Fractals of Strategic Coherence in a Successful Nonprofit Organization

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We theorize that organizations that are able to use stories and examples to explain their strategy and offer a flexible guide to discretionary employee behaviors use them in what can be termed a fractal fashion. The thesis is based on the idea of how strategic logic can be communicated and how it can be reiterated to lead to strategic coherence across different levels of analysis in organizations. The parallels of a nonlinear, reinforcing process that is based on iteration inspired us to draw on complexity theory and fractal processes to understand the generation of strategic coherence. We present the case of a successful nonprofit organization where it appears that such a fractal use of stories occurred.

As complexity theory is extended to the organizational setting, several authors have used it loosely in a metaphoric sense (McKelvey, 1999; Brown and Eisenhardt, 1997), while others have used the conceptual underpinnings of nonlinearity for simulations that can help us understand the social creation of competencies (Dooley and Van de Ven, 1999; Black, King, and Oliver, 2004). Still others have attempted to link complexity theories more directly to social science research beyond the general metaphoric sense described earlier (Thietart and Forgues, 1995, 1997; Black, Fabian, and Hinrichs, 2005). In this article, we follow in this latter approach and offer an empirical effort to illustrate how complexity types of phenomena may reveal themselves in a nonprofit organization. Specifically, we apply an understanding of the generation of fractals to help us understand how organizational competences might also be generated.

Note: An earlier version of this article was presented at the 2002 Academy of Management Meeting, 2002 Western Academy of Management, Santa Fe, New Mexico, and at the 2000 Competence Conference in Helsinki, Finland.
A critical issue facing organizations is the development of strategic competences, which enable an organization to survive and thrive in its environment (Teece, Pisano, and Shuen, 1997; Sanchez, 2001). One such resource is the use of strategic logic by the management of an organization (Sanchez and Heene, 2004). We extend this use of strategic logic and examine how it might be embedded throughout an organization to create strategic coherence (Black, Fabian, and Hinrichs, 2005). Elsewhere it has been argued that the use of language, in particular, the embedded use of language, might mimic the mathematical structure in the generation of fractals (Thietart and Forgues, 1995; Black, Fabian, and Hinrichs, 2005). By grounding our understanding of the development process to the fractal metaphor, we theorize that a strategic logic may be generated and recreated by the iteration of stories, or the themes found in stories and illustrations, until that associated strategic logic becomes strategic coherence at the organizational level.

We begin by discussing the key concepts of strategic logic and coherence. Next we discuss models and the use of a fractal model in particular, relating this model to the potential for the use of stories as a way to transfer a strategic logic and develop strategic coherence. To illustrate this theoretical perspective in the nonprofit arena, we offer an investigatory case study that demonstrates the potential for further work in this area. We conclude with implications.

**Strategic Logic and Coherence**

A firm’s competences emerge from the directed activities of individuals in the organization (Sanchez and Heene, 1997, 2004) and are shaped by the strategic logic underlying the efforts to pursue strategic goals (Mahoney and Sanchez, 2004). Specifically, the strategic logic represents an organization’s operative theory (Mahoney and Sanchez, 2004), of the process of obtaining one’s strategic goals. In a related vein, dominant logic (Prahalad and Bettis, 1986) is similar to strategic logic in its emphasis on shared mental models that reflect the naive theories management has developed to explain how the organization can implement strategy. For Prahalad and Bettis (1986), this concept was useful in explaining diversification processes. Beginning in 1995, they made an explicit link between dominant logic and the underlying rules that operate in complex systems (Bettis and Prahalad, 1995; Von Krogh and Roos, 1996). This formulation of dominant logic is similar to the strategic logic of Sanchez and colleagues (Mahoney and Sanchez, 2004; Sanchez and Collins, 2001; Sanchez and Heene, 1997) and, to this extent, is similar to our use of strategic logic in this article.

Several authors have identified various strategic logics (Eisenhardt and Martin, 2000; Kim and Mauborgne, 2004; Sanchez and Collins, 2001), with the implication of the embeddedness of strategic logic within the organizational fabric (Lane and Lubatkin,
1998; Mahoney and Sanchez, 2004; Sanchez, Heene, and Thomas, 1996; Washington and Ventresca, 2004). However, how it gets embedded within an organization, where it resides, and the implications of its consistent or inconsistent use are not as well addressed (Prahalad and Bettis, 1986; Black and Boal, 1994).

Strategic logic arises from the insight of leaders who immerse themselves in their industry and its potential (Chiesa and Manzini, 1997) and who translate their insight for their organizations. Prahalad, in both earlier work (Prahalad and Bettis, 1986) and later work (Prahalad, 2004), implied that the embedding of this logic was coevolving with its development when he emphasized the incorporation of routines, schemas, business models, and processes in shaping how managers act and think. We suggest that the translation made by the leader of an organization to inculcate the strategic logic may take the form of strategic themes found in illustrations, examples, and other verbal communication efforts. In this case, managers use their words, stories, and examples to help steer the organization and in the process reveal their strategic logics (Lissack, 1999).

To be effective, strategic logic cannot be embedded only in the head of the leader; it must also act as behavioral guidance for organization members. Perhaps one of the more prominent perspectives addressing the role of mental models and behavior can be found in work on espoused theories and theory-in-use. Both espoused theory, or what people say (such as values, attitude, and beliefs), and theory-in-use, that is, what people actually do, have been tied to acculturation processes that lead to the adoption of mental models (Argyris and Schoen, 1996). We recognize that these mental models are not the only way to guide behavior consistent with an organization's strategic logic (for example, a logic can be embedded in an organization through routinized organizational policies and procedures). In this article, however, we are interested in the types of media needed to guide discretionary employee behavior, that is, to create theory-in-use consistent with an organization's strategic logic. Thus, we became interested in language and linguistics, identified as the media that can accommodate “fuzzy logic” (Cox and Terlaga, 1992), that is, when concepts cannot be easily classified, that we think is emblematic of strategic logic. Thus, language, as adopted and illustrated in corporate histories, anecdotes, examples, and illustrations, should be able to offer some insight into an organization's strategic logic. Indeed, a fairly extensive review of the literature has noted the connection between storytelling and leadership within organizations (Forster and others, 1999).

The ability of an organization to replicate its logic throughout its functional and hierarchical levels is a key issue we consider in this article. By examining the use of language and looking for adaptations throughout the organization that adhere to a particular strategic plot or logic, the potential for an organization to attain strategic coherence may be gauged. Once a strategic logic comes into consistent use
across an organization, that organization can be said to achieve strategic coherence. This strategic coherence in turn results in a network or system of individuals following rules of interaction, as guided by the imperatives revealed in the accepted and repeated organizational stories. For instance, a prominent anecdotal example argues that much of Hewlett-Packard's early success was due to an inculcation of the logic embedded in the organization stories, forming the “HP way” (Packard, 1996). Employees were said to have internalized this logic and used it to guide their innovative (and profitable) further behaviors.

We employ the term coherence precisely because of its dual connotation: first, that an entity “coheres” or holds together due to its consistent nature, and second, in its linguistic implication that allows a logic to make sense across individuals. This article is thus specifically interested in how similarity of language use across levels of analysis reflects an organization-level ability to embed parameters of what strategic actions make sense (agree with the strategic logic): the greater the similarity, the greater the coherence. Other authors have also alluded to the importance of coherence in the organization. Teece, Rumelt, Dosi, and Winter (1994) noted the complex nature of relatedness in explaining corporate coherence and moved the idea of relatedness away from product markets and toward an organization’s “learning, history and selection environment” (p. 10). Christensen and Foss (1997) further suggested that corporate coherence is most likely infused by both knowledge (the cognitive dominant logic) and incentive (the corporate ethos). Cognitive coherence within a conversation has been identified as a critical component when teams of people jointly pursue a goal (Dong, 2004). In all of these cases, there has been an interest in shared constructs across an organization’s internal boundaries.

The Connection Between Strategic Coherence and Complexity Thinking

We have argued that if organization members accept a logic that is embedded in organization language, and if this logic can be replicated across functions and hierarchies in new contexts to guide behavior, then the organization is revealing a level of strategic coherence. A key theoretical goal is to cross levels of analysis—to find out how organizations might set templates for thinking about action that is then reproduced at the individual, group, and organization levels. This similarity across scale is consistent with features found in nonlinear systems and provides impetus for thinking about what sorts of interactions might be necessary to create this quality. In particular, an area of complexity theory has identified this holographic nature (similarity across scale) in a feature referred to as fractals. Thus, the use of complexity theory models is a compelling way to extend the understanding of the
development of competences, since the competency view of the organization allows the organization to be an open system and to include interaction rules among and between layers within the focal system.

The Fractal Metaphor as a Model

Fractals are a category of complexity theory models that might effectively be used by organization scientists as they conceptualize emerging patterns occurring across levels of analysis (Thiertart and Forgues, 1995; Black and Fabian, 2000). Fractal mathematics demonstrates that after much iteration, similar patterns of an organization competence emerge no matter the level of analysis. A good example of a fractal phenomenon in nature is a water cloud, which generates similar (but unpredictable) patterns at all levels of analysis: a centimeter (teapot steam), a kilometer (a sky view), or hundreds of kilometers (satellite pictures). Thietart and Forgues (1995, 1997) proposed that fractals in an organizational context would imply the occurrence of similar patterns across organizational levels. The critical insight a fractal perspective offers is that elemental mechanisms are capable of creating emergent structure through constant iteration. Thus, any theory that seeks to create a fractal view of coherence must identify how and what firms are likely to iterate in a pervasive and persistent manner.

To apply a fractal view to organizations, Black and Fabian (2000) sought such elemental mechanisms that by the nature of their constant iteration in the organization serve to create patterns in the activity of organizations across levels of analysis. They noted that repeated words and grammar produce much the same effect as iterations of mathematical equations in the generation of fractals. Specifically, a strategic logic may thus be embedded within the mental models of organization members to guide action and explain the emergence of strategic coherence for an organization (Black, Fabian, and Hinrichs, 2005).

We extend this view by arguing that the explicit and repeated choice of words in illustrations and even stories by the management of an organization (if accepted by organizational members as a way to define themselves and their organization) can, when acted on, then result in the emergence of strategic coherence. Although such messages may not correspond exactly to the initial message of the leader, their intent will be recognizable and lead to familiar and consistent patterns of action. Below we elaborate on our choice of illustrations, examples, and stories as a medium, first with examples of how illustrations, examples, and stories are used, followed by how meaning gets encapsulated.

Equation Equivalents: Words Used to Generate Meaning

One way strategic logic regenerates itself is through the iterative use of language, which is capable of encapsulating both the knowledge and motivational energy of entrepreneurial activity. The ability for
such entrepreneurial energy to direct the future of an organization has been recognized for decades—for instance, in Stinchcombe's entrepreneurial imprinting (1965).

Numerous constructs in organizational phenomena suggest that strategic logic reappears throughout an organization on a dynamic basis. For instance, organizational identity is very important in nonprofit organizations (Young, 2001). Identity theory covers the tendency for employees to internalize organizational attributes (Dutton and Dukerich, 1991), and studies of newcomer socialization (Chatman, 1991) reveal such an ongoing replicating process. Similarly, the incorporation of dominant logics within top management teams (Hamel and Prahalad, 1994) and the succession of similar top managers and CEOs (Miller, 1993) reveal the iteration of a given strategic logic across time in managerial processes. To extend these insights, we focus on the embedding process of a shared logic across elements of the organization and the resulting emergence of strategic coherence.

Strategic logic may become embedded in an organizational structure through its ability to generate routines that embody organizational knowledge (Nelson and Winter, 1982). More widely, though, coherence would lead to predictability in the range of behaviors undertaken by organization members in more discretionary situations as well. This requires members to have internalized some sort of “routines” or mental models to guide their behavior. Consistent with the above research, for instance, some actions will seem inconsistent (and thus unacceptable) with the guidance found in the stories, illustrations, or examples on the entrepreneur's initial intentions (imprinting), the “type of employees we are” (identity) the “way things are done” here (socialization), or the characteristics of a leader (succession). Theoretically, then, for a strategic logic to be leveraged effectively, that is, for an organization to develop the range of competencies needed to carry the organization toward its announced goals, requires an emergent result of individuals in the organization interacting in ways that are guided by a strategic logic within the organization.

Story, Illustration, and Example Use in Creating a Strategic Logic

The meanings of words are derived from their use context (Tsoukas, 1999), and words take on meaning when put into a memorable context. In their organizational life, people look for, and try to develop, shared meanings (Czarniawska-Jorges, 1997). There, as elsewhere, one of the most common ways of conveying the contextual meaning of words is through stories, illustrations, and examples (Boyce, 1995; Barry and Elmes, 1997; Bradshaw, 2002). People use stories to accomplish a purpose and enact an account of themselves and their community (Boje, 1995). Although storytellers are individuals with all their inherent biases, misinterpretations, and miscommunications, constraining the potential set of meanings within a strategic logic.
may be accomplished by repeating stories or themes across stories and examples. Strategic leaders may thus create organizational meanings by assembling and connecting objects and events in stories and examples so that they become meaningful for the members of an organization.

There is a school of thought in the area of strategic management that depicts strategy as a form of storytelling (Barry and Elmes, 1997; Turner, 1998; Forster and others, 1999) and stories as a new way to understand strategy (Randels, 1998). Storytelling highlights the discursive, social nature of strategy, linking it to cultural and historical contexts (Smircich and Stubbert, 1985). Recent research suggests that through stories, people are able to see themselves and their business operations in complex, multidimensional forms and to discover opportunities for strategic change (Shaw, Brown, and Bromiley, 1998).

Given the preceding discussion of the emergence of a strategic logic and the need for contextualized organizational language, it should be possible to identify and communicate a strategic logic through stories, illustrations, and examples, particularly of past organizational episodes deemed successful or insightful. To do so, one must be able to tell stories or give examples that label certain actions as strategic, convince others that the stories and examples represent the way things have happened, and persuade members of an organization that this account should be the one that guides how new actions should be considered. Strategy in this sense is therefore something that is constructed to influence others toward certain understandings and actions.

We thus begin with our fractal representations, stories and examples, and inductively move to identify the fractal-generating mechanisms in use: the contextualized language or the themes that are found in common across the strategic stories. To show this view more fully, we offer an expansion of an earlier case study (Black, Fabian, and Hinrich, 2005) that illustrates how a nonprofit organization’s explicit use of related stories and examples may construct and embed the strategic logic of the organization.

**Case of Facilitated Living, Inc.**

Finding a compelling organization was critical to this exploratory effort to determine if strategic coherence was present and if it could be revealed fractally through stories and examples. In general, there is no agreed-on, or perhaps possibly valid, measure for success across nonprofits (Forbes, 1998; Herman and Renz, 1999). Thus, we followed the advice of Sawhill and Williamson (2001) and sought a nonprofit that had significant levels of impact, activity, and capacity. We found such a site at Facilitated Living, Inc. (a pseudonym), a firm begun in the midwestern United States (Black, Fabian, and Hinrichs, 2005). We present this project and its expansion here.
The Site and Data Collection

Founded in 1978, Facilitated Living builds living facilities for mobility-impaired and brain-injured individuals and provides property management and supportive living services as well. The organization provided a complete set of seven written reports, which it produced about every two years. Each document covered the same general information: the organization’s history, philosophy, programs, and most recent clients served. Multiple stories and examples were then identified in each document. The documents and their use are covered in the next section.

Facilitated Living has undergone considerable growth across a range of criteria of interest. From 1981 to 1999, its budget grew from $529,261 to $21.9 million. The number of hours that it provided care grew from 54,927 to 650,000. During that same time, its total assets grew from $1.3 million to $31 million. Thus, there was growth in features such as impact, activity, and capacity. We operationalized impact as the size of the budget of the organization, activity as the number of care hours provided, and capacity as the amount of total assets controlled.

Research Methods

Qualitative methods were used to analyze the reports identified above. As reported earlier (Black, Fabian, and Hinrichs, 2005), seven reports were scanned into a word processing program and edited for accuracy. This process produced ninety-three pages of text (42,943 words, 4,410 lines). Each page of text was read to identify stories, illustrations, and examples. These were identified and included through consensus among the researchers. Strategic stories were identified as those that depict the goals, communicate achievement of goals, or identify clients and the service of clients in the context of the organization’s mission. The researchers identified ninety-nine stories and examples as meeting the above criteria. About half of the ninety-nine stories were descriptions of programs, services, or sites, but the rest were relevant to strategic intent. Each story or example was catalogued, noting the author, the voice, and themes. The breakdown of authorship is shown in Table 1. It was interesting to note that the founding story was included by three separate authors.

Exemplary stories and examples were selected to depict the fractal qualities involved in developing strategic intent using storytelling. The themes presented are those continually identified in the analysis of all the stories and examples. Liberal story and example texts are provided to facilitate reader understanding of the analysis.

When doing qualitative work, it is important to establish that the research is as objective as possible (Kirk and Miller, 1986). This is accomplished by demonstrating that the research has actively sought to incorporate checks for both reliability and validity. To establish reliability (the degree to which the finding is independent of accidental
circumstance; Kirk and Miller, 1986), we had multiple researchers analyze the textual material. To establish validity (the degree to which the finding is interpreted in a correct way, Kirk and Miller, 1986), we have as a researcher someone who had interacted with this organization in a professional capacity for many years and so had already established a history of trust and understanding, enabling us to rapidly verify our comprehension with organizational members.

The process of analysis was to first identify all relevant texts (recall that forty-five stories and examples were used) and from those texts to identify relevant themes. In this article, we selected specific examples that we deemed provided the best illustration of these themes. The results of the analysis of the stories and examples with the explicit illustrations follow next.

Results of Analysis of Stories

A letter from the founder of the organization appeared in the 1980–1985 report, the first official publication of the results of the efforts of the organization. The story relayed in this letter was an account of the founding and early years of the organization. This story, repeated seven more times over the years (Table 2), acts as an anchor for the organization. It serves as a touchstone story for the organization, as it seems to have all of the essential elements and dynamics present in the organizational reality (Boyce, 1995; Black, Fabian, and Hinrichs, 2005).

Four themes emerged from the analysis of the founding story: (1) facing and overcoming adversity, (2) personal involvement, (3) cooperation, and (4) faithfulness to the early mission (Black, Fabian, and Hinrichs, 2005). As noted earlier, these themes emerged at both the individual and the organizational levels (Black, Fabian, and Hinrichs, 2005). However, here we present in greater detail the appearance of these themes at each level of analysis to illustrate our argument that the fractal metaphor exemplifies the process through which this transformation occurred and supports the idea of strategic coherence across

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<td>Resident (with unidentified narrator)</td>
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<tr>
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<td>Employee (with unidentified narrator)</td>
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<td>Therapist (with unidentified narrator)</td>
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<tr>
<td>Unidentified narrator</td>
<td>11</td>
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<tr>
<td>Board chair</td>
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<td>President/executive director</td>
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<td>Group of residents</td>
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Table 1. Author and Number of Stories
an organization. Each of these themes is discussed below, including illustrative excerpts from both the original version of the founding story and the 1990–1991 long version. For brevity, we provide one illustrative example for each level and concept.

Stories illustrative of organizational strategy are presented that mirror the theme at an organizational level. The actual letters by the board of directors’ chair or the president of the organization were carefully reviewed to determine if they too exhibited the same strategic logic exhibited at an individual level. Quotations from those letters are shown to illustrate the use of the identified theme by top management. In these stories, elements of the organization’s strategy for conducting its affairs are discussed. In effect, these stories show a strategy emerging from the stories of many individuals, but at the same time, these individual stories mirrored the story given at the organizational level.

Facing and Overcoming Adversity. The first theme is adversity (Black, Fabian, and Hinrichs, 2005). Adversity on an individual level as described in the stories has to do with the struggles that someone who is disabled faces. Difficulties are encountered and challenges have to be faced. Overcoming adversity is not easy; there are barriers and frustrations. This theme is found at both the individual and the organizational levels.

For the individual, the obvious first struggle is the initial trauma and the resulting disability, followed by rehabilitation, then working with the health system to find housing and care. This struggle usually requires considerable work and strength. Adversity often comes and goes, is conquered, and then is resurrected in another form. Each victory is followed by another struggle, until often the individual or group is taking on struggles on behalf of others. Obstacles faced by individuals include institutionalization, lack of options, and lack of services for disabled persons. Overcoming adversity results in feelings of newness, normalcy, security, usefulness, self-reliance (life outside an institution), and independence.

The first excerpt is from the original 1980–1985 version of the founding story. It begins by describing the personal struggle of the founder’s friend after he was injured in a diving accident.

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The following quotation illustrates this point: “In 1975, he [the friend of the founder] was paralyzed from a diving accident and began his long struggle with quadriplegia. . . . Neither of them looked at the rehabilitation center as a long-term alternative, but a place to begin the long process of emotional acceptance and physical rehabilitation.” Essentially this story is repeated in the third person in later reports. The sense portrayed in these stories is that each goal is accompanied by an obstacle that must be met with a struggle in order to succeed.

Letters from management were examined to determine if the theme of facing and overcoming adversity was represented. For the organization, obstacles faced are health care system and Medicaid cutbacks, changes imposed from the outside, and an uncertain future. Organizations dependent on outside funding, particularly governmental funding, often see the future as threatening (Pfeffer and Salancik, 1978). One such area emerged as the organization framed its strategic environment. In these quotations, the adversary is the as-yet-unknown set of trends and challenges facing the organization. Overcoming adversity consists of meeting the challenges and achieving goals. A representative example illustrates this point: “Threats to Medicaid funding posed the greatest challenge to Facilitated Living’s ability to provide adequate service hours to consumers. Reductions in housing dollars also forced us to consider alternatives to previously reliable funding sources” (Board chair, 1994–1995). A persistent feature of describing the organization is the need to face organizational challenges—and overcoming them is anticipated and expected.

**Personal Involvement.** The second theme is that of personal involvement (Black, Fabian, and Hinrichs, 2005). This theme includes the elements of risk, pioneering, stepping forward, and one person making a difference. Involvement is preceded by recognition of an unmet need and occurs for the sake of oneself or others. It too is found at the individual and organizational levels, as this expansion of the case reveals. Stories of individuals who, like the founder, responded to a friend’s need and created something new illustrate this theme. On the organizational level, personal involvement is represented as stepping forward for the sake of the original vision, and discussion of the organization’s growth is often explained as the result of personal involvement meeting the needs of others. While many of the original texts use the word *consumers*, unless we are directly quoting that text we have chosen to use the word *clients* to better reflect the firm’s non-profit service orientation.

The first excerpt illustrating personal involvement is from the original 1980–1985 version of the founding story: “Hondo and I were high school classmates. . . . We were basketball teammates. . . . A few months after his accident, I took time off . . . soon after, I was hired as a personal care attendant.” Later, this same story is reported and then again in subsequent reports in the third person. The story...
and its repetition illustrate the empathetic sacrifice shown by the founder on behalf of his friend.

The organization’s awareness of the need to get personally involved with the clients it serves drives its strategy of expansion and growth. Once unmet needs are known, the organization is committed to step forward and take risks in an effort to meet those needs. Here is an example illustrating such work done at the organizational level: “In [our] area, FL [Facilitated Living] continued to respond to the overwhelming need for accessible housing and supportive living services. And our progress continues. . . . In the years ahead, we will continue expanding our development of supportive living options” (Board chair, 1992–1993). This drive to meet the needs of its clients and sensitivity to the specific needs of individuals is reiterated in later reports.

Cooperation. In contrast to the stories about personal involvement, another set of stories talks about cooperation as giving and receiving help (Black, Fabian, and Hinrichs, 2005). These two themes coexist in many ways. Although facing each obstacle requires personal resolve and effort and independence is highly valued, many aspects of a resident’s life require the assistance of someone else. This requirement must coalesce with the organization’s model of independence through assisted living. These stories stress that nothing is done by anyone alone or by any group alone. Each step along the way, individuals are assisted by others who come alongside and help carry the load. In this extension, we show how the organizational-level stories similarly portray Facilitated Living as both a giver and receiver of assistance through team efforts, collaborative ventures, and partnerships.

As with personal involvement, cooperative actions are in response to unmet needs. The following excerpt is from the original 1980–1985 version of the founding story: “In the usual good fortune of FL, we were introduced to a well-regarded neurologist . . . [who] proved to be a missing ingredient in making the project a success. In long meetings with the doctor, we decided to form a consortium of founding organizations who would loan FL money to get started (which we paid back 100%) and most importantly provide credibility through association.” Emphasis on the individual support theme was found in all reports studied. The cooperation of various individuals was represented as being integral to the success of the organization and found in all reports.

These stories reveal two strategies that have emerged out of the cooperation theme. First, the organization seeks support through the cooperation of donors, residents, and staff. Second, Facilitated Living has developed a strategy of growth through collaboration with other organizations. The following two quotes illustrate these points.


“Several of the most recent waves of new sites have been cooperative ventures with other nonprofit organizations. Co-sponsorships are a positive way of utilizing local support and know-how” (Board chair,
1994–1995). The cooperation theme here illustrates the acceptance of help that characterized the initial set of clients and is found throughout the stories presented by the organization. This cooperative help was not intended to ensure dependency on the part of the clients or the organization but rather to help them lead as full a normal life as possible (for clients) or to help the organization be the best organization possible.

Faithfulness to the Original Mission. The humble beginnings of grassroots initiatives and simple caring values are illustrated in many stories and emphasized by the leaders of the organization in their narratives (Black, Fabian, and Hinrichs, 2005). These narratives are also found at both the individual and organizational levels, as demonstrated in this expansion of that earlier case.

The desire to remain true to Facilitated Living’s original mission is found in later reports. This quotation exemplifies the founder’s wish that this story be used as a future checkpoint for the organization: “Ten years ago, Facilitated Living, Inc. was conceived by a handful of residents and staff members at [a rehabilitation center]. I hope that a reminder of FL’s history can be used as a checkpoint for the organization as it moves forward and broadens the scope of its mission.” Thus, the founder is expressing his individual steadfastness and wish for that orientation to continue.

One of the obvious places to look for this theme is in the organization’s current mission statement: “The mission of Facilitated Living, Inc. is to provide accessible, affordable, community-based independent and supportive living opportunities for adults with mobility impairments and/or brain injuries. We accomplish this goal through the development, ownership, and cost-effective operation of cooperatively managed housing and supportive care services.” This mission has remained essentially unchanged through the twenty years covered by the reports studied.

The use of stories has been important in the organization’s efforts to remain faithful to its guiding philosophies of self-reliance and resident involvement. An overt decision to remain true to the original vision, in spite of growth, success, or accolades, appears consistently. In the following excerpts, Facilitated Living’s leadership reaffirms its commitment to keep the organization in line with the original mission, which drives the organization’s strategy and provides consistency both geographically and over time. In his message from the 1999 report, the president relates the organization’s strategy to the theme of being faithful to the original mission as well as the other themes presented: “The unending demand for services has, at times, taken us in directions we could never have imagined at the onset of our mission. . . . But as the organization builds momentum, we remain committed to our original goal: to provide homes, greater independence . . . and hope” (Board chair, 1990–1991).

Corroborating Stories. These themes from the forty-five stories studied (most of which were different stories and not just the reiteration
of the founding story) reveal a strategic logic in use and, given the consistency of this strategic logic over the years, reveal the achievement of strategic coherence. As a final element in our extension, and to demonstrate and corroborate the fractal metaphor in this history, we examined other stories in which the same themes appear in a recognizable pattern but a different context. Examples of the variation in the stories and the variation from whence they came are covered next.

Throughout the years in the texts that we analyzed, members’ stories of individuals and the experiences that brought them in contact with Facilitated Living contain the same themes as the organization’s existing stories while adding strength and richness to the existing themes. Three stories are presented as further examples of this fractal process in the history of Facilitated Living. The first is a collective story created by ten of the original clients of Facilitated Living. The second is the story of a strategic alliance partner. The third is a story of a subcontractor.

This first story (1988–1989 report) begins by laying out the obstacles that were encountered. “Ten years ago . . . we represented a variety of disabilities—quadriplegia, cerebral palsy, post-polio, muscular dystrophy, multiple-sclerosis—but we shared a goal: to live as independently as possible in a residential setting.” Next comes the theme of cooperation and personal involvement with others: “In 1984 we were challenged with a new vision, a new need: persons with traumatic brain injuries who had nowhere to live and no one to care for them after acute medical and rehabilitative care. The situation was uncomfortably similar to our own, earlier crisis. If FL didn’t respond, who would? We took a chance and were rewarded with the [Brain Injury Housing] Program.” The final section details collaboration and help from others: “Through the struggles and difficulties we have survived and succeeded because we . . . worked together. . . . Along the way we’ve met good, caring people who helped us achieve our dreams . . . [the one] who began the [Brain Injury Housing] Program in her own home; [the one] who drove 2,500 miles in his accessible van to share his vision of a new Montana initiative with FL; and the two original personal care attendants, who still hustle around proving that the FL-brand of commitment comes from staff as well as residents. There are others, countless others.”

From the 1992–1993 report came a story about the sponsor of a new development as told through a narrator. The story begins with adversity recognition. Adversity, in the form of barriers, challenges, and obstacles, is an ever-present aspect of the shared reality as communicated in the stories: “When I was in the nursing home, I thought it was the end of life. I was only 21. I had quadriplegia. But I knew this place wasn’t for me.” Themes of personal involvement and determination to overcome obstacles were also found: “Although he eventually married and was able to move out of institutional housing, the memory of that time stayed with him. Years later, while
visiting his former vocational technical college instructor, the instructor first learned of one way he could help provide alternatives beyond nursing homes to people with disabilities. . . . I saw a blueprint on his office wall and asked, 'What are you doing?' He told me he was working with FL to build an accessible apartment complex with 24-hour supportive living services. He said, 'If you're interested, go back to Great Falls and see if you can get support for a similar building in the community.'” The final theme of cooperation and collaboration is also found: “And the work has just begun. For the past three years, he and his whole family—wife, daughter, and son—have been involved in the demanding effort of seeking donations, writing grants, and meeting with agencies and officials. They organized three wheelathons, a fund-raising road toll, and a house tour of the elite homes in Great Falls. They endured the disappointment of being turned down by the U.S. Department of Housing and Urban Development [HUD]—twice—because of intense regional competition from five other states and limited availability of national funding.”

The last story reiterates the importance of cooperation as a strategy in accomplishing goals. A housing consultant reports: “I have a son who has a brain injury, and I've known about FL for a long time. I worked with both a local group and FL on a contract on this 25-unit apartment building. The site had been used for a water reservoir, which required demolition, but the city's development agency picked up the cost. We preserved the large eucalyptus trees. The city funded the addition of balconies and patios. With the tile roof and covered parking, this is a unique site.” A local partner says: “It takes a pretty sophisticated level of knowledge to pull off a building, and that's what HUD looks for when considering an applicant. That's where partnerships are important. FL had the building expertise, and we had the heartfelt need and desire, plus a strong community presence. This is a shining example of partnership.”

Collectively these stories reveal a strategic coherence at the organizational level and across organizational stakeholders and strategic alliance partners that has emerged from the stories and actions of individuals within the organization. They point out the adversities that the organization’s leaders believe they face, the belief that the organization must initiate action to overcome the adversities, and their willingness to help and be helped through a variety of collaborative arrangements as they pursue their mission.

Limitations

As a preliminary investigation into the idea of embedding strategic logic, there are clearly a number of limitations. In regard to our theory, the most salient issue is whether the iteration of the strategic logic within a story context actually leads to mental models shared by members of the firm. Here we note preliminary evidence that many different levels of analysis and sources seem to prefer certain story values consistent with their strategy. Or perhaps these serve
only as espoused theories (Argyris and Schoen, 1996) and not as accepted guides for employee behavior. At this point, we believe that the extent to which such stories serve as guides across functions and levels is likely to vary with the organization, most likely in conjunction with other constructs such as strength of culture or loyalty. We hope to see more investigations into this idea in the future.

Implications for Further Research

As this article is meant as a first foray into developing theory about how organizations may embed their strategic logic so that it can attain a fractal quality of strategic coherence, it necessarily suggests a number of further questions. A first question should be, “So what?” in regard to the usefulness of strategic coherence. For instance, does the ability to embed an idiosyncratic, organization-specific strategic logic offer an advantage to an organization? If so, this advantage is likely to differ strongly between nonprofit and for-profit sectors. Here we discuss how this continuity of story may provide a basis for commitment and maintain successful levels of service. In the for-profit sector, it may serve as a very different advantage. For instance, strategic coherence may allow for some level of inimitability and, moreover, make it difficult for an organization’s strengths to be transferred to another firm just by acquiring their personnel.

Yet as noted in other articles (Lissack, 1999; Marren, 2005; Wong, 2005), too much coherence may imply an inability to change with variable conditions. Moreover, there is likely to be both good and bad logic with which a firm can find itself embedded. It is not entirely clear that the strategic logic intended for embedding is often likely to be overtaken by events to the point that it becomes a dysfunctional emergent logic. Or, worse, the embedded strategic logic may never be accepted by employees as reflective of the organizational reality, thus serving no useful purpose at all.

Thus, while it is critical for managers to understand when they might want to encourage organizational stories that would instill strategic coherence, more needs to be understood about the “how” as well. For instance, it is likely to be important that the organizational story resonates with the organizational reality and that it is accepted by organizational members. Furthermore, it is unlikely that stories are the only medium for a firm to use its language to embed a strategic logic; additional research and theorizing may present additional models of language use.

Conclusion

Understanding the development of strategic coherence through the embedding of a strategic logic by storytelling offers insights to organizations that are seeking new ways to view strategy and manage strategy implementation. This new view sees strategy specifically as emerging from the guided actions of individuals that allow for the...
freedom to be flexible, but within certain tacit constraints of the strategic logic. Stories may provide both the conceptual and practical guidance needed to achieve strategic coherence in the actions of the individuals.

By presenting the stories of individuals and organizations that they work with, Facilitated Living has created a vehicle that enables diverse organizations to discover common ground. A major trauma or illness touched the lives of all the individuals with whom Facilitated Living works, and each person has his or her own interpretive story to make sense of their situation. While not explicitly calling it storytelling, Facilitated Living has been able through various illustrations to emphasize what was common in the experiences of a wide range of individuals or groups facilitating the management of a diverse set of stakeholders and collaborations.

In the field of collaborative ventures (Barry and Elmes, 1997), Facilitated Living is a uniquely successful organization. We thus believe that studying how it uses such stories or illustrations is useful for both researchers and other organizations. We suspect that Facilitated Living has achieved strategic coherence and harmony of intent through its use of these stories and illustrations. Although this is only a case study, its success in the areas of impact, activity, and capacity argues that its process may be desirable for other organizations to emulate.

This nonprofit organization has managed to preserve and persevere in its mission through the use of stories. When a nonprofit organization ceases to be moved by its mission, when its mission becomes cloudy or no longer acts as a beacon to help guide decision making, a nonprofit may very well disintegrate. In the vacuum created by a lack of a clear mission, various stakeholders begin to emphasize their own interests above that of the nonprofit’s purpose. When employees seek merely to continue their employment or management seeks mere recognition or career enhancements, these become a proxy for the original mission. This case study expansion presents some ways through which an organization was able to maintain the vitality of the original mission through its judicious use of and reinforcement of storytelling that enabled it to be relevant to each new situation. It illustrates one way to explicitly facilitate the transference of the entrepreneurial leader’s original intent across people and time.

One goal of this article was to take the fractal understanding of organizations and determine if it can serve to inspire and guide research. We believe that the Facilitated Living investigatory case study shows some potential. We look forward to future research that pushes this model of organization in at least two ways: an observational study to determine if the themes found in the stories were simply theories espoused or were truly theories in use, and an examination of other nonprofit and for-profit sites to see if there is one or more strategic logics present. An additional goal is to assess the presence of strategic coherence and determine its relationship to
performance. We believe from this case study that perhaps a tight strategic coherence need not equate with rigidity and the increased potential for strategic myopia. It appears that the fractal presence of strategic coherence may mean that the details change (that is, many stories and examples can be given that differ on the surface), but we still can make sense of what is going on (our deep rules of how we do things around here remains the same).

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