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**Autonomous Action: Strategy Making by Lower- Level Managers**

Another criticism leveled at the rational planning model of strategy is that too much importance is attached to the role of top management, and particularly the CEO.

An alternative view now widely accepted is that individual employees deep within an organization can and often do exert a profound influence over the strategic direction of the firm.

Writing with Robert Burgelman of Stanford University, Andy Grove, the former CEO of Intel, noted that many important strategic decisions at Intel were initiated not by top managers but by the **autonomous** action of lower-level managers deep within Intel—that is, by lower-level managers, who on their own initiative, formulated new strategies and worked to persuade top-level managers to alter the strategic priorities of the firm.

At Intel, strategic decisions that were initiated by the autonomous action of lower- level managers included the decision to exit an important market (the DRAM memory chip market) and develop a certain class of microprocessors (RISC- based microprocessors) in direct contrast to the stated strategy of Intel’s top managers.

The Strategy in Action feature tells how autonomous action by two young employees drove the evolution of Microsoft’s strategy toward the Internet.

In addition, the prototype for another Microsoft product, the X- box video game system, was developed by four lower-level engineering employees on their own initiative.

They subsequently successfully lobbied top managers to dedicate resources to commercialize their prototype.

Autonomous action may be particularly important in helping established companies to deal with the uncertainty created by the arrival of a radical new technology that changes the dominant paradigm in an industry.

Top managers usually rise to preeminence by successfully executing the established strategy of the firm.

As such, they may have an emotional commitment to the status quo and are often unable to see things from a different perspective. In this sense, they are a conservative force that promotes inertia.

Lower- level managers, however, are less likely to have the same commitment to the status quo and have more to gain from promoting new technologies and strategies within the firm.

As such, they may be the ones to first recognize new strategic opportunities (as was the case at Microsoft) and lobby for strategic change.

**Serendipity and Strategy**

Business history is replete with examples of accidental events that help to push companies in new and profitable directions.

What these examples suggest is that many successful strategies are not the result of well- thought- out plans but of serendipity, that is, stumbling across good things unexpectedly. One such example occurred at 3M during the 1960s.

At that time, 3M was producing fluorocarbons for sale as coolant liquid in air- conditioning equipment. One day, a researcher working with fluorocarbons in a 3M lab spilled some of the liquid on her shoes.

Later that day when she spilled coffee over her shoes, she watched with interest as the coffee formed into little beads of liquid and then ran off her shoes without leaving a stain.

Reflecting on this phenomenon, she realized that a fluorocarbon- based liquid might turn out to be useful for protecting fabrics from liquid stains, and so the idea for Scotch Guard was born.

Subsequently, Scotch Guard became one of 3M’s most profitable products and took the company into the fabric protection business, an area it had never planned to participate in.

Serendipitous discoveries and events can open up all sorts of profitable avenues for a company.

But some companies have missed out on profitable opportunities because serendipitous discoveries or events were inconsistent with their prior (planned) conception of what their strategy should be.

In one of the classic examples of such myopia, a century ago the telegraph company Western

Union turned down an opportunity to purchase the rights to an invention made by Alexander

Graham Bell.

The invention was the telephone, a technology that subsequently made the telegraph obsolete.

1. **Complete the following sentences with the best choice of a, b, c or d:**
2. An alternative view now widely accepted is that individual employees deep within an organization can and often…
3. attached to the role of top management, and particularly the CEO.
4. lobbied top managers to dedicate resources to commercialize their prototype.
5. ***Do exert a profound influence over the strategic direction of the firm.***
6. usually rise to preeminence by successfully executing the established strategy of the firm.
7. Another criticism leveled at the rational planning model of strategy is that…
8. ***too much importance is attached to the role of top management, and particularly the CEO.***
9. tells how autonomous action by two young employees drove the evolution of Microsoft’s strategy toward the Internet.
10. rise to preeminence by successfully executing the established strategy of the firm.
11. have more to gain from promoting new technologies and strategies within the firm.
12. Business history is replete with examples of accidental events that…
13. is, stumbling across good things unexpectedly. One such example occurred at 3M during the 1960s.
14. ***help to push companies in new and profitable directions.***
15. ran off her shoes without leaving a stain.
16. working with fluorocarbons in a 3M lab spilled some of the liquid on her shoes.
17. Top managers usually rise to preeminence by…
18. new technology that changes the dominant paradigm in an industry.
19. they are a conservative force that promotes inertia.
20. ***successfully executing the established strategy of the firm.***
21. good things unexpectedly.
22. What is main idea context?

Business history is replete with examples of accidental events that help to push companies in new and profitable directions. What these examples suggest is that many successful strategies are not the result of well-thought-out plans but of serendipity, that is, stumbling across good things unexpectedly. One such example occurred at 3M during the 1960s.

1. Business history has events that many successful strategies.
2. The example occurred at 3m during the 60s was well-thought-out plans.
3. ***Business history contain examples of unsuccessful strategies but serendipity stumbled across good things unexpectedly***.
4. Business history is replete with examples of accidental successful strategies.
5. The invention was the telephone, a technology that subsequently made the telegraph obsolete.
6. ***Outdated***
7. Poor sight
8. share
9. opportunity
10. Lower- level managers, however, are less likely to have the same commitment to the status quo and have more to gain from promoting new technologies and strategies within the firm.
11. sense
12. ***get***
13. conservative
14. established
15. they may have an emotional commitment to the status quo and are often unable to see things from a different perspective.
16. gain
17. promote
18. ***Current situation***
19. radical
20. They subsequently successfully lobbied top managers to dedicate resources to commercialize their prototype.
21. action
22. ***then***
23. persuade
24. priority
25. What deduction can be?

Writing with Robert Burgelman of Stanford University, Andy Grove, the former CEO of Intel, noted that many important strategic decisions at Intel were initiated not by top managers but by the autonomous action of lower-level managers deep within Intel—that is, by lower-level managers, who on their own initiative, formulated new strategies and worked to persuade top-level managers to alter the strategic priorities of the firm.

1. ***Lower-level managers formulated new strategies***
2. Lower-level managers noted that many important strategic decisions.
3. Lower-level managers persuade top-level managers to formulated new strategies.
4. Lower-level managers persuade top-level managers to noted important strategic decisions.
5. **Please answer these questions:**
6. What is the rational planning model of strategy?

The rational planning model of strategy is attached to the role of top management

1. What is the alternative view widely model of strategy?

An alternative view widely model of strategy is that individual employees deep within an organization can and often do exert a profound influence over the strategic direction of the firm.

1. Were many important strategic decisions at Intel initiated by top managers?

No they were not. important strategic decisions at Intel initiated by lower-level managers deep within Intel.

1. What is business history replete?

Business history is replete with examples of accidental events that help to push companies in new and profitable directions.

1. How does scotch guard became one of 3M’s most profitable product?

A researcher working with fluorocarbons in a 3M lab spilled some of the liquid on her shoes. Later that day when she spilled coffee over her shoes, she watched with interest as the coffee formed into little beads of liquid and then ran off her shoes without leaving a stain.

1. Which events can open up all sorts of profitable avenues for a company?

Serendipitous discoveries and events can open up all sorts of profitable avenues for a company.

1. Why some companies have missed out on profitable opportunities?

Cause serendipitous discoveries or events were inconsistent with their prior (planned) conception of what their strategy should be.

1. **Match the synonyms:**
2. Autonomous a. Free
3. Criticism b. Analysis
4. Rational c. Logical
5. Particularly d. Especially
6. Individual e. Singular
7. Profound f. Thoughtful
8. Firm g. Company
9. Initiate h. Start
10. Initiative i. Idea
11. Persuade j. Convince
12. Priority k. Importance
13. Contrast l. Difference
14. Feature m. Attribute
15. Drove n. Group
16. Toward o. Near
17. Lobby p. Push
18. Dedicate q. Offer
19. Commercialize r. Popularize
20. Arrival s. Entrance
21. Executing t. Complete

 u. Forceful

 v. Viewpoint

 w. Careful

 x. Get

 y. Further

1. **Cloze test:**

Another …1… leveled at the rational planning model of strategy is that too much importance is attached to the role of top management, and …2… the CEO. An alternative view now widely accepted is that …3… employees deep within an organization can and often do …4… a profound influence over the strategic direction of the firm.

At Intel, strategic …5… that were initiated by the autonomous action of lower- level managers included the decision to exit an important …6… (the DRAM memory chip market) and develop a certain class of microprocessors (RISC- based microprocessors) in direct …7… to the stated strategy of Intel’s top managers. The Strategy in Action …8… tells how autonomous action by two young employees drove the evolution of Microsoft’s strategy …9… the Internet.

Top managers usually rise to …10… by successfully executing the established strategy of the firm.

1. ***a) Analysis*** b) Free c) Singular d) Way
2. a) Logical b) Apply ***c) Especially*** d) Effect
3. a) Thoughtful b) Company c) Start ***d) Singular***
4. ***a)*** ***Apply*** b) Act c) Difference d) Development
5. a) Straight b) Near c) Attribute ***d) Choice***
6. a) Straight ***b) Shop*** c) Group d) Staff
7. a) Sample b) Popularize ***c) Difference*** d) Development
8. a) Specific b) Traditional c) Excellence ***d) Attribute***
9. ***a)*** ***Near*** b) Straight c) Development d) Promise
10. a) Basic b) Forceful ***c) Excellence*** d) Model