Citation for published version (APA):
DYNAMIC GAME PLANS: USING GAMIFICATION TO ENTRAIN STRATEGIC RENEWAL WITH ENVIRONMENTAL VELOCITY

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Citation:

Keywords: strategic renewal, gamification, industry velocity, change, management control systems, entrainment
Abstract

The strategic renewal literature recognizes that organizations should employ some form of management control system to ensure that their strategic goals and related capabilities are aligned with their environmental conditions, such as the dynamics of environmental change. This chapter focuses on these issues. Using gamification as a management control approach for strategic renewal and environmental velocity to characterize industry dynamics, we explain how a gamified strategic renewal approach can be used to direct and adjust the pace of two different organizational behaviors—exploitation and exploration—to attain strategic renewal suited to different environmental velocity types.

1.0 Introduction

It is widely recognized that competitive advantages are temporary, especially in innovation driven industries. Consequently, for organizations to cope with changing industry conditions and to survive over time, they need to appropriately reinvent themselves. This is a process known as strategic renewal. It involves organizations altering their strategic intent and related practices and capabilities so as to ensure alignment with their environment and long-term survival (Agarwal and Helfat, 2009; Lechner and Floyd, 2012; Schmitt, Raisch and Volberda, 2018). Furthermore, as we highlight in this chapter, the approach to organizational strategic renewal depends on the dynamics of their environments.

Prior research on strategic renewal has focused on why organizations are driven to renew (Crossan and Berdrow, 2003; Salvato, 2009); the different types of strategic renewal that take place (e.g., discontinuous versus incremental) (Floyd and Lane, 2000; Agarwal and Helfat, 2009); and the organizational conditions and processes needed to achieve renewal (Simons, 1994 Tippmann et al., 2014; Kwee et al., 2011). As management control systems are used to formulate and implement new strategic directions (Simons, 1994; McCarthy and Gordon, 2011), they are viewed as a vital method for strategic renewal (Marginson, 2002; Henri, 2006). They provide the “process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives” (Anthony 1965: 17). Furthermore, management control systems can be used to balance and reconcile two organizational learning behaviors that are fundamental to strategic renewal: exploitation and exploration (McCarthy and Gordon, 2011; Raisch et al., 2009). Exploration includes activities...
such as search, risk taking, experimentation and discovery, whereas exploitation includes such activities such as refinement, optimization and continuous improvement. Effective strategic renewal requires directing and supporting employees to pursue appropriate combinations of exploration and exploitation necessary for thriving in their organization’s industry conditions.

In this chapter we propose gamification as a management control system approach for directing employees and other organizational stakeholders to pursue new strategic directions. Gamification is “the application of game design principles in non-gaming contexts” (Robson et al. 2015: 411). In the context of strategic renewal, it would involve using game-like experiences to motivate and engage participants (e.g., employees and other stakeholders) so as to attain the appropriate focus on exploitation and exploration for renewal suited to an organization’s environmental dynamics. To characterize the organization-environment fit we use environmental velocity: the rate and direction of change (Eisenhardt and Bourgeois, 1988, Eisenhardt, 1989; McCarthy et al., 2010). We highlight that environmental velocity involves understanding industry changes in terms of its rate and direction of change. Consequently, effective gamified strategic renewal is not only a matter of using gamification to align the pace of organizational strategic change with the pace of environmental change, but also of matching the direction of change. To understand how gamified approaches to strategic renewal would thus vary, we present four types of environmental velocity (laminar, irregular, express and turbulent) based on combinations of its two defining aspects: rate and direction of change. Then, using gamification design principles—mechanics, dynamics, and emotions—(Robson et al. 2015) we explain how gamified strategic renewal would vary to direct different organizational stakeholder behaviors to align with each type of environmental velocity. We conclude the chapter by discussing the academic and practical implications of our ideas.

2.0 Literature Review

2.1 Strategic Renewal and Industry Velocity

An enduring theme in organizational strategy research is that organizations that tailor their strategies and capabilities to align with the conditions of their external environments will outperform organizations that do not (Venkatraman and Camillus, 1984; Miller 1992; Zajac et al., 2000). Within this theory of organization-environment fit is the notion that organizational strategic renewal has a dynamic element, in that it should occur at a pace that matches the
dynamics of environmental change over time (Ben-Menahem et al., 2013). For example, Hannan and Freeman (1984) argue that organizational survival is achieved by aligning the pattern of organizational change with the pattern of change in key environments (i.e., relative inertia).

The construct of environmental velocity can help with understanding the dynamics of change faced by organizations (Eisenhardt and Bourgeois 1988; Eisenhardt 1989; McCarthy et al., 2010). This construct entered the strategic management literature in Bourgeois and Eisenhardt’s (1988) study of strategic decision making in the micro-computer industry. They describe this industry as a “high-velocity environment”, that is, an environment characterized by “rapid and discontinuous change in demand, competitors, technology and/or regulation, such that information is often inaccurate, unavailable, or obsolete” (Bourgeois & Eisenhardt, 1988:816). This and subsequent work on environmental velocity suggest that it has significant effects on how managers interpret their environments (Nadkarni and Barr, 2008; Nadkarni and Narayanan, 2007) and that superior performance in high-velocity industries is linked to fast and formal strategic decision making (Bourgeois and Eisenhardt, 1988; Eisenhardt, 1989; Judge and Miller, 1991), rapid organizational adaptation and fast product innovation (Eisenhardt and Tabrizi, 1995), and heuristic reasoning (Oliver and Roos, 2005).

In line with this prior research, we argue when an organization’s strategic renewal dynamic is aligned with its environmental velocity, this will lead to better organizational performance. However, it is important to note that prior research that uses environmental velocity typically focuses only on the rate of environmental change; despite environmental velocity being a vector, defined by the rate and direction of change in a number of dimensions (McCarthy et al. 2010). In contrast, for the dimensions of the environment such as demand, competitors, technology, products, and regulations, we treat each as having its own velocity made up of the rate and also the direction of change. The velocities of these dimensions combine to produce patterns of environmental velocity.

Focusing on both parts (rate and direction) of environmental velocity, we present a typology of four environmental velocity types (see Figure 1). The rate of environmental change is the relative amount (low to high) of change in the environment over a set period of time in dimensions such as demand, competitors, technology, products and regulation. The direction of environmental change can be characterized as continuous or discontinuous (McCarthy et al.,
Continuous change is consistent, relatively more predictable, and represents an extension of what has happened in the past (e.g., consistent increasing demand for a product over time). In contrast, discontinuous change is variable or inconsistent in its course and thus hard to predict. It not more of the same, as the environmental dimensions such as demand and regulations switch between increasing and decreasing over time. We now explore each type of environmental velocity and explain how these would require different strategic renewal approaches.

![Figure 1: Typology of environmental velocity types](image)

**Irregular velocity** occurs when the direction of environmental change is discontinuous and the rate of environmental change is low. We call this irregular because the direction of the environmental change follows different paths gradually over time. For example, consider the biotechnology industry that can produce radical drug therapies but involves very long product
development lead-times i.e., product velocity in this industry is relatively discontinuous and slow (Alegre et al. 2009; McCarthy et al. 2010). With respect to strategic renewal, the rate and direction of change for this environmental velocity type is suited to slow exploration. Exploration behaviors such as risk taking and experimentation are required to produce strategic changes that align with discontinuous changes in the environment. These behaviors and their outcomes can be rolled out slowly to match the low rate of change with this velocity type.

_Turbulent velocity_ occurs when the direction of environmental change is discontinuous and the rate of environmental change is high, or in other words, when the direction of environmental change is quickly shifting over time. A historical example of this type of velocity is the computer industry from approximately 1982 to 1995, when the microprocessor and personal computer were invented. During this period, this industry was characterized by fast and unpredictable changes in factors such as technological innovation, competition, consumer demand, and regulation, among others (Bourgeois & Eisenhardt, 1988). Effective strategic renewal in a turbulent velocity type is more likely to occur when organizations actively engage in rapid exploration. In other words, organizations need to quickly pursue and deliver industry changing strategy, as opposed to producing a strategy and value propositions that simply refine and build on a previous strategy.

_Laminar velocity_ is described as laminar since the direction of environmental change is continuous and the rate of environmental change is low. The environmental velocity dimensions are changing in the same direction at a slow rate over time, producing an industry dynamic that is relatively ordered and streamline. For example, consider the U.K. tableware industry from the mid-1950s to the late 1970s. During this period, this industry faced changes in regulations, demand, product, technology, and competition that were all relatively slow and continuous in nature (Imrie, 1989; Rowley, 1992). In terms of strategic renewal, laminar velocity types are likely to reward slow exploitation. Existing strategies are gradually refined to ensure that strategic change is entrained with pace and direction of environmental change.

_Express velocity_ occurs when the direction of environmental change is continuous and the rate of environmental change is quick. It is termed express as changes in the environmental velocity dimensions are changing in the same direction and at a relatively high rate over time. For example, consider the mainstream fashion apparel industry and companies such as Zara that are known for “fast fashion”. This industry has high rates of innovation each year as governed by
the different seasons of the year. Yet, the product innovations offered are largely continuous in nature, as companies in this industry reveal innovations with the same core clothing items only with different colors and cuts. To ensure strategic renewal initiatives are suitably entrained for these velocity conditions, the renewal would involve rapid exploitation. Like “fast fashion” this approach relies on monitoring changes in the industry and being a fast follower, as opposed to a proactive leader.

2.2. Gamification as a Management Control System

Management control is the act of ensuring “that resources are obtained and used effectively and efficiently in the accomplishment of the organization’s objectives” (Anthony 1965: 17). This means that management control systems are the formal and informal mechanisms, technologies and processes used by organizations for directing, monitoring and adjusting behaviors and performance to pursue and implementing strategies (Simons 1994, 1995; Chenhall, 2003). We suggest that the aims and principles of gamification can be used to deliver highly engaged forms of management control. Gamification, which is “the application of game design principles in non-gaming contexts” and where organizations turn “traditional processes into deeper, more engaging game-like experiences for many of their customers and for their employees” (Robson et al. 2015: 411).

Robson et al. (2015; 2016) introduce and define three gamification principles: mechanics, dynamics, and emotions (MDE). Built from the game design literature (e.g., Hunicke, LeBlanc et al., 2004; El-Nasr & Smith, 2006; Sicart 2008; Winn, 2008), these gamification principles form the MDE framework which is used to describe the underlying aspects of a gamified experience. By combining the so-called designer’s journey (the experience of designing a game) and the player’s journey (the experience of playing a game) into an overall gamification framework, the MDE framework provides a useful lens for organizational decision-makers to understand how to design an engaging gamified experience that will lead to the intended behavior changes by evoking desired emotions. Thus, we propose that these gamification design principles can be used as a management control system to engage and direct the behaviors of employees and other organizational stakeholders to realize new strategies for renewal.

Gamification mechanics set up the “rules” of how the strategic renewal will be pursued (Robson et al., 2015). This might include different roles and responsibilities for different types of
stakeholders in an organization (i.e., for a game, defining how various pieces move in chess), and how success is measured (i.e., for game, how a winner or a stalemate is decided in chess). Everyone should follow the same mechanics in a strategic renewal exercise, much like all players follow the same rules in chess. Also, as strategic renewal typically involves shifting from one strategy to another, then the goals, targets, and rules and associated behaviors to pursue this new strategy would be reflected by the mechanics that seek to control the process of renewal.

There are three categories of gamification mechanics, known as setup mechanics, rule mechanics, and progression mechanics. Setup mechanics dictate where, when, and how the gamified strategic renewal occurs. For example, setup mechanics may dictate that the strategic renewal activities occur in an office during regular operating hours or off-site as part of a work retreat. Rule mechanics dictate what the goals of the gamified strategic renewal are and what actions players (employees) are allowed to take in their pursuit of these goals. For example, rule mechanics may dictate that players are expected or only allowed a certain amount of time to achieve the end goal. For example, consider Google Inc’s. 80/20 policy where many employees are expected to allocate 20% of their working time to creative side projects. Progression mechanics signal to players whether they are moving forward in their pursuit of the designated goal. For example, progression mechanics include points, badges, or rewards which signal to a player that they are on the right track toward a renewal goal.

Gamification dynamics are the types of player behaviors that emerge as players partake in any gamified strategic renewal experience (Robson et al., 2015). Contrary to mechanics that are set by the designer, the gamification dynamics are produced by how players follow the mechanics chosen by designers. As a result, the dynamics emerge from player interactions with each other and with the gamified experience; dynamics are the in-game behaviors, strategic actions, and interactions that emerge during play (Camerer, 2003). For example, the mechanics of the multiplayer card game Poker include rules for shuffling, card dealing, betting and winning hands, from which different dynamics like bluffing, playing tight versus loose, and playing passive versus aggressive, can emerge. In terms of strategic renewal, dynamics such as experimentation, optimization, and exploration are essential for achieving strategic change.

Gamification emotions are the mental affective states evoked among individual players when they participate in a gamified experience (Robson et al. 2015). For example, emotions that
occur during gamified experiences could be happiness, sadness, or surprise. These emotions are a product of how players follow the mechanics and respond to the dynamics that develop. They are derived from the hedonic nature of the gamified experiences and can serve as a strong motivational force (Higgins 2006). Emotions exert considerable influence on decision-making (Schwarz & Clore 1996), can deepen the player engagement (i.e., motivate players to continue interacting with the gamified experience), disengage players (Sweetser & Wyeth 2005; Higgins 2006; Pham & Avnet 2009; Scholer & Higgins 2009), and affect their decision to continue or abandon an experience (Pham 2009; Pham & Avnet 2009; Avnet, Pham et al. 2012; Chang & Pham 2013). During strategic renewal, employees will experience emotions such as anticipation, trust, and surprise, as they engage in different types of renewal for different types of industry velocity faced by their organization.

The MDE Framework helps clarify how designers (managers) and players (employees) perceive and follow different strategic renewal processes. On the one hand, gamification designers’ foremost focus is on selecting appropriate mechanics in order to retain control over the renewal, followed by dynamics, and lastly by players’ emotions. This is to ensure that players are guided by the gamified renewal into outcomes that conform to the organization’s goals. In optimized gamified renewal processes, players’ emotional responses, and the dynamics that emerge during play should be understood by the designers, who should tweak the mechanics as necessary. In this way, in optimized gamification experiences, emotions, and dynamics should in fact shape the mechanics that govern play, and vice versa. As a result, understanding gamification mechanics, dynamics, and emotions, and how these principles relate to one another, is key for successfully gamifying an undertaking such as strategic renewal.

3.0 Gamifying Strategic Renewal

Gamification is most successful when tailored to the aims in which it is intended to be used. For gamified strategic renewal, this means considering the type of environmental velocity an organization faces so as to determine the mechanics of gamified strategic renewal, which, in turn, produce the resulting dynamics and emotions. Thus, in this section, we explore how the different conditions associated with each type of environmental velocity (Figure 1) influence the goals and mechanics, dynamics and emotions of gamified strategic renewal (see Figure 2).
To do this we draw on strategy and decision-making research that highlights the link between the dynamics of an organization’s environment and how associated organizational rules (i.e., mechanics) should vary both in terms of their number and the extent to which the rules clearly define a specific strategic outcome. Strategy research (see: Davis et al. 2009; Eisenhardt and Sull, 2001) suggests that the more simple and inert an organization’s environment is, then organizations can afford to and will likely be rewarded when they have complex strategies and behaviors based on many rules. Conversely, when an organization’s environment is characterized as rapidly changing and complex, then organizations benefit from approaches to strategic renewal based on fewer and simpler rules. We also rely on research on how leaders should tailor their decision-making approaches to fit the dynamic complexities of the circumstances they face (Snowden and Boone, 2007). The mechanics of strategic-decision making requires leaders to diagnose situations and to act in contextually appropriate ways based on the discontinuity and related or predictability of the situation. When the situation is discontinuous, there are no clear cause-and-effect relationships, and there is no point in having rules based on specifying the desired outcomes. Thus, decision-making in this context should be a process of acting, sensing and then responding. Conversely, in contexts where the change is continuous and more predictable in nature, there are clear cause-and effect-relationships, and leaders simply need to sense, categorize and response. We extend these strategy and decision-making logics to the mechanics’ aspect of our gamified strategic framework. The rate of environmental change is positively linked to gamification in terms of number of rules (low rate = many rules, and high rate = few rules); and the direction of environmental change is positively linked to the extent mechanics define outcomes or not (continuous = defined outcomes, and discontinuous = undefined outcomes).

For an industry with a laminar velocity, the environmental dimensions are changing in the same direction and slowly over time. As this change is relatively predictable and slow, it is typically important for organizations to build on their core capabilities and capture more market share. Consequently, effective strategic renewal involves slow exploitation or a careful pursuit of more of the same. To attain this goal, managers would use gamification mechanics that involve many rules with defined outcomes. Having many rules produces a context for strategic renewal that calls for and allows employees to investigate and grapple with several strategic options that govern the strategic future of the organization. The many rules and their combinations are also
linked to known strategic outcomes in terms of specific improvements in areas such as product cost, service speed and quality. Together these mechanics produce a renewal dynamic of “optimization”. As a gamification dynamic is how the players (i.e., the employees) enact the mechanic (Robson et al, 2015), optimization is a behavior whereby the organization attempts to produce the best strategy for known competitive advantage. The associated emotion or gamified mental state (Robson et al, 2015) for this approach to gamified strategic renewal is one of ‘trust’ (Plutchik, 1980). This means that people in the organization will tend to favor a strong confidence and reliability about what needs to happen. They know and have faith in the outcome of the gamified strategic renewal and to how to produce it. Consider, for example, the consumer banking industry where an organization changes an offer to its customers, and then competitors react by either matching or beating that offer within the many rules governing the industry. The gaming analogy for such mechanics would be the game of traditional chess, which has about 100 rules governing the setup and the movement and taking of pieces. In traditional chess, such mechanics combine to produce a slow, repetitive dynamic of strategic optimization of the rules, in pursuit of a clearly defined outcome: a win or draw.

When organizations operate in environments with an express velocity type, the environmental dimensions are changing in the same direction and quickly over time. Thus, fast continuous strategic renewal is needed to deliver rapid exploitation. To ensure gamified strategic renewal is responsive enough, this requires mechanics that are few in number and have defined outcomes. The dynamics of the express velocity environmental type, like the laminar velocity type, are characterized by a clear cause-effect relationship where the required outcome is clearly discernable. Knowing what to do is not the challenge. Achieving the known outcome quickly is. This requires the gamified strategic renewal to have a ‘responsive’ dynamic to ensure it aligns with the rate and continuous changes in technology, regulations, demand, completion and products. A responsive dynamic underlies the organizational capability of being alert and receptive to rapidly-changing and relatively predictable industry conditions (Zaheer and Zaheer, 1997). This in turn would foster the emotion of ‘vigilance’ (Plutchik, 1980), were employees maintain concentrated monitoring of the environmental conditions for prolonged periods of time so as to effectively detect and respond to changes. Consider again the example of Zara organization and it’s “fast fashion” strategy, which is driven by a renewal process that involves continually and rapidly refining its offering to customers by sensing and responding to changing
trends and needs, as opposed to creating those trends and needs. In terms of a game equivalent, consider checkers (or draughts), which like traditional chess has an easy to understand outcome, but much fewer rules and a more rapid dynamic. Checkers has just two types of pieces (men and king) and few rules governing the movement pieces and taking of opponent pieces. Consequently, checkers is played at a much quicker pace than chess, and players must be able quickly track and respond to the moves of their opponents.

For an organization undertaking gamified strategic renewal in an irregular velocity type, the environmental dimensions are changing in different directions and slowly over time, which rewards renewal goals of slow exploration. To attain this goal, the mechanics of gamified strategic renewal would be like those for the laminar velocity type, in that there can be many rules that drive a careful and judicious renewal. However, the key difference with this approach to gamified strategic renewal is that a precise outcome of the renewal is not specified by the mechanics – there are many different ways to play and win. The organization seeking to reinvent itself does not know what this reinvention will lead to – it unfolds during the process. This produces a dynamic of ‘discovery’. This is a behavior enacted from the mechanics where employees imagine and realize a number of unfamiliar potential strategies, such as producing completely new offerings for existing markets or serving totally new markets with existing offerings. This dynamic in turn produces the emotion of ‘anticipation’ (Plutchik, 1980), where employees are excited or anxious about the pursuit of this undefined strategic renewal outcome. An example of an industry which rewards organization this approach gamified strategic renewal would be a high technology industry producing consumer products. Here it is common place for organizations to keep closely guarded secrets about their technological innovations, but also to engage in the deliberate leaking of secrets to inform, misdirect or provoke reactions in the industry (Hannah et al., 2017). The game equivalent for this approach to gamified strategic renewal would be some form of the card game poker. Playing poker has many rules and ways of winning, but players don’t know what will win and what they have won with, until they have won. It is a process of constant discovery, where you learn what cards you have and imagine what cards your opponents have based on their betting actions and previously declared starting hands. Players must constantly anticipate and react accordingly to the strengths, weaknesses, tells and bluffs of other players.
The fourth approach to gamified renewal in our framework is derived when organizations face turbulent velocity types that we suggest reward a fast action approach to renewal. In such conditions, there is no immediately known relationship between cause and effect, thus effective renewal is much more a process of emergence, as opposed to searching for, making sense of, and selecting a best practice strategy that is new to the organization. Thus, we contend that gamified renewal for this velocity type involves rapidly producing and testing new strategies and then adopting effective ones. To attain this renewal through gamification requires mechanics based on few rules and undefined outcomes. The small number of rules allows the renewal to be fast and evolving in nature, while having undefined outcomes means that strategic renewal can be based on testing novel strategies to see what works, as opposed to searching for and copying existing best practices. The early years of the computer disk drive industry which is described as having “commercial and technological turbulence” (Christensen, 1993: 531) is a good example of the environment that would suit and reward gamified strategic renewal with based on fast action. The game equivalent for this approach to gamified strategic renewal would be typically some form of unstructured playing activity such as Exaggeration Circle, where one player starts with a little gesture, the next player takes it over and makes it bigger, and so on. It focuses on acts of improvisation and creativity. This and other unstructured games are defined by few rules and undefined outcomes so as to produce the ABC of play: Agility (responding quickly and easily); Balance (staying steady while responding) and Coordination (using different parts of the body and mind) (Bishop, 2010).
4.0 Discussion and Concluding Thoughts

In this chapter we presented a framework to explain the interrelations between strategic renewal, environmental velocity and management control using gamification. This involved introducing a framework of four environmental velocity types (laminar, irregular, turbulent and express) based on variations in the rate (low or high) and direction (continuous or discontinuous) of change in environmental dimensions such as demand, competitors, technology, products, and regulations (Figure 1). We described how each environmental velocity type is suited to different forms of strategic renewal based on the extent and pace to which exploration or exploitation is pursued. From this we then highlight how different forms of strategic renewal can be attained by using different gamification mechanics to direct and control different organizational dynamics,
emotions and renewal outcomes (Figure 2). In sum, these contributions emphasize some of the strategic renewal control challenges that come with different environmental velocity types, as well as the opportunities to use gamification practices to effectively deal with these control challenges. We believe these contributions have a number of implications for scholars and managers and related future research prospects, which we not outline.

**Implications and future work**

For management practice there are several major takeaways. First, our ideas and framework highlight that decision makers should consider the velocity conditions of their industry when formulating and implementing strategic renewal initiatives. Managers should be aware of how variations in the rate (low or high) and direction (continuous or discontinuous) of change in environmental dimensions produce distinct types of velocity conditions that suit specific approaches to strategic renewal. Research and practice focus on the importance of ensuring that an organization’s strategy is viable over time. Our argument is that an organization’s renewal process also needs to also be congruent with the environmental conditions. Rather focusing just on the how fitting the renewal output is, managers must also grapple with and determine how fitting the renewal process is.

Second, and relatedly, when “doing” strategic renewal, managers should consider using gamification principles to provide the management control for this process. In doing so, managers should ensure that the gamification approach fits with or is matched to desirable organizational outcomes. Out framework can be used to help guide managers in understanding appropriate gamification mechanics, dynamics, and emotions which can be used to motivate behavior changes in employees.

Another major takeaway of this chapter is the importance of fit between an organization’s environmental velocity and a gamified approach to strategic renewal. The frameworks we present offer descriptions and explanations of this alignment and provide a basis for future studies to develop and test related predictions for shaping and enhancing understanding of strategic renewal implementation. More specifically, we add to the literature on strategic renewal and co-alignment, which is concerned with organizations maintaining a strategic fit with their environment (Ben-Menahem, Kwee and Volberda, 2013). This extant research largely focuses on the consequences of organizations having a (mis)fit with their environments, and thus “why”
organizations should adopt renewal initiatives (Volberda et al. 2001). The ideas and arguments presented in this chapter add to this literature by providing novel ideas into “how” organizations might pursue and realize a renewal initiative using gamification principles. Furthermore, by focusing on the environmental velocity conditions that organizations operate in, we complement other studies that have focused on other aspects of the environment such as scarcity (Schmitt et al. 2016), and level of competitiveness (Kim and Pennings, 2009).

We also join and add to research that recognizes the relationship between environmental conditions, strategic action and managerial cognition (i.e., how managers make sense on their worlds). For example, prior research has examined where strategic decision makers focus their attention in terms of what is changing and how this affects the speed with which their organization respond to events (Nafkami and Barr, 2008). In the same way that this prior research suggests that an organization’s environmental conditions significantly influences managerial attention, we suggest that a similar impact exists with management control systems and strategic renewal.

5.0 References


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