Internal and external inclusion in open strategy-making

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Abstract - As part of the general societal trend to more open organizing, strategy is increasingly opened up. This implies being more transparent and including a wider set of stakeholders. Organizations can open to internal or external actors representing different modes of inclusion. The selected mode of inclusion will affect the open strategy process. However, little research has addressed the choice of internal and external inclusion, and therefore, this study aimed to understand why organizations use different modes of inclusion in open strategy-making. The strategy-making process for the circular economy (CE) in three local governments was studied. These three cases used the same strategy practices for the same strategic issue but adopted different modes of inclusion, allowing to study what determined inclusion. The context was found to be the reason for preferring a different mode of inclusion, as the internal context determined the objectives for the strategy-making, resulting in the need for different actors to be included. This finding demonstrates the importance of considering strategy as three-dimensional, taking into account the strategy content, process, and context.

Keywords: Open Strategy, Participation, Multiple Case Studies

Introduction

Today's world experiences many grand challenges like climate change that require collaboration among whole ecosystems to come to systemic solutions and, therefore, require organizations to open up (Diriker et al., 2023; Splitter, Dobusch, et al., 2023a; Whittington et al., 2011). The emergence of open organizing is also found in strategy literature, known as 'open strategy' (Whittington et al., 2011). The open strategy concept refers to increasing transparency and inclusion in strategy practices to internal and/or external actors (Whittington et al., 2011). The promises of open strategy are that it could bring more knowledge and creativity to strategy-making and increase commitment (Hautz et al., 2017). However, opening strategy-making also implies some threats, and not all forms of openness will result in the desired outcomes (Whittington et al., 2011). In fact, openness represents a continuum and has many different forms depending on what is opened, to whom, when, and how (Dobusch et al., 2019; Hansen et al., 2022; Holstein & Rantakari, 2023; Tavakoli et al., 2017). These different forms of opening are called modes, and modes can change over time (Hautz et al., 2017). Focusing on the inclusion dimension, there are different modes of inclusion depending on whether both internal and external actors are included (Dobusch et al., 2019). What mode of inclusion to use is an important consideration, as it will impact both the strategy-making and the outcomes (Mack & Szulanski, 2017). Nevertheless, the question remains what modes of inclusion result in the desired outcomes of openness (Dobusch et al., 2019; Hautz et al., 2017; Vaara et al., 2018). Especially the difference between including internal and external actors in strategy-making has received little attention in the literature (Mack & Szulanski, 2017; Vaara et al., 2018). Seidl and Werle (2018) found that inclusion was based on the strategic topic and the frame repertoires considered necessary. To deepen our understanding of inclusion in open strategy-making, this study addresses the question: Why organizations select different modes of inclusion in open strategy-making? Previous research called for studies comparing different modes within the same open strategy-making process to study what determines inclusion (Dobusch et al., 2019; Hautz et al., 2017). Therefore, this study adopts a case study approach, comparing three cases following the same strategy-making process for the same strategic issue but using different modes of inclusion. These cases are three Belgian local governments that developed a strategy for the CE. One of the cases only included internal actors. The second case included a limited number of external actors, while in the third case, half of the included actors were external. The three cases were studied through observations, interviews, and document analysis to inductively analyze why different modes of inclusion were selected. From the results, it became clear that the same strategy-making process was used for different purposes and that these purposes resulted from different organizational contexts. Depending on the objectives, the strategy process needed to be opened only internally or also to external stakeholders. This implies not only that the same strategy practices can be used for different purposes, but also shows the importance of considering strategy as three-dimensional, based on its content, context, and process (see Pettigrew, 1987).

Theoretical Background

Evolution of perspectives on strategy

After a long tradition of seeing strategy as an intended plan to have a competitive advantage (see Porter, 1980), the field moved from a focus on strategy content to considering the strategic process with emerging strategies and seeing it as a pattern in a stream of decisions (Mintzberg & Waters, 1985). This strategy process view focuses on the actors and actions of strategy, considering the temporal and contextual dimensions. The strategic change process was considered to be three-dimensional (Pettigrew, 1987). Content is the first dimension and answers to what the strategic change is about. The second dimension is the context, showing where the change happens, considering both the internal and external environment. The third dimension is the process, which considers how, who, and when the change happens. Later, a new perspective emerged, shifting the focus from the macro organizational level to the micro level, considering the actual doing of strategy, called strategizing. Whittington (1996) introduced the concept of 'Strategy-as-practice' (SAP), which considers strategy a social practice. He wrote that the practice turn in social science and the focus on micro-level activity should also be used in strategy research to study how strategy practitioners act and interact in strategy formulation and implementation. Whittington (2006) further theorized this concept with a framework distinguishing between three interrelated parts of SAP: 'practitioners' who do strategy, the actual activity or 'praxis', and the 'practices' of the organization and wider social field. More recently, there have been calls to combine the SAP with the strategy process view, as the process provides the contexts in which strategy practices occur (Burgelman et al., 2018; Kohtamäki et al., 2022). At the same time, strategy practices have consequences on the organizational level, allowing to zoom in and zoom out on strategy (Tavakoli et al., 2017). This combinatory view is known as the 'strategy as process and practice' (SAPP) and is particularly useful to study the role of actors in strategy practices and their effect on the strategy process (Burgelman et al., 2018).

Open Strategy

As strategy was no longer seen as exclusively the work of strategists and top management, more actors were considered, later called 'Open Strategy' (Whittington et al., 2011). This concept resulted from the general trends toward open organizing as a result of democratization, liberalization, accountability, equal opportunities, and the growth of wicked problems that require collaboration (Splitter, Dobusch, et al., 2023b). Open strategy is about opening strategy in terms of transparency and inclusion to internal and/or external actors. It can be defined as "*a dynamic bundle of practices that afford internal and external actors greater strategic transparency and/or inclusion, the balance and extent of which respond to evolving contingencies derived from both within and without organizational boundaries*" (Hautz et al., 2017, p. 299). The definition reflects the view of both considering the 'practices' used to open strategy, that together form the open strategy process. Whittington and colleagues (2011) described open strategy as a process, rather than a final state. The concept is based on open innovation but broader than idea generation (Whittington et al., 2011). At the same time, open strategy is less than democratic strategy as it does not necessarily imply the transfer of decision rights (Hautz et al., 2017). Opening strategy can allow to tap into the knowledge of different actors and to generate more creative ideas. At the same time, it can improve understanding and commitment (Whittington et al., 2011). However, there are also costs related to increased openness, resulting in dilemmas of what degree of openness versus closure to use in different strategic episodes (Hautz et al., 2017). Open strategy is an umbrella term

that does not describe a single approach but a continuum of different modes (Hautz et al., 2017). Strategy can be opened to internal or external stakeholders (Birkinshaw, 2017) in different steps of the strategy process (Tavakoli et al., 2017), in a digital or analog way (Brielmaier & Friesl, 2023), in terms of its content or the procedure (Dobusch et al., 2019), and to a limited or larger extent (Vaara et al., 2018). A framework to distinguish between different modes is proposed by Hansen and colleagues (Hansen et al., 2022). This framework makes a distinction based on (1) the purpose: why strategy is being opened, (2) the subject: who drives the opening of strategy, (3) the community: to who strategy is being opened, (4) the object: what part of the strategy is being opened, and (5) the practice: how strategy is being opened. The question remains what modes result in the desired outcomes of opening strategy (Dobusch et al., 2019; Hautz et al., 2017; Vaara et al., 2018).

Modes of inclusion

Inclusion is a key aspect of openness and can occur in different forms, such as purely internal to employees of different levels or external to stakeholders or the public in general (e.g., crowd-sourcing) (Whittington et al., 2011). These different forms are called modes of inclusion or participation (Dobusch et al., 2019). Participation and inclusion are often used interchangeably, although it is important to understand the difference. According to Mack and Szulanski (2017) inclusion is about who is involved and aims to get actors engaged to create a long-term community. On the other hand, participation aims to get input from actors. In the Handbook of Open Strategy, a chapter is devoted to reviewing participation in strategy research (Vaara et al., 2018). Although little research has focused on participation in strategy-making, it has been studied from different perspectives. Some focused on power dynamics and discourses that either limit or promote participation (Mantere & Vaara, 2008). Others have focused on the sense-making among participants (Seidl & Werle, 2018) or whether invited actors self-select to participate (Friesl et al., 2023). Nevertheless, the choice between internal and external inclusion in strategy-making has received little attention, although having important consequences for the ideas generated and the acceptance of the strategy (Mack & Szulanski, 2017; Vaara et al., 2018). A study by Seidl and Werle (2018) showed that actors are included depending on the specific strategic issue and the required knowledge repertoires. Here, participants of the strategy-making are only considered necessary for bringing knowledge when tackling complex issues, not considering other benefits of opening. Empirical studies on inclusion in strategy-making often only consider a single case, limiting the possibility of comparing different approaches (e.g., Malhotra et al., 2017; Nathues et al., 2023; Splitter, Jarzabkowski, et al., 2023). Therefore, research should compare the selection of different modes of inclusion within the same strategy-making process to study what determines inclusion (Dobusch et al., 2019; Hautz et al., 2017).

Method

To deal with the complexity of strategy practices, fieldwork is required to study real-life applications in their specific context (Hautz et al., 2017; Tavakoli et al., 2017). Prior literature often studies single case studies, but to determine the effects of different modes of inclusion, a comparative case study is adopted. This study compares three Belgian local governments that developed a strategy for the CE. The local governments are named cases X, Y, and Z to ensure anonymity.

Sample justification

This sample results from the opportunity to get access to the strategy-making process for the CE in these three local governments. This opportunity was offered by the regional government, which supported the strategy-making. The CE is an alternative economic system focused on reducing, reusing, recycling, and recovering materials in our consumption and production process with the aim of accomplishing sustainable development (Kirchherr et al., 2017). This concept provides an interesting case for strategy research as more and more organizations are integrating it. In the European Union, this is fostered by the New Circular Economy Action Plan (European Commission, 2020). Belgium is an interesting case as the federal and regional governments also adopted strategies for the CE and recently, the Flemish government launched a program to promote the CE among its local governments (Circular Flanders, 2023). The role of local governments in the CE is stressed to implement local circular solutions to tackle climate change and other sustainability issues (Prendeville et al., 2018). Local governments are public sector organizations, containing the city council with the mayor, alderpersons and council members, and the administration. Traditionally, politicians are responsible for developing policies that the administration has to implement. However, the rising importance of specialized expertise and decentralization made strategy increasingly part of the work of the administration too (Mulgan, 2009). In Belgium, local governments have high authority (e.g., schooling, social welfare, public space, waste management, law enforcement, social housing, permits, subsidies). So far, only limited research has considered how the strategy process is opened up in the public sector (Hansen et al., 2022).

Research setting

The regional program to promote the CE among local governments called for candidates to develop a CE strategy for the local government in collaboration with an appointed consultancy firm. The three local governments applied for this guidance and were selected by a jury. For each case, three workshops of 3,5 hours were organized at the local government throughout 2023 at one-month intervals. In every workshop, the consultant asked participants to share their expectations and feelings at the start and end. Most of the time in workshops was spent collaborating in sub-groups and discussing plenary. The first workshop started with an introduction by the consultants on the CE and the role of local governments in it. This was followed by a presentation of a local analysis of carbon emissions, waste streams, and employment rates for different industries. These findings were then discussed, followed by a vote to decide on priority value chains. Next, ambitions were defined for the selected priorities. In the second workshop, the previous ambitions were further refined, and for each of them, possible actions were defined in groups and ultimately plenarily discussed. In the third workshop, the actions were classified according to the required effort and potential impact. Next, the group selected several priority actions to further develop an action plan.

Ultimately, the consultant gathered all the information and summarized it in a strategy document for the local government.

Although going through the same strategy-making process, the three cases differed in their mode of inclusion. In case X, only internal staff was included in the workshops. In case Y, mainly internal staff was included, but some external stakeholders also participated. In case Z, internal and external stakeholders were included, each representing half of the group. The project leader in the local government discussed with others whom to invite, although the consultant priorly advised to have at least the internal employees of the key departments for the CE represented (i.e., environment, economy, buildings, purchasing, social economy). Therefore, these cases were studied to identify why different modes of inclusion were selected in the open strategy-making process.

Data gathering

To get an in-depth understanding of the three cases, data triangulation was obtained through observations, interviews, and documents.

For the observations, the first author attended the workshops in person and took field notes focused on the role of the participants. In addition, an additional workshop in case Y and an evaluation meeting were followed. In total, 35 hours of observations were performed.

25 semi-structured interviews were conducted with participants several weeks after the last session. The interview guide can be found in Appendix 1. The interviews aimed to better understand the strategy process from different perspectives. Therefore, for each case, the aim was to interview the different types of participants. Because case X had only internal employees, only four interviews were performed, 6 in case Y and 15 in case Z, because of the wider diversity of stakeholders. Case Z also had a larger number of participants in the workshops. An additional interview was conducted with the consultant to discuss the three cases. Interviews lasted between 23-50 minutes, were both in person and online, and were all recorded and fully transcribed. An overview of the interviews can be found in Table 1.

In addition, different documents were used to better understand the organization's context. Information was easily accessible for these public organizations. The documents included the website, policy agreement, multi-annual strategy plans, climate action plans, context analysis reports, annual reports, the final strategy report, and emails about the organization of the workshops.

Table 1: Overview of interviews

#	Case	Internal	Department/ Organization	Responsibility	Duration (minutes)	In-person
1	X	✓	Strategy & Coordination	Director	26	
2	X	✓	Facility	Purchasing	30	
3	X	✓	Strategy & Coordination	Sustainability	34	
4	X	✓	City Development	Mobility	31	
5	Y	✓	Team Climate	Director	40	✓
6	Y	✓	Experiences	Community Infrastructure	31	✓
7	Y	✓	City Region	Social Economy	31	
8	Y		Province	Circular Economy	30	
9	Y		Non-profit	Matchmaker	43	
10	Y		Social economy organization	Director	31	
11	Z	✓	Environment	Share and repair incubator coordinator	32	
12	Z	✓	Environment	Project collaborator Circular Textile	29	
13	Z	✓	Environment	Waste-free city	26	
14	Z	✓	Environment	Food, climate adaptation & animal welfare	33	✓
15	Z	✓	Economy	Director	31	
16	Z	✓	City Region	Social Economy	45	
17	Z	✓	Local council	Alderperson sustainability	23	✓
18	Z		Social Economy organization	Director	42	✓
19	Z		Cooperative	Social Economy matchmaker	40	✓
20	Z		University College	Researcher	24	✓
21	Z		Non-profit	Project coordinator share and repair	37	
22	Z		University	Researcher	30	
23	Z		Professionals school	Campus manager	25	
24	Z		Citizen's initiative	Founder	37	
25	-		Consultancy	Senior Consultant	50	

Data analysis

The data were combined and analyzed in NVivo. Inductive coding was used to develop a chronological narrative for each case, showing the organizational context regarding their prior experience with the CE, the objectives of the strategy-making, and the mode of inclusion. The direct outcomes of the strategy-making of the three cases are discussed together as they did not differ much. Based on these narratives, the research went back and forth between the data and the literature to develop the theoretical contribution of this study.

Results

The results of the analysis of the three cases are provided in a narrative, focusing on the relevant aspects for the study. An overview is provided in Table 2.

Case X

Context (prior CE experience)

In the initial policy agreement and the multiannual plan developed after the 2018 elections, the CE was not mentioned for case X. However, one of their 6 priorities was to become "a sustainable and green city" by being "a role model for sustainability" and with the Sustainable Development goals as "the main guidelines for the (sustainability) policy" (Policy Agreement 2019-2024). In a revision of the multiannual plan in 2022, 40 additional actions were added, one of which was about "promoting and supporting the social and circular economy". The local government also developed a Sustainable Energy and Climate Action Plan (SECAP), in collaboration with neighboring municipalities, to become climate-neutral by 2050. In this plan, several actions for the CE were defined regarding circular public procurement, sharing initiatives, shared mobility, and promoting the CE among companies (SECAP, 2022). The director of the Department of Strategy & Coordination confirmed that "circularity is one of those things we are not really considering" (Interviewee #1). Another interviewee complemented by saying that "[CE] is out of our comfort zone" (Interviewee #4). Internally, most staff had very little understanding of the CE. Support mainly came from the director of the Strategy & Coordination department and the sustainability officer who formed a "separate island", according to the consultant (Interviewee #25).

Objectives

Because the CE was one of the planned actions in the SECAP, developing a strategy was considered an opportunity to explore what the CE could mean for the municipality (application form. The project leader confirmed this: "It [CE] is also something that is coming up more globally on the agenda and not just in local governments. And where that we actually had little direction yet. How can we, al local government work with that precisely? And, you do see some things passing from larger local government, but how do you actually translate that to the local practice of X? That is the exercise that was open to us, I think." (Interviewee #1). In the application, the importance of leading by example for the CE as a local government was stated, but to do this, "we first need a strong strategy, to then, later, create and increase support and to realize sustainable actions" (application form).

Mode of inclusion

The strategy-making was only opened to internal staff. According to the project leader "This was a specific choice at the beginning. They [consultancy firm] also asked us if we wanted to include [external] partners. We made the choice not to do so and I still think, if we would make the choice again, back then, because now we have a kind of vision on how we want to proceed, but back then we did not have that and that makes it of course difficult if you want to sit together with a partner

but you do not really know what we want or what do we have to do in this or what we expect from that partner. (…) So that is why we made that choice to work more internally towards a vision and that was for us also the objective" (Interviewee #1). The participants represented the different departments responsible for domains that were expected to be discussed for the CE. Between 7-11 people participated in the workshops, of which four were directors of departments.

Case Y

Context (prior CE experience)

For case Y, the commitment to the CE was already formalized in the policy agreement at the start of the legislature stating "We are committed to renewable energy, sustainable mobility, and a circular economy" (Policy agreement 2019-2024). Later, in the multiannual plan, the CE was mentioned 18 times across the 643 actions. These actions were mainly concerned with studying the possibilities of the CE to reduce the climate impact of the building and food industry. In 2022, their SECAP was published, which mentioned the CE 88 times, and it was one of the six main themes for climate action. The main action in which they were already working on the CE in practice was with an incubator for circular activities that was launched in 2020. "But then when it comes to that larger framework around circularity, that certainly wasn't there yet." (Interviewee #5). According to the application form "Our local government currently lacks the knowledge to develop an urban strategy to scale up circular economy. In addition, there is a need for the (further) development of a network to develop a supported policy and to start (pilot) projects." (application form).

Objectives

Because the local government had formalized its ambition for the CE but had not really started, this was still on their to do list and this trajectory was considered useful as a first step to active their circular commitment (Interviewee #5). The objectives were two-fold. In the short run, the aim was to identify priority domains on which they start working with local stakeholders, as some budget was still available (Observations). In the application form they stated that "The aim of the trajectory where this strategy is being formulated is also to bring partners together to build a network around circular economy […]" (application form). In the longer term, the goal was to develop a more holistic and detailed plan for the CE to translate the ambitions from their SECAP into an action plan (Observations).

Mode of inclusion

Based on the list of relevant departments provided by the consultant, 13 internal staff members were invited, eight of whom joined. In addition, some external stakeholders were invited who were active in the CE in the region but whom they did not work with yet. According to the project leader "Then we said yes; we know that you guys (external participants) are working (on the CE), we do not know each other yet, we did not actually know what they were doing, or at least the climate team did not. So we were like, let's meet, let us collaborate more actively, among other things, let us actually give it a bit of a kick-off with the trajectory." (Interviewee #5). The external stakeholders included a social economy organization, the project leader of a regional project called the 'social and circular hub', and a person from the province responsible for the CE. Their inclusion was

mainly valued for bringing knowledge about the CE and existing local initiatives and stakeholders active in the CE (Interviewees #5+7+8). However, the majority of included participants were internal. There were nine participants in the first two sessions of which four were external, while only five participated in the last workshop of which one was external.

Case Z

Context (prior CE experience)

The policy agreement (2018) of case Z showed their commitment to being a sustainable city. In its multiannual plan for 2019 to 2024, the CE was one of the main objectives, with several actions considering different industries. The CE was also explicitly mentioned 11 times in the SECAP (2020), where the vision was expressed that by 2050, the economy would be circular. To become a circular city, "[…] the city government is committed to a two-track policy: circular entrepreneurship and sustainable citizen initiatives." (application form). The CE was assigned as a specific authority of an alderperson. Throughout the last year, the local government received funding for four large CE projects, with internal staff members working on these projects. Overall, "All of these projects and initiatives are complementary to each other but are not yet included in a broader program/general strategy." (application form).

Objectives

Therefore, the aim of the strategy-making was to create an overarching vision that would connect the isolated projects and stakeholders toward a shared objective. The alderperson expressed this need by saying: "[…] there is so much going on, but it is so disconnected. […] How can we take a more overarching approach to that or can we really create a vision around that to be able to better support the people that are already working on it and to make it more visible." (Interviewee #17). The strategy was also considered a useful input for the next government to integrate the CE into its policy plans (Observations + interviewee #17).

Mode of inclusion

Twenty people were invited to the workshops. The aim was to include representatives from the different internal departments and external stakeholder groups. This was considered important for the credibility of the strategy and for creating commitment (Interviewee #11). Inclusion was a key value to the local government, which is reflected by the aim in their policy agreement to be an 'open city'. In every workshop, around twelve people participated, with half internal and half external. Internally, the main relevant departments for the CE were included, and staff working on the circular projects joined. From the city council, the alderperson responsible for CE joined because of the interest in hearing about the different perspectives and to get inspired (Interviewee #17). External stakeholder groups were also included (e.g., a social economy organization, researchers, a citizen initiative, a non-profit organization, a business). These were partners with whom the local government was already working on the CE projects. The project leader said afterwards: "I actually found that the most important thing, that everyone felt that they had contributed, that they though along and see what role they could play in that (the circular strategy)." (Interviewee #11). Two sustainability managers from multinational companies were invited.

However, only one joined, only the first session, and reacted afterwards that "I also sometimes doubt my contribution as not being an entrepreneur, because the focus is mainly on small entrepreneurs. I did feel welcome but [I] notice[d] that making connection with others as a voice of a multi-national is difficult. [I] maybe [have the] feeling that there is less openness to such a company." (email response).

Outcomes for case X, Y, and Z

Many similarities were found by comparing the final strategy documents of the three cases. The three cases all defined the ambition to be circular by 2050. In their strategy, four main topics were recurring for all three. The first was the role of leading by example as local government. This by integrating circular principles in their public procurement, integrating the CE among the departments, and taking a circular approach to their own buildings. A second role was to raise awareness and operate as a matchmaker, giving the local government a role as director of the local network where they aim to inform, raise awareness, and bring together local stakeholders to share knowledge and collaborate. A third topic was the focus on food, where they aim to promote local and sustainable food consumption, reduce food waste, and integrate reusable food packaging. The last one was about the building industry, where they want to implement circular principles such as using circular materials and creating material banks. For these ambitions, the three cases focused on the involvement of all local stakeholders. Although the focus of the strategies was very similar, the wording and specific actions differed among the cases. In case X, there was an additional focus on making mobility more sustainable through shared mobility, for example. This focus can be explained by the local context, where the amount of carbon emissions per inhabitant for mobility was double the regional average. This was also the only case where a participant from the mobility department was included. In case Z, there was an additional focus on consumption goods, and actions were defined for the textile industry and for repairing and sharing consumption goods. This corresponds to the ongoing projects in case Z that focused on these topics and for which the project collaborators were included. The consultant summarized the content of these strategies as "There are certainly local emphases in there [the strategy], but actually, based on the trajectories that we have done now, we can kind of, yes, develop a tool that you can, yes, cut and paste and tailor the circular action plan for a local government." (Interviewee #25) In the interviews, the participants were generally positive about the success of the strategy-making, and different short-term outcomes were mentioned. The project leader of case Z said: "I actually liked the trajectory. I couldn't have imagined that it would go so well and that everyone would be so satisfied, so then I actually think it was a really successful trajectory. (Interviewer: And successful because?) Because it's very concrete." (Interviewee #11). The project leader of case Y had a similar opinion on the success, saying that he experienced it as "Very positive. It was a very, like I said, really an eye opener in that regard, too, of what the potentials also are." (Interviewee #5). Other interviewees also claimed that the workshops resulted in learning what the CE means and what the role of a local government can be in the transition and created a shared understanding. This increased understanding resulted in increased awareness and commitment to implement the CE. An interviewee said the trajectory

was useful for "getting more support within the organization. Yes, to excite people. Also just the awareness broader than just circular economy, as in also the awareness of our climate plan." (Interviewee #3). Participants also said they had expanded their network internally across departments and externally with local stakeholders (where present). In the three cases, it also resulted in some small initiatives for the CE being undertaken and new collaborations. For example, in case X: "and also, it did actually result, and that is a really positive thing, that more people from other departments, yes, were really confronted with reality and we really did take actions already because of that, that came from different people that weren't me, so that was really positive as well." (Interviewee #3). All three cases were motivated to continue their efforts for the CE as they recognized the need to develop the strategy further. The next steps were to convince the new council after the elections to formally adopt the strategy and to further involve external stakeholders in developing local actions.

Table 2: Overview of case findings

	Case X	Case Y	Case Z
Context (prior CE experience)	Low - Focused on sustainability and climate action - CE added to action plan in 2022 but only in margins - Internal knowledge limited	Medium - Formally committed to CE since 2019 - Still had to study potential - Only marginal actions implemented	High - Formally committed to implementing CE - Alderperson responsible for CE - Staff working on CE - Several large projects on CE
Objectives	Explore - Identifying role in CE - Develop strong strategy to create support for action later	Develop - Identify priorities to start action - Develop holistic strategy to implement CE	Connect - Defining shared vision, linking existing initiatives - Better communication - Connect Stakeholders - Input for next legislature
Internal inclusion	Open Diverse departments	Open Diverse departments	Open - Diverse departments - Politician (alderperson)
External inclusion	Closed	Limited External stakeholders from region already active in CE	Open Existing partners in CE projects
Outcomes	- Similar strategy content - Knowledge, awareness, commitment - Expanded network for collaborations - Small initiatives launched		

Discussion

The three cases show the evolution in the strategy field of opening strategy-making to a broader group of actors instead of just top management and strategists. Nevertheless, the cases also show that there is no single way of opening the strategy-making process as they open up differently to internal and external actors. This raises the question why different modes of inclusion are selected by organizations. The study by Seidl and Werle (Seidl & Werle, 2018) found that who is included in strategy-making depends on the strategic issue and the knowledge frames that are considered necessary. This observation is supported by this study, where the strategic issue was the CE, and where the three cases also determined who to include based on what topics are important for the CE. However, at the same time, this study demonstrates that this is not the only determinant of inclusion, as the three cases considered the same strategic issue but selected a different mode of inclusion. While case X only included internal participants, case Y also included some external participants and case Z equally included internal and external participants. Also, the strategy process cannot explain why different modes of inclusion were used, as all three cases followed the same process using the same strategy practices to develop a strategy. According to the application forms and interviews of the three cases, the selection of who was to be included resulted from having different objectives with the strategy-making. Case X aimed to create an internal understanding of the strategic issue and to identify its role before including external stakeholders. For case Y, the aim was to set priorities to start working on and to identify the stakeholders they could work with. While for case Z it was about creating an overall vision and ambition to connect isolated initiatives and stakeholders and to communicate better. This observation shows that although it was assumed that the objective of organizing the workshops was to develop a strategy for the CE, the three cases had different objectives for this process. It shows that strategy-making, even using the same strategy practices and following the same process, can be used for different objectives besides developing a strategy itself. This supports the dominant view in strategy research that strategizing is not only about the strategy content but also about the actual doing of strategy and the social processes (Whittington, 2006). The conclusion could be that the purpose for developing a strategy determines the mode of inclusion. This supports previous research that distinguished the objectives as an important aspect of different types of openness (Hansen et al., 2022). However, our cases show that the objectives for developing a strategy is the result of the organizational context. More specifically, the context in terms of the prior experience with the strategic issue determined the aim. In case X, the understanding of the CE was very limited, and they had not started implementing it. Therefore, there was a need to first understand the topic. In case Y, there had been a formal commitment for the CE for several years, but there was still a need to develop an action plan. Although having some first initiatives, implementation was very limited and required collaboration with stakeholders. Case Z was the most experienced with CE, having several ongoing projects with different partners. However, the projects were isolated and there was a need for shared effort towards a common goal. This shows that the strategy context is also an important determinant of the adopted mode of inclusion. This corresponds to the argument of Pettigrew (1987) that strategic change is three-dimensional. To fully understand strategic change,

its content, context, and process must be considered. Therefore, this study contributes to expanding understanding of why different modes of inclusion are used in open strategy-making.

Future research considering the three dimensionality of strategy in longitudinal studies will be especially useful for two reasons. On the one hand, it allows to study the temporality of modes of inclusion. As the context will change, different modes of inclusion will be used. So far, little is known about how modes of inclusion evolve. On the other hand, it will allow studying the strategy-making's outcomes. This will make it possible to evaluate the appropriateness of different modes of inclusion. In this study, it is not possible to say whether one mode of inclusion is better than the other. Based on the content of the final strategy document and the interviews, some short term outcomes of the process were identified. These were found to be similar among the three cases, showing no effect of the mode of inclusion on the short term outcomes. However, the self-reported increase in commitment is spread among a broader group of stakeholders in the case of including external stakeholders, which could in the long term be beneficial for the strategy implementation. These effect will only become clear in the long term. Also, in these cases, inclusion was kept constant over the three sessions, while it might be argued that it could be better to change it after the priorities have been set to ensure the relevant stakeholders are included (Hautz, 2017). Our findings also do not prove that a lower level of experience with a strategic issue results in less open modes of inclusion. One could argue that when an organization has a lower level of internal experience, more external inclusion is required to bring knowledge to the process. Therefore, the aim of this study is not to generalize what mode of inclusion is used when but rather to show why different modes are used. This results in the general limitation that generalization is not possible as statistical causality cannot be tested with qualitative data. Also, it is likely that other influences have an impact on the use of different modes of inclusion, such as personal beliefs and organizational culture. This last one has been considered by trying to understand the organizational culture towards openness in the policy documents of the cases and through the observations.

Conclusion

Organizations will need to open their strategy-making to address today's grand challenges as collaboration beyond organizational borders is required. This implies improving transparency and inclusion internally across the different levels and externally to different stakeholder groups. Who is included in strategy will have an important impact on the strategy process. However, only limited studies focused on inclusion in strategy research distinguishing internal and external participants. Little is known about why organizations use different modes of inclusion in strategy-making. Therefore, this study looked at three local governments that developed a strategy through the same strategy practices for the same strategic issue, the CE. As the cases used different modes of inclusion, opening only internally or also externally, it allowed to study why this different mode was selected. The results show that the three cases had different aims for strategy-making and that these aims resulted from the organization's context. This implies that not only the strategic content determines the strategy process of who is included but also the strategic context. This supports the argument by Pettigrew (1987) that strategic change is three-dimensional and should be understood through its content, context, and process.

Appendix 1: Interview guide

Intro (informed consent, instructions, aim)

Context (only asked to project leader)

- Whose idea was it to apply for this trajectory?
  - ➢ With whom was this discussed?
- Why was there an interest in this trajectory?
- To what extent was the local government already working on the circular economy?
- Who selected who was invited for this trajectory?
  - ➢ Why were these people selected?

Process (to all participants)

Before

- What is your function in the local government? / What organization do you work for?
- Who invited you?
- Why do you think you were invited?
- What is the reason why you participated?
- What was your prior knowledge about the circular economy?
- What was your prior knowledge about the context of the local government?

During

- What is your general impression of the trajectory?
- Was it useful for you to participate?
- How did you contribute?
- Did you have sufficient information during the trajectory?
- What participants were most important for you and why?
- What participants did you miss and why?

After

- What has changed for you after the trajectory?
- Do you support the final result, and if so, why?
- What did the trajectory change for the local government?
- Do you think that there is sufficient support to implement the strategy?
- What should happen now with the output of this trajectory?
- What was the trajectory useful for?

Closing (ask if questions/additions, thank participant)

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