STRATEGIC COHERENCE IN THE WORLD OF VUCA – CASE STUDY ANALYSIS

Wojciech MACHEL

University of Gdansk, Management Faculty; wojciech.machel@ug.edu.pl, ORCID: 0000-0002-6785-8285

Purpose: The purpose of this study is to evaluate the potential of the study of strategic cohesion in the form of case study analysis. In addition to the theoretical part, the study presents a case study analysis of the strategic cohesion of two companies.

Design/methodology/approach: The paper highlights the methodology in the research approach: reductive approach vs holistic approach. To this end, based on the analysis of the literature, the main areas and relationships of the occurrence of strategic coherence were identified, both in the holistic and reductive research approaches. In the next stage of the research - a case study was used as a tool for studying the strategic coherence of enterprises.

Findings: The results of the analysis of the two cases suggest that achieving strategic coherence of an organization is important from the perspectives of its development and survival in the market. Crucial to achieving coherence appears to be the commitment of the organization's CEO to support strategic coherence.

Research limitations/implications: The analysis of the literature indicates methodological difficulties in defining research methods for studying the strategic coherence of an enterprise (Romanowska, 2018; Mielcarek, 2020). The future research process, due to the complexity and difficulty of implementing tools to measure the strategic cohesion of an enterprise, requires great care in interpretation. Trying to propose a universal tool requires the decision to choose a holistic or reductionist approach. The holistic approach seems the most appropriate yet difficult to implement (Romanowska, 2018). The weaknesses of the reductionist approach are due to the subjective reduction of relevant variables. Limitations in the conducted research stem from the use of the case study as a research method. Its weaknesses include: the inability to create generalizations, random data collection, and the degree of structuring of individual cases (Czakon, 2011).

Practical implications: Awareness of the importance of strategic consistency by the organization's CEO in the area of managerial decision-making can have a significant impact on the effectiveness and efficiency of business management.

Social implications: The research construct (originally addressed to the analysis of the strategic coherence of enterprises) can be adapted to the study of the strategic coherence of public organizations (Latham, 2017) at different levels and areas of operation. The direct implications for society can manifest in more coherent strategies of individual municipalities, cities or provinces. The study of cohesion should ensure a more balanced and harmonious development of society.

Originality/value: This paper appears to systematize research approaches in the area of strategic coherence. It is pointed out that case study analysis can be a tool for studying strategic coherence in the VUCA world in a holistic approach.
Keywords: strategic coherence, strategic change, strategic leadership, VUCA.
Category of the paper: case studies.

1. Introduction

Modern companies operate under conditions of permanent change defined as a VUCA world. It is becoming a fundamental problem not only to maintain competitive advantage and even to survive in a turbulent environment. The managers in charge work on creating and implementing winning enterprise strategies (Obłój, 2010), which should explain in a simple understandable way how the organization will achieve its goals. Implementing a strategy involves making clear choices about how to be competitive (Obłój, 2009) One famous manager of the 20th century claimed that in reality strategy is something very simple: *you take a direction and follow it with all your might*. (Welsh, 2005). K. Obloj points to three characteristics of a good strategy. These are: choice, simplicity and consistency of strategy (Obłój, 2009). In practice, a company's strategy can be considered from two perspectives: first, strategic choice and strategic consistency in action (Obłój, 2009). With the assumption that coherent organizations perform better than organizations with less coherent strategies, it seems quite obvious that any organization should have a high level of strategic coherence. In view of the above, the question can be asked how to maintain a high level of strategic coherence? Crucial in the process of management and thus achieving strategic coherence is the role of the top manager, who is responsible for executing the strategy and achieving the set goals. Good leadership is expected of a manager who carries out specific tasks and organizational goals in an efficient and effective manner (Gryffin, 2021). Efficiency is about making the best use of the organization's resources. It is about ensuring that the organization's resources are not wasted or destroyed. Proper organization of work will have a great impact on the efficiency of the organization's management. When we evaluate the work of a manager, we do so mainly through his effectiveness (Dudycz, Osbert-Pociecha, Brycz, 2012), i.e. the ability to achieve the desired goals using specific resources. Effectiveness (Drucker, 1963) is not only making the right decisions but, above all, the ability to implement them in a diverse organization in a turbulent environment. Leadership effectiveness and the ability to maintain strategic coherence translates into the ability to execute the company's strategy (Burgelman, 2014). Strategic consistency should enhance the effectiveness of the managing director. Efficiency and effectiveness in the work of a manager are the most important qualities of his work (Kowal, 2013), which will contribute to the success of the organization. Managers, depending on their position in the structure, are responsible for achieving strategic, tactical and operational goals. In the case of

micro and small organizations, success and strategic consistency can be derived from good work organization, efficiency in the operation of individual managers. Efficiency will be derived from order, order, which become apparent in the internal processes of the organization (Kożun-Cieślak, 2013). The larger the organization, the greater the complexity of internal processes. The number and detail of processes is adequate to the size and functions that each organization performs. From this perspective, for success, the efficiency of the entire organization is crucial and this can be achieved with a high level of internal and external strategic coherence of the enterprise.

Goal effectiveness is primarily an activity in the area of strategic nature concerning past, present and future decisions made by top managers (Drucker, 1963). From the perspective of the functioning of the enterprise, the short- and long-term goals set before it, full coherence can be expected at the level of the entire organization as well as its individual components. The problem of strategic coherence is a problem identified in the field of strategic management. In strategy, we define the goals, initiatives or objectives we want to achieve and how to achieve them within a certain period of time. Lack of strategic coherence is a problem concerning the discrepancy between the declaration of strategy and its implementation. Strategy theory assumes that strategies at different levels should be consistent to ensure competitive advantage (Hofer, Schendel, 1978; Miles, Snow, 1978; Obłój, 2007; Romanowska, 2018). Discrepancies in strategic coherence can apply to any of the strategic areas that strategy can play in a company (Mintzberg, 1998):

1. *(strategy is a plan)*, strategy as a result of strategic planning, action plan;
2. *(strategy can be a ploy)*, a specific action within a strategic plan, a strategic maneuver directed at opponents or competitors;
3. *(strategy is a pattern), a* template, a pattern of behavior according to certain rules of conduct;
4. *(strategy is a position), the* position of an organization compared to its environment, compared to other *participants;*
5. *(strategy is a perspective),* as an innate perception of the world. Some organizations build benevolent marketing or ideologies according to which they operate and on which they focus their activities.

The essence of the management process is the functioning of the organization in the most efficient, effective, orderly manner possible, and all in order to ultimately achieve the organization's goal with an appropriate amount of resources. An attempt to determine the level of strategic coherence of the organization seems to be essential for the functioning of enterprises in terms of achieving success in the long term.

2. Strategic coherence

Effective management for corporate success in the context of strategic coherence has been a phenomenon of interest to researchers for more than 40 years (Venkatraman, Camillus, 1984; Peters Waterma 1982; Venkatraman, Prescott, 1990). Among the various approaches to the occurrence of strategic coherence, Peters and Waterman's 7 S concept can be mentioned as one of the first. In the 7S model, it consists of seven components of an organization whose central part (management context) is shared values. Values provide the intra-organizational context and the link for the three hard and three soft components of each organization. The "hard components" include strategy, structure and management system. The other "soft components" are skills, management style and personnel (Peters, Waterman, 1982). Waterman and Peters were the first to put forth the thesis that it is not organizational structure but cohesion within a system of interconnected organizational values that affects the success of an organization.
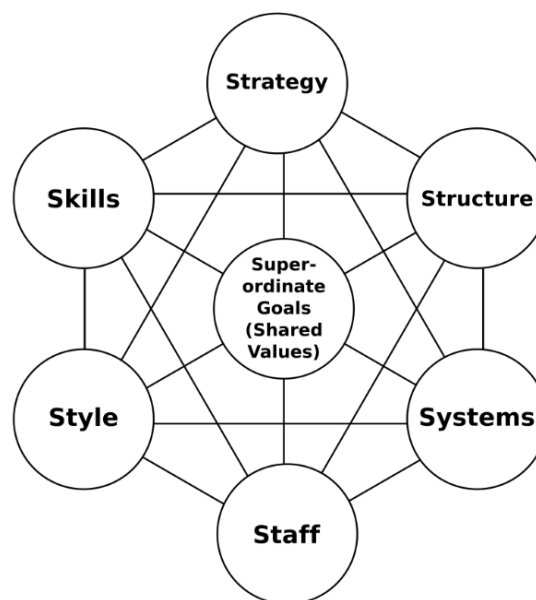

Figure 1. Strategic coherence as McKinsey 7S Framework.

Source: Peters, Waterman, 1982, p. 28.

Strategic coherence is an approach to organizational management that assumes that all components of strategy, such as goals, sub-strategies, processes, organizational resources and organizational culture should be interrelated and complementary in a harmonious way.

Strategic coherence is crucial to the effectiveness of an organization's operations. In practice, the pursuit of strategic coherence can be applied at various levels of the organization from the management of the entire enterprise to the management of specific projects or processes (Hass, 2011). Its purpose is to ensure that all decisions and actions made in the organization are coordinated and serve a common goal - the realization of the organization's strategy. Strategic coherence is formed between the process of strategy formulation and the

process of strategy implementation (de Wit, Mayer, 2007). When analyzing strategic coherence, it is necessary to study the compatibility of three areas: 1) the organization's environment, 2) strategic choices, and 3) internal processes (Romanowska, 2018).

The issue of strategic coherence emerged in the literature in the late 20th century. The term refers to the logical coherence of multiple initiatives and programs implemented in a single organization at a given time. When strategic coherence exists, different organizational policies and practices complement and reinforce each other. In the absence of strategic coherence, these activities can be implemented haphazardly and even contradict each other. Such behavior contributes to the failure of the organization. Separate efforts may be based on contradictory (inconsistent) decisions and personnel may be placed under opposing demands. The concepts of coherence in enterprise management are presented by the concept of organizational coherence and strategic coherence. Coherence at the level of enterprise management should be understood as the mutual alignment of decisions made by managers at all levels of management in such a way that, regardless of their place in the organizational structure or organizational process, they are aligned with each other. Strategic coherence describes the compatibility of an organization's strategy with the various elements of the organization's interior and its environment (Romanowska, 2018). Table 1 presents a chronological summary of definitions of strategic coherence.

Table 1.
Summary of definitions of strategic coherence

Author	Definition of the concept of coherence in chronological terms
Hofer, Schendel, 1978	Internal alignment refers to relationships involving company-wide strategy, sector-specific strategies, and functional strategies.
Petrers, Waterman, 1980	Consistency of 7 elements with common values as their glue : strategy (strategy), structure (structure), procedures (systems), staff (staff), leadership style (styles) and skills (skill).
Venkatermann, Cailus, 1984	Consistency between the strategy and various elements within the organization, external consistency between the environment and the company's strategy, and consistency between the strategy formulation process and the implementation process. Alignment is the result of the configuration of the organization's elements, and as a process it manifests the need to accumulate appropriate resources for the enterprise in response to opportunities and threats that will arise in its environment.
Venkatermann, Prescott, 1990	Coherence includes 3 types of relationships: between the strategy and various elements within the organization, external coherence between the environment and the company's strategy, coherence between the strategy formulation process and the strategy implementation process.
Tece et al. 1994, 1997	The ability of a multi-product and multi-branch corporation to generate and exploit synergies of various types and cause and make different parts of the organization act as one entity. Corporate coherence is the ability of a multi-product and multi-branch corporation to generate and exploit synergies of various types and make different parts of the organization act and be managed as one entity.
Grant, 1998	Strategic fit means that there must be compatibility between the company's goals and values, with the external environment, with resources and competencies, as well as the organization and systems.
Gunasekaren, 1998	Agility is the ability to survive and cope in a competitive environment full of unpredictable changes, which requires quick and effective responses to market changes.

Cont. table 1.

Zott, Amit, 2008	Fit, viewed as a state, is characterized by the consistency of the configuration of elements, i.e., one at which peak performance is achieved.
Thompson, Peteraf, Gamble, Stricland, 2012	Analyzing and comparing the consistency of the value chains of individual businesses (identifying cross-business strategic fit along the value chain).

Source: Elaboration based on Romanowska, 2018; Mielcarek, 2020.

Strategic coherence emerges as an effort to define the company's most important challenges and develop strategies to meet them (Rumelt, 2022a). The vast majority of researchers believe that strategic coherence supports the functioning of an organization, improves its effectiveness and efficiency in achieving its intended goals (Peters, Watreman, 1982; Romanowska, 2018; Obłój, 2009). Striving to achieve strategic coherence at the level of intentions, declarations or goal setting seems obvious in small organizations. The larger the organization, the greater the complexity and the problem with communicating and understanding strategy by employees (Wołeczek, 2016). The greater the complexity the more difficult it is to coordinate and implement competing goals (Hass, 2011). The question arises as to how to define it and measure strategic cohesion of a company?

From the perspective of companies, cohesion research is quite difficult and ambiguous. This is due to the high complexity and many concepts of studying cohesion both inside and outside the organization (Mielcarek, 2020; Gadomska-Lila, 2013). Researchers have a problem in measuring strategic cohesion (Romanowska, 2018).

Over the years, it has been proposed to create concepts for studying strategic coherence, understood as intra- and extra-organizational alignment of activities with the organization's strategy.

A fundamental problem in the study of consistency concerns the choice of the reductionism vs. holism approach.

Table 2.
Comparison of research approaches in the process of studying the strategic coherence of the organization

Characteristics of the approach	Reductionist approach	Holistic approach
After a break in research	Consistency of several features of the environment, for example, the life phase of the sector, several features of the strategy, for example, resource allocation.	A wide range of relationships between characteristics of both strategy and environment
Strengths	The ability to accurately isolate variables in the beginning of the links between them and systematically repeat the study which allows the accumulation of knowledge	The ability to maintain a systemic, comprehensive view of the complex relationships between variables
Weaknesses	Possible error due to omission of the broad context of the relationship between the variables under study	The complexity of the cohesion problem makes it difficult to pose and verify research hypotheses about the nature of cohesion and the difficulty of generalizing research findings
Proper testing methods	Multiple regression with interactions, analysis of variance, subgroup analysis	cluster analysis benchmark analysis second-order factor analysis canonical analysis

Source: Elaboration based on: Romanowska, 2018; Mielcarek, 2020.

Adopting a holistic approach seems most appropriate from a systems perspective. A holistic view of an enterprise's success provides more objective knowledge in this area than a reductionist approach. The drawback of such a research approach is its cost and complicated implementation. The reductionist approach will contract a larger-scale study of a specific piece of strategic coherence.

3. VUCA environment

The term VUCA was used to describe the post-Cold War geo-military environment. Just as the word strategy once derived from the Greek *strategos* (Obłój, 2007) has its etymology from military terms, the term VUCA has similarly found its way into the language describing the turbulent corporate environment. Originally, the terms of the new, in many respects volatile environment were outlined in the document "USAWC Strategy Research Project - Training and Educating Army Officers for the 21st Century: Implications for the United States Military Academy (Whitman, 1998). The document, approved as a training manual at West Point, notes the ambiguity of the changing external environment. PP³k Whitman analyzed the forces shaping the situation in the 21st century and drew attention to the new paradigm in which the military as an organization will find itself.

Nowadays, the acronym VUCA is used to describe the unpredictable nature of turbulent changes in the business environment. VUCA refers to the first letters describing the volatility of the business environment of enterprises (Barman, Chandibai, 2017):

- V for Volatility. It is becoming increasingly difficult to predict trends, events and situations (both their speed and their scope).
- U for Uncertainty. Uncertainty stems largely from a sense of being out of control and unable to predict variables.
- C for Complexity. The changes involve many phenomena, areas and cover an ever-increasing range of information. This range is so large that it is difficult for us to assimilate all possible variables.
- A as Ambiguity. It turns out that the indicated phenomena can not always be explained by logic and analysis. Many situations and events require a broader perspective and new experiences. All because of ambiguity. The world of VUCA has become a new environment for enterprises. (Dilon, Nguyen, 2021).

As the E&Y researchers point out, the concept of managing a business in a VUCA environment requires that it is not so much about planning specific steps as it is about nurturing the vision of the business. A leader's approach turns out to be crucial. The leadership (Sulkowski, 2009) that a leader brings defines the vision that gives direction to the enterprise's aspirations. Actions focused on the planning function can stiffen the enterprise. Looking at the vision enables one to respond to changing conditions in a way that is consistent with

a predetermined concept and set goals. It is also important to demonstrate an understanding of possible difficulties or challenges. In response to this complexity, a clear system of action supported by the organization's vision and mission should be established. The mission and organizational values accepted by all employees will help define the tasks and processes that will provide security in a moment of dispute or chaos. The approach to change in a VUCA world can be presented in the form of three actions: analyze the organization's environment such as central and peripheral changes (odd things, different things); interpret events and observations; consider what resources and organizational skills I can use to meet future challenges in a changing VUCA world (Obłój, 2022).

All internal activities should follow the company's vision, while ensuring internal strategic consistency.

4. Case study analysis

The empirical part analyzes the example of two organizations that have demonstrated different internal approaches to strategic coherence. The first is the analysis of Nokia and the second is Microsoft. The NOKII example can be divided into two stages: the first period of dynamic growth associated with the development and entry into new technologies, and the second stage of Nokia's corrosion.

Both organizations went through various stages of development, stagnation and subsequent growth. Both companies were active in the new technology sector and both operated in the global market. Both Nokia and Microsoft were market leaders in the international arena. Nokia failed as a result of strategic misalignment. Microsoft, after changing its CEO in 2014, began to grow again. When comparing the two organizations, one should ask what was different? What caused the failure of the Nokia brand, and why did Microsoft record such significant growth (Gotsch, Lienhard, Schögel, 2019)? Was the difference due to a lack of internal and external cohesion at Nokia after 2004?

Based on the analysis of Finnish researchers, Table 1 presents four attributes of success and failure analysis of NOKIA over the years. The success attributes were defined as strategic leadership organizational projects, capabilities and the organization's environment.

Table 3.

Summary of activities, factors in perspective of feelings about managerial activities in four research perspectives

NOKIA's success in the 20th century	NOKIA's failure in the 21st century
(1) **strategic leadership**	
Kairamo, the company's CEO from 1977 to 1988, is also recognized in many texts as an important contributor to the company's success. He is seen as a charismatic and extroverted personality who was the driving force behind Nokia's initial international expansion and a staunch supporter of a flexible, dynamic and constantly learning organization. Jorma Ollila was Nokia's CEO when the company went from near bankruptcy to remarkable growth in the 1990s. Ollila's financial experience was considered crucial in transforming the company from a failed conglomerate into a successful telecommunications company. Moreover, many accounts praise Ollila's personality and skills as the source of Nokia's success. Whether it is Ollila's public presentations (organizational skills, innovation, vision, or negotiation skills, many authors recognize him as a major contributor to Nokia's success story. "Time and again in its history, Nokia has taken the opportunity to enter exciting new businesses with high risk but great growth prospects"; "Only a handful of people and key decisions were responsible for Nokia's success".	An interesting feature of the narratives highlighting strategic leadership as a cause of failure is the personification of the corporation. In the texts, Nokia was seen as corrupt, arrogant, lazy, slow, inconsistent, focused on internal competition and threatened. Two business researchers offered the following interpretation: "Kallasvuo now sees that the company has not paid enough attention to the emotional overtones caused by internal competition for resources to develop a wide range of phone models". Former Nokia director Frank Nuovo highlighted the laziness and stagnation resulting from a combination of the company's normal evolution and large size: "I look back and think that Nokia was simply a very large company that began more to maintain its position than to innovate for new opportunities. There was a realization within the company that touch was increasingly important, and they were working to achieve that, but when a company is really busy maintaining what it has created, it's hard to put enough pressure on something so drastically new and create urgency".
(2) **organizational design**	
Conscious and continuous thinking about the company's structure is considered an important innovation on par with product innovation". Nokia's strength is effective intra-organizational communication and the company's values, strategies and vision, as well as the rapid dissemination of daily information in an easily accessible manner throughout the company. Finally, many authors argued that one of the key factors in Nokia's success was the mastery it demonstrated of international expansion. Nokia was able to expand rapidly internationally, thereby gaining first-mover advantage in many emerging markets and enjoying economies of scale that would have been unattainable in its small domestic market.	In the spring of 2009, I started receiving messages from the Nokia organization that the company was not being managed consistently. Problems began to pile up, decision-making was slow, and discussion was moved to large committees where focus was lost". What followed was three years of massive restructuring. Costs were being cut, but revenues were not being generated. Successful restructuring can revive failing corporate giants, but in Nokia's case things went terribly wrong.
(3) **opportunities**	
Nokia emphasized lifestyle in communications in building its brand - a strategy that explains an important part of its breakthrough". Nokia had products for every consumer in the world... We avoided pushing the same model everywhere. Instead, we tailored our products to local expectations and changing consumer habits. The habits of consumers. And very often we have succeeded".	"The arguments of failure based on capabilities focused on three failure is epitomized by the corporation. In the texts analyzed by the researchers, Nokia was seen as corrupt, arrogant, lazy, phone business) and Elop's insufficient knowledge of the industry as a problem: slow, inconsistent, focused on internal competition and threatened. Two business academics offered categories: insufficient technological knowledge in top management, incorrect approach to consumer marketing and inferior products to competitors.

Cont. table 3.

(4) **environment**	
The explanation for the success focused on the role of Finnish government policies. The government's policies on competition and deregulation in the telecommunications sector were important to the evolution of the Finnish telecommunications cluster and Nokia's success. Moreover, the liberalization of the Finnish capital market provided Nokia in the early 1990s with the foreign investment it needed to finance the company's focus on telecommunications and its resulting rapid growth. Various texts - especially by government-sponsored academics - portrayed public funding as an important source of early radio development and later R&D programs.	Lack of ability to adapt to a changing environment: Until the launch of Apple's iPhone in 2007 and Google's Android in 2009. Nokia and Microsoft were the undisputed leaders in their respective industries. Since then, both have been gripped by the rapid convergence of digital communications, information systems, consumer electronics, as well as software and various types of digital content. This convergence has broken down pre-existing sector silos and replaced them with the rapidly evolving Internet. Both companies faced new and unfamiliar competition and were forced to develop new strategies tailored to the new market regime. "In recent years, Nokia has not only tried to produce better phones. It has had difficulty culturally adapting to the new business environment. It is difficult to determine exactly what cultural changes were needed".

Source: Elaboration based on Laamanen, Lamberg, Vaara, 2016.

When analyzing the internal causes of Nokia's crisis, it is important to note the reallocation of important leadership roles and the poorly executed 2004 reorganization toward a matrix structure (Doz, 2017). This led to internal conflicts and the departure of key executives, which led to a deterioration of strategic thinking and leadership in mission setting and creation (Doz, Wilson, 2017; Doz, 2017). By the same token, after 2004, top management no longer had sufficient technological knowledge or strategic integration to prioritize and resolve conflicts as a result of using a matrix structure, which was paradoxically intended to aid internal cohesion. At the same time, the cost-cutting measures introduced made Nokia's strategy of product differentiation through market segmentation ineffective and resulted in the proliferation of inferior products (Doz, Wilson, 2017) During this period, chaos reigned at Nokia as a result of sudden market changes. Activities within the organization were not consistent. The lack of internal consistency translated into an even bigger problem with a faster runaway market and external inconsistency. All attempts at change were either misguided or late (Doz, Wilson, 2017). Less than 3 years of operating under the VUCA environment and internal chaos led to Nokia's collapse.

Analysis of the determinants (Table 3), indicates that Nokia in the 1990s was an organization with a high degree of strategic coherence both internally and externally. This is evidenced by numerous reports describing the genesis of its success (Laamanen, Lamberg, Vaara, 2016). In fact, it is difficult to conclusively determine whether the key in Nokia's decline as a leading manufacturer of phones and later smartphones was only external factors. The sudden mismatch with the external market was some consequence of problems with strategic consistency within the organization. In 2011, a year after CEO Stephan Elop was hired, an internal memo came to light, from Nokia's first non-Finnish CEO. It drew attention to the problem of Nokia's loss of market competitiveness. Elop argued in order to compete in a changing market one should focus not on the phone but on the ecosystem: *The battle for*

devices has now become an ecosystem war, where ecosystems include not only the device's hardware and software, but also developers, applications, e-commerce, advertising, search, social applications, location-based services, unified communications and many other things. Our competitors are not taking our market share with devices; they are taking our market share with the entire ecosystem. This means that we will have to decide how we will build, catalyze the ecosystem or join it (Doz, Wilson, 2017). Nokia's board of directors considered the content of the announcement to be an act of misjudgment. It failed to note that there was a loss of external coherence. Shortly thereafter, Nokia's CEO announced a new strategy for Nokia, which included a "strategic partnership" with Microsoft and a shift in smartphone strategy to Microsoft Windows Mobile. Two years later, in a further erosion of the business, Microsoft acquired a division of Nokia called "Devices & Services," the entire division that manufactures and sells phones, as well as provides services to end customers (Doz, 2017). It was headed by former Nokia CEO Stephane Elop. With no operating system of its own, Nokia was doomed to rely on Microsoft. Especially since its development work on the first Windows Phone smartphones was supported by the American conglomerate. Microsoft wanted to have, after all, a smartphone manufacturer that would launch devices in line with its new lineup and target the iPhone directly (Doz, Wilson, 2017).

The second analysis of strategic coherence is the example of Microsoft in the middle stage of development. During the smartphone era, Microsoft CEO Steve Ballmer, through the acquisition of Nokia, tried to bring Microsoft into the smartphone manufacturer market. Two years after that decision, Ballmer stepped down as Microsoft CEO. Problems with the consistency of Ballmer's earlier strategic decision to acquire Nokia are evidenced by the fact that on news of his resignation from the CEO's chair, stock prices rose 7%. Microsoft's new CEO is Satay Nadella. Nadella, in his inaugural speech, when talking about the future did not mention Windows even once. The key for him was to change the strategy and rebuild the organization's value system. The change of CEO meant not only a change in business direction (abandoning mobile products and services such as Nokia/Microsoft Lumia and at the same time developing the business towards cloud services for business), but most importantly an internal change in the organization's value area (Nadella, Show, Triace, 2017). Sat Nadella, said that organizational culture can be a term that is not clear and amorphous to the participants of the organization. He claimed that Microsoft's culture renewal is a top priority for him, "... I am committed to ruthlessly removing barriers to innovation so that Microsoft can get back to what everyone joined the company for - 'to change the world' " (Nadella, Show, Triace, 2017).

The Microsoft CEO, speaking about refreshing the Microsoft spirit and culture, said as follows: "We organized focus groups to allow people to share their opinions anonymously as well. Listening was the most important thing I implemented every day, because it built the foundation of my leadership for the years to come. To my first question about why Microsoft exists, the message was loud and clear. We exist to create products that empower others.

This is the meaning we all want to give to our work. I heard it from hundreds of employees at every level and in every part of the company. Employees wanted a CEO who would make meaningful changes, but at the same time respect Microsoft's original ideals, which have always been to change the world. They wanted something clear, tangible and inspiring. They wanted to hear more often about progress in a clear and simple way. Engineers wanted to lead again, not follow. We had the technology that the press raved about in Silicon Valley, such as state-of-the-art artificial intelligence, but we weren't showing it off. What employees were really demanding was a roadmap to remove organizational paralysis" (Nadella, Show, Triace, 2017).

The above excerpt shows that the culture change that Sat Nadel wanted to achieve was implemented at a strategic level. The message and values were consistent with actions. They did not remain a mere declaration. Microsoft's CEO was personally involved in ensuring consistency by creating a value system. These activities were aimed at creating strategic consistency within the organization. The refreshed value system was intended to ensure internal consistency in the long term. In a theoretical sense, this resembled Peters and Waterman's implementation of the 7S's concept (Peters, Waterm, 1982).

Microsoft's new CEO believed that one cannot be an empathetic leader by sitting in an office behind a computer screen all day. An empathetic leader must participate, be in the world, meet people where they live. A leader should see how the technology he creates affects their daily activities. These values were to translate into an approach to innovation, improvements, enhancements carried out by all possible means so that tomorrow is better than today. For consumer products, the key was to be modern software design, which included online products updated through constant experimentation to be better suited to the needs of today's and tomorrow's customers. "We needed to build a deeper empathy for our customers and their unarticulated and unmet needs. It was time for a refresh (Nadella, Show, Triace, 2017). Microsoft's leadership has been changing its approach to business by modifying the company's internal values. A key one in the context of software production is timeless trust. Nadella, attempting to define the overarching value in Microsoft's changing culture as a culture of long-term trust supporting the company's strategy, described it as the sum of the following values: empathy + shared values + security and reliability (Nadella, Show, Triace, 2017). In further reflection, Nadella writes that he keeps coming back to a simplified equation, which, in his view, accounts for economic growth and thus the achievement of business goals through a specific strategy. In his view, the basis for growth in the global world is the sum of education and innovation multiplied (supported) by intensity in the use of technology. The Microsoft leader claimed that he could not change Microsoft's strategy without changing the organizational culture. A key element in the strategic change process was not just the identification of new directions, but the daily work of realizing strategic coherence. Nadela wrote about the role of the CEO as follows:

"The CEO is the curator of the organization's culture. Anything is possible for a company if its culture is based on listening, learning and leveraging individual passions and talents in the company's mission. Creating such a culture is my main task as CEO" (Nadella, Show, Triace, 2017). To implement these changes, the ranking performance management system responsible for low morale in teams was abolished. Individual managers were given more influence, allowing them to collaborate more freely or innovate their products (Gotsch, Lienhard, Schögel, 2019).

Nadella said: "I believe we can do magical things when we come together with a common mission, a clear strategy and a culture that brings out the best in us individually and collectively. Last week I talked about how we are aligning our structure with our strategy. Today I want to share with you the broader context and connective tissue between our mission, worldview, strategy and culture. It is critical that we begin the new fiscal year with a shared vision of what we can do and who we want to become." (Bishop 2015). Above what previous statements by Microsoft's CEO were backed up by his activity in implementing strategic intentions. Based on the above, it can be concluded that these activities were aimed at achieving strategic coherence internally and externally.

Nadella continued his reorganization efforts to create a "more agile, communicative, collaborative, determined and motivated company" (Dhillon, Gupta, 2015, p. 60). During one meeting with employees, he said; "The world is diverse. We will better serve everyone on the planet by representing everyone on the planet. We will be open to learning our own biases and changing our behavior so that we can harness the collective power of everyone at Microsoft. We not only value differences, we seek them out and invite them" (Gotsch, Lienhard, Schögel, 2019).

In organizational terms, Nadella has set the following goals for changing the company's culture and achieving his vision of "One Microsoft" (Gotsch, Lienhard, Schögel, 2019):

- Clearly and regularly communicate our sense of mission, worldview, and business and innovation ambitions.
- Make cultural changes from the top down and get the right team in the right place.
- Build new and surprising partnerships so we can create new value and delight customers.
- Get ready for the next wave of innovation and platform changes. Let's redesign our capabilities toward a primarily mobile and cloud-based world and diligently guide our execution.
- Advocate for timeless values and bring productivity and growth back to everyone.

The direction of activities in the VUCA environment aimed at achieving external consistency was manifested in activities relating to Microsoft's competitive environment. In one conference, he outlined the purpose of the meeting: to debate and create a cultural Microsoft mindset for the future. He presented the company's new official mission statement as

the main business goal: "Enabling every person and every organization in the world to achieve more" (Bishop, 2015).

The implementation of the new mission was to be based on the jointly developed three pillars of the company's future (Bishop, 2015):

- Customer-obsessed. We will get to know our customers and their businesses through the eyes of a beginner, and then present solutions to meet their needs. We will be insatiably eager to learn from the outside and bring that knowledge to Microsoft, while innovating to surprise and delight our users.

- Diverse and inclusive. The world is diverse. We will better serve everyone on the planet by representing everyone on the planet. We will be open to learning our own biases and changing our behavior so that we can harness the collective power of everyone at Microsoft. We don't just value differences, we seek them out and invite them in.

As a result, our ideas are better, our products are better, and our customers are better served.

- One Microsoft. We are a family of individuals united by one common mission. It is our ability to work together that makes our dreams believable and ultimately achievable. We will build on each other's ideas and collaborate across boundaries to bring the best of Microsoft to our customers in a single solution. We are proud to be part of the team Microsoft.

In Satya Nadelia's subsequent speeches and declarations, one can see a direction geared toward constant change, so that Microsoft will adapt to and win in the changing world of VUCA. In announcements and future actions, he points to achieving strategic consistency externally and internally: *I believe that culture is not static. It evolves every day based on the behavior of everyone in the organization. We are in an incredible position to achieve new growth this year. We will have to innovate in new areas, execute our plans, make hard choices in areas where something is not working, and solve difficult problems in a way that increases customer value. I truly believe that we can achieve magical things when we unite as one team and focus. I look forward to seeing what we can accomplish together in financial year* (Bishop, 2015).

5. Result

In the world of VUCA, achieving strategic coherence is particularly difficult. Internal and external strategic coherence is a desirable state in any organization.

As literature reports indicate, the key in evaluating a strategic coherence study is to adopt an appropriate research perspective. Adopting a holistic perspective aims to identify all the determinants affecting strategic coherence on both the internal and external conditions side. Strategic coherence within an organization is concerned with assessing the fit and supporting

relationships of strategy, organizational culture, organizational structure, planning and decision-making. When examining the external determinants of strategic coherence, attention should be paid to how the organization's strategy is created in the context of the concept of creating competitive advantage (insiede-out vs. outside-in) (Krupski, 2011).

Analyzing the example of NOKIA and Microsoft, it can be concluded that the company's CEO and leadership play a key role in the strategic alignment process. It is crucial to implement the strategy from the perspective of internal and external strategic coherence. The VUCA environment makes achieving high strategic coherence fleeting. The more difficult it is to maintain consistency in the long term, the greater the role of strategic thinking, execution leadership in strategy implementation. Similar findings were presented by Burgelman, who identified a series of transformations during the strategic evolution of long-lived companies (Burgelman, 2014, 2018). Analyzing HP's six-fold transformation over 77 years of existence, he identified a framework of "strategic leadership" to facilitate successful strategic transformation and achieve strategic alignment. This framework includes (1) defining the key tasks of strategic leadership, and (2) identifying four key elements of the company's strategic leadership capabilities: (a) adopting a strategic leadership system that integrates top-down and bottom-up strategic processes; (b) managing the often winding relationship between evolving corporate strategy and existing corporate culture; (c) balancing the strategic allocation of resources between alignment (with the existing product market environment) and evolution (the ability to search for new viable product market environments) in the internal ecology of strategy formation; and (d) maintaining constructive relationships in the dynamic interactions between the CEO and the board of directors (Burgelman, 2014, 2018).

Analysis of leadership activities in achieving strategic coherence points to the key role of the organization's CEO.

The use of the case study method to study strategic coherence in the VUCA world seems apt because of the systemic approach that the VUCA environment requires.

Discusion

The purpose of the article is to assess the potential of strategic coherence research in the form of case study analysis.

The discussion of strategic coherence (Romanowska, 2018; Mielcarek, 2020) has been going on for more than 30 years. The article analyzes an example of two organizations from the perspective of strategic coherence using a case study as a research method.

On the one hand, a study conducted using case study analysis can be theoretically creative (Czakon, 2011). On the other hand, the case study analysis, by virtue of its limitations, does not entitle to derive generalizable conclusions regarding strategic coherence. Case study analysis

allows the study to be carried out from a near holistic perspective. An example of such research is the case study description and valuation of strategic coherence based on three measures of strategic coherence: (1) how the strategy is implemented, (2) the core competency system, and (3) product and service alignment (Leinwand, Mainardi, 2016). Strategic coherence at the highest level means that the company meets the three conditions management, managers and employees at every level of the company understand how the company creates customer value, the customer value proposition is based on the company's four to six core competencies, and all of the company's products and services use the same core competencies (Romanowska 2018). P. Leinwand and C. Mainardi confirmed in their research the positive effect of coherence on financial success, calling this positive coherence premium. Comparing the description of NOKIA's situation in the period 1995-2004 and Microsoft's after 2014, one can get the impression that the author's observations on the study of strategic coherence with the use of case study analysis, correspond with the results of Leinwand and Mainardi.

In conclusion (abstracting from all the advantages and disadvantages of testing theory through case studies), it can be said that case study analysis is an accepted tool for studying strategic coherence in descriptive terms. This approach, can form the background of a detailed study of strategic coherence. It can be assumed that if the researcher choose a holistic approach, he can use case study analysis. In the case of a reductionist approach in the study of strategic coherence, a detailing study will be an indication. An example of such a study is "Learning for Action" carried out to evaluate the introduction of a new secondary education program in Hawaii with a quantitative charter (Lahtan, 2017). This study used a reductionist approach. The operationalization of strategic coherence considered three areas of coherence: the quality of planning for strategy implementation, the understanding of the meaning of the new strategy by all staff, and the actual coordination of strategy implementation (Lahtan, 2017).

The adoption of quantitative methods and their operationalization is fraught with the dilemma of choosing a holistic vs. reductive approach in the construction of a research tool. As M. Romanowska points out, "constructing a research method for studying multidimensional strategic coherence and conducting research that allows generalization of research results is currently too challenging for researchers" (Romanowska, 2018).

In conclusion, in future research on strategic coherence it is worthwhile to use triangulation of research methods. The search for research tools provides opportunities to develop answers to the following questions about strategic coherence research:
1. Identify the strategic coherence factors of their relationship.
2. Definition of criteria and measures for assessing strategic coherence.
3. Create a model for assessing strategic coherence.

Conclusion

Is strategic coherence possible in the era of VUCA? Analysis of two cases shows that yes. Its implementation is the responsibility of management and especially the Managing Director.

A key element is management pressure in the area of producing an organization's value system that supports its strategy. The idea is that this action should lead to the penetration and adoption of values by all employees at all levels of the organizational structure. In the era of VUCA, strategic consistency is not and will not be a permanent attribute of the company. The example of refreshing the value system and making changes as part of the culture, paradoxically, should be a constant in the process of achieving strategic coherence.

In the process of designing further research in the area of strategic cohesion using case study analysis, a holistic approach should be followed. In a quantitative research design situation, a reductionist approach should be used.

It should be remembered that the essence of the management process is the realization of the organization's goal in the most, efficient and effective way possible (Gryffin, 2021; Drucker, 1966), orderly and all in order to ultimately achieve the organization's goal with the appropriate amount of resources. The pursuit of an appropriate level of strategic coherence of the organization appears to be essential for the operation of enterprises in terms of achieving success in the long term.

The future research process, due to the complexity and difficulty of implementing tools to measure the strategic cohesion of an enterprise, requires great care in interpretation.

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