



The organisation of Corporate Foresight: A multiple case study in the telecommunication industry



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ABSTRACT

The present paper focuses on the organisation of Corporate Foresight (CF): how the companies design their organisation to anticipate future trends and detect weak signals.

The research focuses on a multiple case-study in the telecommunication industry. The paper highlights the organisational variables that characterise a CF organisation (organisational definition, specialisation and mechanisms of internal cohesion) and relates them to CF performance measures (effectiveness and efficiency).

For increasing CF performance, companies need to define a peculiar system for foresight, more “structural” or more “cultural”, to specialise for foresight, to build a control system for procedures and to model internal and external relationships.

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1. The organisation for future-oriented strategy and innovation

Corporate Foresight (CF) is the process used by companies to identify weak signals and information from the periphery, anticipate emerging markets and trends and formulate corporate strategies and innovation policies to prepare for an uncertain future [1–5]. Very recently, scholars have begun to interpret foresight also from the point of view of dynamic capabilities, and define it as a capability for organisational future orientation [6]. CF helps companies to try to understand the complex forces that drive change, to accordingly support the decision-making process and strategy and to nurture R&D for innovation [7–13]. The relevance of foresight is confirmed also by the literature on innovation management and strategy management that focuses on the problem of capacity building in discontinuous conditions. Here, some scholars [14,15] sustain that the secret for the success of a company is based on future orientation, paired with strong foresight capability, and based on flexible and adaptable systems.

Nevertheless there is still a lack of real integration of the CF process into the company's organisational structure [16–20]. In fact, while the majority of corporate foresight literature focuses its attention on methodology and techniques, there are few contributions (e.g. [21]) that consider the organisation of CF among the important elements that should drive the design of a CF system. However, they do not investigate systematically and in detail how the organisation is structured and whether there are contextual elements, or elements connected to the specific organisational activity, that influence all the system's elements and the CF performance. This is in sharp contrast with the literature that acknowledges the importance of designing and structuring a particular organisation so that foresight capabilities are increased [6,22,23].

This paper aims to take a step further in our understanding of CF systems in an attempt to fill the aforementioned gap in the existing literature. Specifically, it focuses its attention on the organisation of Corporate Foresight: its purpose is to investigate how the companies organise the implementation of CF, and if and how the CF organisation influences CF performance.

Specifically, the paper investigates four organisational dimensions: organisational structure, coordination mechanisms, decision-making processes and control systems. It defines the

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dimensions of CF efficiency and CF effectiveness based on strategic management and knowledge management literature. The research is based on a pilot case study plus a multiple case study of seven companies in the telecommunication industry.

The paper is structured as follows. In Section 2 literature on Corporate Foresight is reviewed, with the purpose of highlighting the gaps and developing a research framework comprising the constituting elements of a CF system that is able to support the subsequent empirical analysis. In Section 3 the research methodology is discussed. Section 4 reports the findings of the empirical investigation and discusses the major achievements of the paper. Finally, Section 5 summarises the paper's achievements, discusses their value for researchers and managers and outlines some possible directions for future research.

2. Designing the organisation of Corporate Foresight: a literature review

Foresight is defined by the Cambridge Dictionary as “the ability to judge correctly what is going to happen in the future and plan your actions based on this knowledge”. It is defined in practice as a “systematic, participatory, future-intelligence-gathering and medium-to-long-term vision-building process aimed at present-day decisions and mobilising joint actions” [24]. Corporate Foresight is “the art of the long view” [25] in companies: it concerns the long-term analysis of business environments, markets and new technologies, and their implications for corporate strategies and innovation [26].

Foresight helps companies to develop a vision to try to understand the complex forces that drive the change, to accordingly support the decision-making process and manage strategy and R&D. Foresight literature still focuses on methods and/or processes: scholars discussed how to improve single methods, how to build a rich toolbox for foresight, the phases of the foresight process, etc. but missed the point that foresight is not about looking a long way ahead, but the capability to organise for uncertainty. The CF literature recognises this main point (the foresight capability), but still lacks works that contribute to the operationalisation of foresight capability (i.e. how can a company concretely build its future management system to contribute to its innovation capacity?).

2.1. Corporate foresight and organisation

A corporate system can be conceived as a set of practices related to strategy, organisation, management and technology [27]. The choices are influenced by external and internal factors and the system impacts on performance. This general framework has been adapted for the specificity of foresight. These constitutive elements are closely interconnected, i.e. the design and structure of each of these elements are influenced by the way in which the others are structured. Despite the fact that the focus of the research is CF organisation, in order to define an overview of the CF activities, the other sections (i.e. strategy, management and technology) have been considered and analysed.

The organisation of Corporate Foresight refers to location, size (number of people involved, dimension, resources, budget,

etc.), mechanisms (control systems, procedures, etc.) of foresight activities that take place within a company [28].

Taking from the literature on organisation [29,30], we conceive the general internal organisation as a set of four main basic elements, namely: (i) structure (ii) coordination (iii) decision-making processes and (iv) control systems. See Table 1 for their definition. During the research, these four elements have been investigated for the specificity of CF organisation.

2.1.1. Structure

Structure is subdivided into organisational unit/function definition and organisational unit/function dimension [31]. The *definition* refers to the basis through which different positions are grouped in organisational units, for example budget, positions, and functions. The *dimension* is defined as the number of positions grouped in the same unit, for example number of people, number of units connected.

CF literature focused mainly on organisational unit/function definition. In order to select an appropriate organisational structure, Gassmann and Gaso [32] suggest four determinants based on type and quantity of knowledge exchanged.¹ Also Brockhoff [33] suggests a differentiation based on the type of foresight activity.

Ashton and Stacey [34] add the dependence on product strategy (diversified product mix vs. not-diversified) and on the attitude toward technology threats (aggressive, concerned or complacent). In line with this, Daheim and Uerz [21] say that the culture and the management style explain the differences among four organisational *forms for foresight units*: the collecting post (collects information, based on individuals); the observatory (specialised tasks, well addressed internally); the think tank (many tasks, internal and external network) and the outsourcer (experts in method, external network).

Sanz Menéndez et al. [35] specify that national context (relative levels of income or other variables) and identifiable diffusion process (geographical or cultural) influence the emergence of foresight as a local practice. Keenan and Popper [36] write that concerning national foresight the differences in context (in terms of political, socio-economic, and cultural conditions) affect only the style but not the participation levels and the identity of target groups.

Some works describe the factors that the organisational unit/function definition influences. Lackman et al. [37] suggest that the organisational location can have an influence on reporting relationships, budgets and the type of projects undertaken.

As regards organisational unit/function dimension, Daheim and Uerz [21] define four organisational forms where the collecting post is the smallest form of foresight unit in the company and Gassmann and Gaso [32] specify that as the degree of knowledge application is more systematic, a larger dimension is needed. Lichtenhaler [38] identifies dimension as a fundamental variable that influences the organisational structure of foresight, in particular the size of corporate R&D units, of corporate R&D budgets and of international R&D units.

¹ Type of knowledge acquisition (formal vs. informal), knowledge assessment (expert technician vs. information expert), type of knowledge transformation (competence acquisition vs. competence enhancement) and degree of knowledge application (sporadic vs. systematic).

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