate what the value meant in practice or how they could contribute to it in their daily work.

Several interviewees also pointed to the lack of mechanisms for evaluating how processes and people enable flexible assets. While availability is supported by clear performance indicators and included in the performance dialogue, flexibility is not systematically monitored. One manager noted that the organization previously had tools to track flexibility:

*I think we have lost a bit when it comes to flexibility, because we do not have any KPIs or anything that tracks how flexible we are. We used to measure flex cases against having a contractual relationship where contractors could be flexible. Then they could earn a bit, but now we do not have that anymore. We do not have that kind of mechanism, and I would say that has fallen by the wayside a bit.” – Respondent B*

Interviewees also pointed to a lack of enabling structures for the core value. In the context of maintenance work, acting flexibly may require rescheduling planned outages, adjusting working hours, or responding to last-minute requests based on market dynamics. These actions often require additional effort, such as working evenings or weekends. Several managers believed that employees would be open to such arrangements, especially if there is a clear incentive or recognition for the extra contribution. However, respondents also emphasized that while these efforts are seen as value creating for the organization, there are currently no established mechanisms for acknowledging or rewarding them. One manager noted that this gap limits the extent to which flexibility can be expected in practice:

*“We want to be as flexible as possible and want to enable it, yes. But weekend work and evenings always come down to a cost issue. We haven’t really figured out how to do it. So actually, regarding flexibility, perhaps mechanisms and structures are still missing.” – Respondent B*

Beyond the lack of formal reinforcement, several interviewees highlighted a disconnect between flexible operational decisions and their perceived purpose. While market conditions such as electricity prices can justify short-notice rescheduling of maintenance, this rationale is not always communicated clearly across the organisation. Without regular updates or contextual explanations, such decisions may appear inconsistent or frustrating to staff. One suggestion to address this was to make market signals more visible at the local level, for instance through displays showing daily electricity prices.

*“We’ve had ideas like putting up screens showing electricity prices, so the team can see: ‘Next Tuesday it’ll be windy, prices low—let’s do everything today.’” – Respondent M*

Several respondents also reflected on the rigidity of existing planning and maintenance processes as a structural barrier to enacting flexibility. Although the strategic ambition promotes adaptive working, current procedures are built around fixed cycles and standardised routines, making it difficult to accommodate change at short notice.

*“Processes should enable working flexibly. They don’t do that today. To have flexible maintenance, you need flexible processes. Then you have to start by working according to the processes we have.” – Respondent H*

A related challenge is that different units within Hydro Generation frame the concept of flexibility in different ways. From a strategic operations perspective, flexibility refers to the ability of power plants to respond to market conditions and generate during high-price periods. However, within Asset Operations, the focus is more on ensuring that people and processes support this outcome through adaptable maintenance work. This divergence in interpretation may contribute to misaligned expectations and create additional barriers to embedding the value consistently across the organisation. As a result, even when teams within Asset Operations are willing to adapt or act flexibly, they are often constrained by decisions made elsewhere in the organisation. This misalignment reinforces the view among O&M staff that flexibility, while strategically encouraged, is not yet operationally supported in a way that enables consistent implementation.

In summary, the findings in section 4.3 has presented how the five core values of the O&M strategy are perceived and reflected in practice across the organization. The findings show that while all values are familiar to managers, their level of integration varies. Some values are more clearly anchored in daily routines, communication, and

behaviors, whereas others remain less visible or harder to translate into concrete action. The results also highlight a range of factors that influence this variation, including historical practices, organizational structures, and the perceived clarity of each value.

## 5.0 Analysis & Discussion Research Question 1

This chapter presents the analysis and discussion aimed at answering Research Question 1: *How is the O&M strategy translated into practice, and how is the implementation followed up and evaluated?*

To address this question this chapter examines how NordKraft puts its O&M strategy into practice. Using the SAP perspective, the focus is on how strategy is shaped through day-to-day activities, tools, and interactions within the organization. The analytical approach is grounded in Whittington's (2006) *practitioners, practices, and praxis* framework, complemented by Mantere's (2005) categorization of strategic practices into recursive and adaptive. Providing a lens to examine both the actors involved in strategizing and the mechanisms through which strategy is enacted and sustained within the organization

This chapter consists of two main sections. Section 5.1 examines strategic *practitioners*, focusing on how managers interpret, communicate, and shape the O&M strategy in their daily work. Section 5.2 explores how strategy is enacted through various *practices*, using Mantere's (2005) framework of strategy formation, organizing, and control practices.

Together, these sections present an integrated analysis of how NordKraft's O&M strategy is carried out. The focus lies on the roles of key individuals, the practical tools and routines used, and the systems through which the strategy is monitored and reinforced over time.

### 5.1 The Practitioners of the O&M Strategy

This section analyses the role of strategic practitioners in the implementation of the O&M strategy at NordKraft. Drawing on the SAP perspective (Whittington, 2006), it focuses on the individuals who actively shape and translate strategy in their day-to-day work. In the context of a major organizational shift, marked by the insourcing of maintenance personnel and the introduction of the O&M strategy, particular attention is given to how middle managers engage with the strategy, interpret its content, and influence its practical realization.

#### 5.1.1 Managers Translating Strategy into Practice

The O&M strategy was introduced during a period of significant organizational transformation, following the insourcing of local O&M functions. This structural shift brought not only new formal arrangements but also cultural and operational changes, requiring the alignment of new working practices with broader strategic ambitions. The strategy is intended to steer daily maintenance activities while also supporting a cultural transition from a cost-driven to a value-driven approach, anchored in a set of core values. In this context, implementation required, and continues to require, more than

top-down communication. To be effective, the strategy must be interpreted, translated, and embedded into local routines and decision-making. This places particular emphasis on the role of middle managers, especially Area Managers, whose position between strategic intent and day-to-day operations enables them to act as key translators of strategy (Whittington, 2006; Floyd & Lane, 2000). While the Area Managers at NordKraft hold relatively senior roles within the O&M division, they can be understood as middle managers in a functional sense. As Balogun et al. (2015) note, the traditional view of middle management as a clearly bounded organizational layer has become less relevant in today's complex and multilayered organizations. In such settings, even senior managers may take on middle-managerial responsibilities, particularly when they are expected to interpret strategy and facilitate its implementation through others. At NordKraft, Area Managers play a central role in steering the newly integrated maintenance organization while simultaneously supporting Line Managers in translating strategic priorities to the operational level. In this way, they serve as a critical link between top leadership and frontline staff. Prior research shows that the role of middle managers becomes especially important during periods of organizational change in decentralized settings (Balogun & Johnson, 2004). Their proximity to operational teams allows them to contextualize strategic intent and align it with local challenges. Rather than merely transmitting information, these managers engage in active sensegiving (Rouleau, 2005), shaping how their teams understand, relate to, and enact the strategy. This translation function is particularly critical given the strategy's behavioral focus and the need to internalize abstract values in daily practice.

The Vice President of the O&M division has also played a central role in shaping the conditions under which strategy implementation occurs. As one of the initiators of the strategy, she was closely involved in its development and has since remained actively engaged in promoting its relevance. Her continued presence in leadership forums, communications, and internal initiatives has helped frame the strategy as a shared priority and has reinforced its legitimacy across hierarchical levels. According to Jarzabkowski et al. (2007), strategizing is not confined to a single level of the organization but emerges from the interaction between practitioners across different positions. The Vice President's strategic framing and sustained involvement have contributed to an enabling context in which middle managers are both empowered and encouraged to engage in the implementation of the strategy.

The O&M strategy was developed through an internal project involving managers from NordKraft at different levels of the organization. This approach allowed some managers, such as Area Managers, within the O&M division to contribute directly to the formulation of the strategy, which later translated into a strong sense of familiarity and ownership. These managers were observed using the strategy intuitively in their communication and decision-making, often without needing to reference it explicitly. Their early involvement appears to have facilitated the development of internalized understandings, or schemata, about the strategy's meaning and purpose (Balogun & Johnson, 2004), enabling them to embed strategic thinking into their routines with

relative ease. However, the empirical material also reveals that not all members of the current leadership team had the same opportunity to influence the strategy. Some joined the organization during or after the insourcing initiative and were therefore not involved in the early phases of strategy formation. While these managers expressed support for the strategy and demonstrated understanding of its values, they described their relationship to the strategy as something still developing. This difference suggests that timing and access to strategic processes can affect how fluently practitioners engage with and apply strategy.

This variation in strategic fluency becomes more apparent when examining how managers interpret and communicate the strategy to their teams. Several Area Managers described the importance of informal dialogue and contextualization in helping staff engage with the strategy. One manager, for instance, organized a team workshop to translate the abstract core values into tangible team goals. This form of engagement goes beyond formal implementation, aligning with Rouleau and Balogun's (2011) concept of discursive competence. In their view, middle managers influence strategic outcomes through their ability to craft and share messages that are meaningful within their local context. This suggests that managers who engage in such adaptive practices, such as locally interpreting core values and facilitating team-based sensemaking, contribute to a context in which strategic agency can emerge more broadly. In line with Rouleau (2005), this form of sensegiving may support frontline employees in understanding and enacting strategy in ways that go beyond compliance, enabling them to become active participants in strategizing. Rather than creating strategists in a direct sense, these managers foster the interpretive conditions necessary for strategy work to be distributed throughout the organization.

However, this type of sensegiving was not evident among all managers. Some appeared to rely more on formal communication structures and had not yet developed more interpretive approaches. This variation suggests that while some practitioners take on an active strategic role, others remain more formal and limited in their engagement, which may restrict the potential for distributed strategizing in their teams.

### **5.1.2 Interpreting the Strategy Beyond the O&M Division**

Although many managers outside the O&M division expressed support for the strategy and acknowledged its importance, they often referred to it as an “insourcing strategy” rather than as a long-term framework for operational development. This divergent interpretation highlights broader challenges related to strategic legitimacy and enactment across organizational divisions.

While the strategy is generally well accepted within the O&M division, it is frequently perceived elsewhere as tied to the specific historical context of the insourcing initiative. As Balogun and Johnson (2004) argue, strategic meaning is locally constructed, and when a strategy becomes associated with a particular event or transition, its broader intent may become obscured in other parts of the organization. This pattern could

potentially reduce the perceived relevance and legitimacy of the strategy outside the O&M division. Since maintenance operations are carried out in close collaboration with other divisions at the same power plants, this misalignment may hinder the strategy's implementation in practice. Without a shared interpretation or cross-functional commitment, the strategy risks being treated as an isolated initiative, rather than as a common strategic direction embedded in daily operations.

## **5.2 The Practices of the O&M Strategy**

While the previous section considered how strategic practitioners at different levels interpret and engage with the O&M strategy, this section turns to the practices through which that strategy is enacted. Analyzing these practices offers insight into how the strategy becomes operationalized through tools, routines, and behaviors. This is essential to our research aim of understanding how the strategy is implemented and followed up in practice. Examining practices and their use offers insight into the micro level processes that shape strategic outcomes.

To structure this analysis, we apply Mantere's (2005) typology of strategy practices, which distinguishes between formation, organizing, and control practices. These categories help us identify how different practices of the organization contribute to operationalize the strategy, and where gaps may exist between intent and execution. The typology also allows us to explore whether these practices are recursive or adaptive, to understand their effectiveness in contributing to the strategic implementation.

### **5.2.1 Formation Practices**

The visual representation of the O&M strategy, typically summarized in a recurring PowerPoint slide, functions as a recursive strategy formation practice (Mantere, 2005). It provides a standardized and repeatable way to communicate strategic intent across the organization. During the insourcing phase, this visual was frequently used as a communication aid to articulate the rationale for the organizational change and to promote a shared understanding of its purpose.

Some practitioners move beyond the symbolic use of strategic components by engaging in interpretive activities that align with what Mantere (2005) characterizes as adaptive practices. One example includes using the core values to make decisions. One manager described prioritizing long-term competence development over short term operational efficiency, explicitly referencing strategic values to support the decision. This reflects the form of situated sensemaking described by Rouleau and Balogun (2011), where middle managers translate abstract strategic principles into context specific actions through discursive competence. Importantly, this process is not only about clarifying the strategy for others, but also about creating meaning for oneself. To act in line with the strategy, managers must first interpret its relevance in their own context. This

highlights how adaptive practices rely on individual meaning as a foundation for strategic action.

Over time, managers have gradually stopped referring to the strategic objectives, which has led to a decline in their operational relevance. Once central during the insourcing phase, they are now either considered complete or absorbed into the Business Plan. From a SAP perspective, this indicates a breakdown in formation practices (Mantere, 2005), which are essential for generating meaning and guiding action. The objectives was initially considered a way to reach the vision and fulfil the core values. However, as they have become outdated and rarely communicated, they cease to function as active formation practices. This could undermine the conditions for strategic championing by limiting practitioners' ability to make sense of and act upon the strategy (Mantere, 2005). This creates a risk that the strategy will lose its practical foundation and become symbolic rather than lived out in practice. This shows that different strategic components, such as visuals and strategic objectives, can either support action or become symbolic references to past intentions, depending on how they are interpreted in practice. As Jarzabkowski et al. (2007) emphasize, practices are not inherently stable, they gain meaning through how practitioners engage with them in specific contexts. Therefore, their relevance must be continually reinterpreted and adapted to remain effective in guiding strategic action.

In addition to their role as control mechanisms, the KPIs used within the O&M division can also be understood as a form of formation practice in the sense that they contribute to making the strategic direction more tangible in operational work (Mantere, 2005). Several managers expressed that the current KPI framework provides a clear and structured overview of whether the division is progressing toward its goals. In this way, the KPIs help to reinforce a shared understanding of the strategy's priorities by linking them to measurable outcomes. However, some respondents also pointed out that the KPIs primarily reflect operational targets rather than the more behavioral and value-based aspects of the strategy. As such, while the KPIs support strategic sensemaking at a performance level, they are less effective in reinforcing the cultural or normative dimensions of the strategy, which may limit their role as comprehensive formation practice.

### **5.2.2 Organizing Practices**

The Business Plan emerges as a central organizing practice used by managers to coordinate strategic initiatives within the O&M division. In line with Mantere's (2005) notion of recursive organizing practices, the Business Plan formalizes the execution of strategy by setting priorities, assigning responsibilities, establishing deadlines, and linking development activities to broader strategic themes. This structure provides legitimacy to ongoing initiatives and enables coordination across different geographical units.

While the Business Plan clearly supports structure and follow-up, its connection to the O&M strategy is often implicit rather than explicitly articulated. Rather than being framed as an extension of the strategy, its alignment relies on a shared and internalized understanding among managers. For example, during quarterly leadership meetings where the Business Plan is collectively reviewed, the O&M strategy is seldom directly referenced. As one interviewee remarked, *“Do we sit down and look at the strategy when prioritizing the Business Plan? No, but it’s right here,”* pointing to her head. From a SAP perspective, this reflects how strategy can be enacted through adaptive organizing practices (Mantere, 2005) and situated sensemaking (Rouleau & Balogun, 2011). This will enable flexibility and creativity. However, such implicit alignment also introduces vulnerability. When strategy is primarily enacted through sensemaking, the path from high-level components such as core values to concrete actions becomes less direct and more interpretive. While not inherently problematic, this places a heavier burden on practitioners. This is further reinforced by the fact that practitioners must translate high-level core values into action, as the more concrete strategic objectives no longer appear to guide managerial practice. Such translation is less direct and allows for greater interpretation. In this context, a shared understanding among managers is critical to avoid fragmented sensemaking and ensure coherent translation across the organisation. Further, if the practitioners who carry this tacit understanding were to leave the organization, the strategy risks losing its anchor to operational actions. The current reliance on adaptive practices thus highlights both the strength and fragility.

In addition, leadership and unit-level planning meetings occasionally serve as forums for local adaptation. For instance, bi-weekly development meetings are held to follow up on projects, process improvements, and other development initiatives. While not all of this work is explicitly strategic, these meetings offer opportunities for reinterpreting and refining priorities. In such settings, managers can reframe legacy activities or adjust the direction of work to better reflect evolving strategic ambitions. These meeting offers a space for dialogue that supports strategic alignment. They enable not only coordination of work, but also continuous negotiation of what is considered strategically relevant.

The depth of strategic reflection within these forums varies. Some respondents pointed out that discussions around the Business Plan often focus on progress tracking and delivery rather than exploring how specific activities contribute to overarching strategic objectives. Operational demands and time constraints tend to dominate, leaving limited space for critical reflection or dialogue around the strategic significance of ongoing work. This reveals a tension of the organizing practices: while recursive routines provide structure and enable coordination, they can also crowd out the adaptive sensemaking needed to sustain strategic alignment (Mantere, 2005). To ensure alignment with the core values and evolving strategic intent, managers must complement its use with adaptive practices. Without this layer of sensemaking, the Business Plan risks becoming a static tool focused solely on delivery rather than strategic direction. Thus, the full potential of the Business Plan as a strategic resource

relies not only on its structure, but also on the interpretive work of practitioners who bring it to life in practice.

### 5.2.3 Control Practices

Control practices direct strategic behavior by defining what is monitored, how performance is evaluated, and which aspects of the strategy are prioritized (Mantere, 2005). At NordKraft, the results indicate that control is primarily exercised through a structured performance management system, in which KPIs function as the central mechanism. According to Mantere (2005), control practices are mechanisms that direct and regulate behavior in line with strategic intent, often through performance evaluation and associated reward systems. In the O&M division, KPIs represent a recursive form of control. They are used systematically to monitor safety, cost efficiency, and the execution of maintenance plans, providing a consistent and formalized approach to evaluating operational performance. These indicators are reviewed in regular performance dialogue meetings, reinforcing predictability and accountability. Interviews show that this recursive tool is perceived as highly effective for assessing operational performance, especially in relation to availability, one of the main priorities set out in the strategy's vision. Many managers stated that the KPIs serve as useful indicators for operational performance and offer a clear basis for decision-making.

However, the KPIs are not directly linked to the behavioral aspirations of the strategy, such as the core values. Some respondents saw this as a limitation, noting that it is harder to follow up on progress related to culture and behavior. At the same time, it was recognized that the core values are designed to support the strategy's overarching vision of *maintaining the assets with great proudness and deliver reliable clean energy while optimizing flexibility and availability and ensuring safe operations for our people and society*. The intended function of the values is to influence behaviors and shape a culture that in the end enables the higher business goal of offering reliable and available assets that allows NordKraft to sell electricity at the right time. As a result, progress in these behavioral areas will not always be captured through existing KPIs. Therefore, while KPIs are effective for tracking certain outcomes, they are not well suited for evaluating strategic elements that rely on behavioral change. As Mantere (2005) argues, recursive practices offer ontological security but may inhibit individual interpretation. In this context, a complementary adaptive control practice is needed. This practice can enable reflection, learning, and discussion about how values are enacted and how they contribute to the broader business goal for the division.

Managers also referred to the use of PDPs as a way to track the implementation of strategy. In contrast to the KPI framework, the annual PDP dialogs enables adaptive control by creating reflective spaces where strategic values can be translated into individual goals (Mantere, 2005). Several managers described using the PDPs to anchor conversations around core values, aligning soft dimensions of the strategy with personal development. These practices illustrate how strategy becomes actionable through interpersonal dialogue, even when broader measurement systems fall short.

In addition to KPIs and the PDPs, several respondents mentioned the organization-wide engagement survey as a potential tool for assessing cultural and behavioral dimensions of strategic progress. Although not designed specifically for the O&M strategy, some managers interpret it as offering insights into whether values such as pride, safety, and ownership are being internalized across teams. As one manager explained, “*The softer parts of the strategy, like pride and safety behaviors, are followed up through the employee survey.*” However, a closer review of the survey reveals that it focuses primarily on broader themes such as engagement, workload, reward, and management support. While these categories provide information about the general work climate, they do not reflect the specific values articulated in the O&M strategy. As such, the survey may serve more as a proxy for organizational culture than as a direct control mechanism for strategic alignment.

While current control practices in the O&M division enable structured performance tracking, they primarily reflect a single loop learning logic (Argyris, 1977). Through mechanisms such as KPIs, the organization focuses on correcting deviations from predefined goals. This approach does not systematically question the strategic assumptions or explore how more abstract elements of the strategy, such as core values, contribute to long term outcomes. Several respondents pointed out the lack of opportunities to question the strategy itself or to reflect on whether the current direction is still the right one.

This highlights the potential need for double loop learning, not only to revisit and potentially revise the strategy, but also to better understand how cultural and behavioral dimensions support strategic goals. As Argyris (1977) explains, double loop learning allows individuals and organizations to challenge underlying assumptions and adjust both actions and goals based on deeper insights. Mantere (2005) further build on this concept, describing a double loop organization as one where individuals are not only expected to follow strategy, but also to challenge and develop it through ongoing dialogue and interpretation.

In line with this, the current monitoring of implementation appears largely procedural, focusing on whether actions are completed rather than fostering evaluation or critical reflection. Some managers described relying on personal judgment to assess progress. For example, senior O&M manager developed her own assessment model based on the original rationale behind the strategy and the insourcing initiative. This represents a form of adaptive control practice, where strategy is maintained through individual sensemaking rather than formal organizational routines. However, this also exposes a limitation: in the absence of structured follow up mechanisms, monitoring depends on individual initiative rather than collective learning, which may limit the organization's ability to evolve its strategy in a shared way.

The control practices in NordKraft reflects a strong foundation for tracking operational outcomes, but offer limited support for evaluating cultural or behavioral progress. While adaptive practices exist, they remain fragmented and reliant on individual initiatives. In the absence of more structured mechanisms for strategic reflection, the organization risks overlooking how core values contribute to long-term goals. Strengthening adaptive control practices could support deeper learning and ensure that strategic alignment is not only measured through what is done, but also through how and why it is done.

## 6.0 Analysis & Discussion Research Question 2

This chapter presents the analysis and discussion aimed at answering Research Question 2: *How are the core values of the strategy internalized within the organization?*

The analysis in chapter 5.0 showed that while the O&M strategy is supported by several established practices, its core values are not always equally reinforced. In particular, the previous chapter revealed that practices such as the Business Plan and KPI don't have a clear relationship to the cultural or behavioral aspects of the strategy.

At the same time, respondents emphasized that some core values are more embedded in daily work than others. This variation suggests that implementation is uneven, and that different core values may require different types of support to be internalized in the organization. Given the central strategic role that the core values play in guiding the organization, this section takes a closer look at their implementation. The focus here is on the specific conditions that enable or constrain the internalization of each core value.

To do so, the analysis applies the framework of implementation practices proposed by Friesl et al. (2021), which includes five categories: structure and process matching, resource matching, monitoring, framing, and negotiating. While the previous chapter focused on how strategy is enacted through different types of practices, this framework offers an additional analytical lens that helps deepen the understanding of how specific practices influence the internalization of each core value.

### 6.1 Structure and Process Matching

The result showed a variation in how well specific core values are supported by structural and procedural mechanisms. Safety Behaviors is strongly supported by formal processes according to respondents. This includes structured routines such as safety walks, inclusion of safety as a standing item on meeting agendas, and safety KPIs tied to internal goals and bonuses. These mechanisms create organizational accountability around safety, embedding it in structure and culture, this reflects strong structure-process matching. Further, competence development has been institutionalized through structured activities such as competence mapping, targeted training programs, and the use of PDPs that connect individual growth to strategic goals. These processes provide a clear framework for planning, following up, and reinforcing competence in line with the strategic direction. Proudness on the other hand seems to be more of a culture outcome of the insourcing initiative, rather than supported to any specific structure and routines.

While several core values are supported by visible processes and routines, others lack clear structural reinforcement. The values *people and processes enabling flexible and available assets* and *balance decisions based on value and cost* stand out as areas where

strategic ambitions are not fully supported by existing structures and routines. The organization lacks mechanisms to enable or reinforce flexible behavior. Respondents highlighted that adaptive actions, such as responding to market signals or rescheduling work, often come at a cost to teams in terms of workload or hours, without corresponding incentives or recognition. While working flexible could create value for the company, there are no formal structures, such as adjusted planning routines or personal incentives, to support such decisions. This reflects a structure and process misalignment (Friesl et al., 2021), where the absence of formal mechanisms prevents the strategy from being implemented. Although flexibility also depends on people, strong sensemaking alone is insufficient, without structural support intentions remain unrealized. Further, *balance decision based on value and cost* faces similar challenges. The strategy promotes a shift away from pure cost efficiency toward value orientation. However, systems and cultural norms around cost control can in some cases appear dominant. This creates ambiguity: what constitutes “value” is often context-dependent and not procedurally defined. As such, this value cannot be enforced through formal processes alone. Instead, it requires active sensemaking and framing (Friesl et al., 2021), where managers interpret the strategic logic of long-term value to their teams. Without consistent organizational signals or examples, however, this framing is difficult to sustain.

While the value *well-kept and Sustainable assets* appears increasingly embedded in daily operations, it is not supported by formal structures or routines that define how it should be enacted or reinforced. Initiatives such as cleaning campaigns and reset days are locally driven and reflect growing ownership, but there are no clear processes guiding when or how such efforts should take place. From a structure and process matching perspective (Friesl et al., 2021), this suggests that the value is sustained through informal practices rather than organizational alignment, which may limit consistency and long-term integration.

Taken together, these findings indicate that while both *People and processes enabling flexible and available assets* and *balance decisions based on value and cost* are central to the O&M strategy, they are not yet fully supported through process or structure. However, following Friesl et al. (2021), this does not necessarily indicate a failure of implementation. Rather, it reflects that different aspects of the strategy may require different forms of reinforcement. While structural alignment can support clarity and execution for technical priorities, values that rely more heavily on behavioral change may be better sustained through framing, negotiation, and ongoing sensemaking. This will be explored further in section 6.4 and 6.5.

## **6.2 Resource Matching**

Resource matching refers to the alignment between available capabilities and the demands of strategic intent (Friesl et al., 2021). In NordKraft, several initiatives demonstrate how resources are being adjusted to support the implementation of core values.

Targeted training programs was introduced to strengthen both technical capabilities and strategic priorities such as safety, preventive maintenance, and documentation. This investment in competence has contributed not only to skill development, but also to reinforcing a culture where competence is prioritised and valued. Over time, this has supported a more recursive approach to competence development (Mantere, 2005), aligning individual skills with long-term strategic needs.

Further, the ambition to maintain *well-kept and sustainable assets* is increasingly recognized as important, both in communication and in framing practices. Several managers emphasized that such activities are no longer deprioritized in principle, and that employees are now allowed to dedicate time to take care of the powerplants without having to invoice it as a specific task (something that was previously required under the outsourced model). However, although this change has lowered the threshold for engaging in such behavior, limited time and resources still constrain its realization in practice. This highlights that even when strategic values are actively framed and negotiated, they may remain aspirational if not backed by sufficient resource allocation (Friesl et al. 2021).

Another example of resource matching involves the decentralized allocation of financial resources. As part of the strategy's emphasis on increasing ownership and enabling more value-based decision-making, each maintenance manager has been assigned its own operational budget. This initiative aims to push mandate downward, allowing frontline leaders to make informed trade-offs between costs and value which is an ambition embedded in the strategic value *Balance decisions based on value and cost*. While the effectiveness of this financial delegation remains under development, several respondents highlighted it as a step towards embedding the strategy in everyday decisions. However, several managers noted that not all employees appear fully empowered or equipped to act on this mandate, particularly due to lingering norms from the previous outsourcing model. This underscores the importance of complementing financial decentralization with sensemaking and capability-building to ensure that employees not only understand the mandate, but also feel confident in their ability to make sound decisions.

Together, these examples show how resource matching both enables and constrains strategy execution. When supported by formal tools and development processes, resource matching can translate strategic ambitions into everyday practices. However, in areas where resource shifts are incomplete or unsupported by meaning-making, implementation remains fragile.

### **6.3 Monitoring**

Monitoring refers to how the implementation of strategy is tracked through formal systems and informal feedback (Friesl et al. 2021). The results show variation in how

NordKraft's core values are followed up. Some values are well integrated into existing systems, while others lack structured monitoring practices.

*Safety behaviors* is the most thoroughly monitored value, with KPIs, incident tracking, and regular reviews providing a strong feedback loop. This has helped reinforce safety as a shared priority over time.

The core value *Our people and processes enable flexible and available assets* is partially monitored. Availability is well integrated into the organization's monitoring structures. It is included as a key performance indicator and systematically reviewed in regular performance meetings. However, managers noted that while flexibility is often needed to achieve availability, the behaviors that enable it are not explicitly followed up. There are no mechanisms in place to identify when flexible action leads to better outcomes. Similarly, the core value *competence and proudness* is partially monitored as well. Competence is followed up through completed trainings and PDPs, which provide insight into employee development. Proudness, however, is not directly tracked. While some refer to the engagement survey as a possible proxy, it does not assess whether employees take initiative or feel responsible for outcomes.

Moreover, *balance decisions based on value and cost* is a core value that is considered difficult to monitor. Managers noted that decision rationales are rarely documented, and that tracking every decision would risk micromanagement. Still, success stories or reflective discussions could serve as informal feedback loops to reinforce the value and promote learning.

## 6.4 Framing

Framing refers to how strategic intent is communicated to shape interpretation and justify action (Friesl et al., 2021). Effective framing challenges existing assumptions and enables new understandings aligned with strategic goals. In NordKraft, core values are central to the strategy and closely tied to organizational culture, making them especially dependent on strong sensegiving and sensemaking.

In NordKraft, framing has enabled values such as *safety behaviors*, *competence* and *proudness*. Safety is framed not only as compliance, but as a mindset, reinforced through repeated messaging and routines. A similar dynamic appears in the value of *well-kept and sustainable assets*. Under the former outsourcing model, tasks like cleaning were deprioritized. Today, they are framed as expressions of pride and brand. This reframing has legitimated new behaviors and surfaced latent norms (Friesl et al., 2021).

At the same time, some framing efforts must navigate legacy interpretations (Friesl et al., 2021). The core value *Balance decision based on value and cost* exemplifies this tension. While the intent is to enable value-based trade-offs, it is often understood through a traditional cost-control lens. This being said, when the maintenance personal are to make decision where they prioritize value over cost, they still need to be aware

of cost, since this still is an important for the O&M division to keep costs down. This suggests that completely breaking with the past ways of working may not be realistic or even desirable (Friesl et al., 2021). Since cost-efficiency remains important, framing must evolve to highlight the added dimension of strategic value. In this context, building on existing cost-driven understanding requires active sensemaking that supports employees in adopting a value driven mindset.

*People and processes enabling flexible and available assets*, in contrast, illustrates the challenges of framing when a core value lacks clear behavioral anchors. Although the strategic importance of flexibility is widely acknowledged, the concept remains vague and difficult to interpret in practice. Several managers noted that employees struggled to relate the value to their daily work or understand how to contribute to it. Unlike values such as safety or proudness, which are reinforced through repeated messaging and established norms, flexibility has not been clearly framed in ways that connect to concrete situations or decisions. This absence of shared understanding limits its influence and reinforces the perception that it is more of an ambition than a guiding principle. To gain traction, the framing of flexibility would need to include clearer examples and context-specific meaning-making that links it to daily operations and strategic priorities.

This duality that builds on past strengths while encouraging new perspectives, is central to framing. When successful, it shifts mindsets and behaviors, when lacking, values risk remaining abstract or misunderstood.

## 6.5 Negotiating

Negotiation refers to the process through which different actors align interpretations and interests to enable coordinated action (Friesl et al., 2021). This includes both formal and informal negotiations, as well as the exercise of power, to influence the implementation of strategy.

In NordKraft, the variation in how core values are implemented can reflect underlying negotiation processes. Values such as *safety behaviors* and *competence and proudness* have broad legitimacy and are rarely contested according to interviews. Their meanings are well-aligned across levels, requiring limited negotiation. In contrast, *people and processes enabling flexible and available assets* and *balance decisions based on value and cost* have proven more difficult to institutionalize. Interviews suggest that these values compete with established priorities, such as cost control and operational stability. Here, negotiations about meaning are ongoing.

The legacy of outsourcing further complicates negotiation processes. The meaning of *balance decision based on value and cost* is often informally negotiated in ways that default to cost logic, as “value” continues to be interpreted primarily in financial terms. These interpretations are shaped by deeply embedded norms and past practices. In parallel, employees report difficulties in taking ownership of such decisions due to

unclear mandates. Without a clear understanding of who is authorized to make which types of trade-offs, the value remains abstract. Negotiations also take place across divisions, where differing priorities, such as cost-orientation, can create friction in how strategic values are interpreted and acted upon. These dynamics show that values are not simply implemented through communication, but emerge through informal negotiations shaped by power, history, and organizational context (Friels et al., 2021). Further, mapping these dynamics could offer valuable insight into which perspectives are likely to dominate in cross-divisional implementation efforts. Being aware of these negotiations is crucial for understanding how the implementation can be challenged.

## **7.0 Conclusion**

### **7.1 How is the O&M Strategy Translated into Practice, and How is the Implementation Followed Up and Evaluated?**

The findings reveal that strategy translation at NordKraft is shaped by both formal mechanisms and the interpretive work of key practitioners. Middle managers play a central role in bridging strategic intent and operational realities, with their ability to contextualize and communicate the strategy influencing how effectively it is embedded in daily practice. Strategic fluency varies depending on individuals' involvement in the strategy's formation.

The implementation of the strategy is supported by a set of formation, organizing, and control practices. Formation practices, such as the use of strategic components, have been important for anchoring strategic rationale. However, some of these strategic components have declined in use over time, reducing their ability to reinforce strategic intent. Further, the implementation of the strategy is supported by a set of organizing and control practices, including the Business Plan, KPIs, and PDPs. While these tools provide structure and accountability, their connection to the O&M strategy is often implicit, highlighting a reliance on shared understanding and individual initiatives.

The evaluation of the strategy is primarily driven by recursive control practices focused on operational performance. However, the findings highlight a lack of structured mechanisms for assessing cultural and behavioural progress, dimensions that are essential to the strategy's long-term intent. While adaptive practices that enable reflection and learning do exist, they remain fragmented and reliant on individual initiative. Moreover, the absence of a formal forum for questioning strategic assumptions and direction limits the potential for collective learning and strategic renewal

Overall, while the O&M strategy is embedded in parts of the organization, its continued relevance depends on active sensemaking, clearer follow-up, and space for strategic reflection. Long-term impact will require attention not only to what is done, but also to how and why it is done.

### **7.2 How are the Core Values of the Strategy Internalized within the Organization?**

The analysis shows that the core values of the O&M strategy are internalized to varying degrees across the organization. This variation is shaped both by the character of each value and by the extent to which they are supported by different implementation practices. The core values that are more strongly anchored are consistently supported across all five implementation practices. In contrast, the core values that are less embedded tend to lack reinforcement across several of these practices.

At the same time, the analysis indicates that full support across all implementation practices is not always necessary. Instead, the character of each core value influences which types of reinforcement are most relevant. For example, while all core values involve some degree of cultural and behavioral change, those tied more directly to technical priorities may benefit more from structure and process matching, whereas values that more strongly emphasize behavioral or cultural shifts depend more heavily on framing, sensemaking, and negotiation. The findings underscore the importance of identifying and applying appropriate implementation practices to support each value in a meaningful way.

## **7.3 Recommendations for NordKraft**

### *Renewal of objectives and control practices*

We recommend establishing a new set of long-term strategic objectives. These objectives do not need to be used for external communication but should serve as internal strategic anchors. Ideally, the majority of the major initiatives in the Business Plan should be traceable to at least one of these objectives, ensuring a clear connection between operational activities and long-term strategic goals. Regular reflection should be built in to evaluate whether completed initiatives have brought the organization closer to its strategic goals, through measurable outcomes or qualitative insights.

As part of this work, enhance the existing performance management system by introducing structured, reflective forums focused on the O&M strategy. These forums should serve as a space to concretize what each core value means in practice, clarifying what behaviors or outcomes indicate that a value is being lived, and what business impact this generates. Special attention should be given to evaluating progress on behavioral and cultural objectives, ensuring that the organization can assess whether it is effectively closing the gap between the current state and the desired future state.

### *Establish a strategic feedback loop*

Enable double-loop learning by not only evaluating whether goals were met, but also questioning the underlying assumptions of the strategy. This could be done by introducing an annual strategy reflection meeting to ensure that the O&M strategy remains relevant and actionable over time.

### *Strategy engagement survey*

To support continuous improvement, we suggest conducting a survey to assess how the O&M strategy is understood and experienced across the organization. This would help establish a baseline to identify where efforts should be focused, such as which parts of the strategy are well anchored, where there is confusion, or where engagement is low. The results can guide targeted communication and development initiatives and, over time, provide valuable input for tracking progress and strengthening alignment.

### *Cross-divisional alignment*

To improve strategic implementation, NordKraft should create stronger alignment between the O&M division and other parts of the organization. This can be achieved by involving other divisions in shared planning forums, where a mutual understanding of each division's deliverables and strategic focus is established. Such dialogue is essential to identify overlaps or tensions and explore how different priorities can be coordinated. It also helps clarify how each division contributes to the overarching business unit strategy, and when it is reasonable to adjust local deliverables in support of broader strategic goals. By aligning around shared goals early on, divisions can better navigate trade-offs in cross-divisional projects.

## **7.4 Recommendations for Future Research**

### *Explore the perspective of technicians and frontline employees*

While this study focused primarily on management levels, a valuable next step would be to investigate how strategy is perceived, understood, and implemented by other levels in the division. Such a study could explore cultural barriers and what organizational support is needed to engage broader employee groups in strategic change. The focus could be to investigate bottom-up implementation and how to create alignment beyond formal leadership.

### *Further explore the role of strategic champions in practice*

While this study highlighted the importance of middle managers in strategic translation, a future study could go deeper into identifying *strategic champions* across the organization, regardless of formal role. This research could examine what enables individuals to take on strategic leadership informally, how such roles emerge, and how the organization can recognize, support, and multiply these efforts.

### *Investigate how flexibility can be enabled and sustained*

This study highlights that while flexibility is a central goal for the O&M strategy, it remains difficult to internalize. A follow-up study could further explore what organizational conditions or support systems are needed to strengthen flexibility in daily operations. This research could also examine the balance between responsiveness and stability.

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