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**Temporal interplay between strategy and identity:  
Punctuated, subsumed and sustained modes<sup>1</sup>**

*(Forthcoming in Strategic Organization)*

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**Abstract**

Although strategy and identity are recognized as exhibiting different temporalities, research has yet to show how their temporal differences influence their mutual interplay. Based on a longitudinal case study, we make three contributions to understanding how temporal differences influence the interplay between strategy and identity. First, we articulate their temporal differences as differences in temporal structures, defined as the ordering of their past and future time horizons and the temporal depth between those horizons. Second, we show how different combinations of temporal structures lead to different modes of interplay, which we label “punctuated”, “subsumed” and “sustained”. Third, we show how sustained interplay happens when strategy includes multiple horizons and greater temporal depth, while identity has more defined horizons and a temporal depth spanning the distant past and future. In a sustained mode of interplay, strategy is meaningfully framed by identity, while strategy

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serves to enact identity. These findings, we argue, have major implications for how organizations can comply with short-term business cycles while addressing long-term concerns.

# **Temporal interplay between strategy and identity: Punctuated, subsumed and sustained modes**

## **Introduction**

The temporal features of strategy and identity make them distinctly different and at the same time render their interplay consequential for organizational performance. Strategy is more oriented toward a short-term actionable future focusing on what organizations are doing or intend to do (Ravasi et al., 2017) and is typically practiced sequentially with a focus on foreseeable and well-defined time horizons (Das, 2006). Identity, on the other hand is grounded in understandings of the organizational past and possible future. Identity therefore implies a longer-term and open-ended view oriented, toward both the past and the future (e.g., Pratt et al., 2016). As to their mutual interplay, previous studies have considered how identity may enable or inhibit strategic change (Suddaby et al., 2010; Tripsas, 2009) and how temporal discrepancies between the two may be overcome (Ravasi and Phillips, 2011). However, research has until now been vague on how specific temporal features of strategy and identity may affect their interplay. Consequently, we know relatively little about how tensions between may be reconciled or conversely, how they productive interplay may be achieved between strategy and identity.

We propose the term “temporal interplay” to describe how the different temporalities of strategy and identity influence their interaction. We expect that temporal interplay occurs when strategy and identity enjoy a reciprocal relationship characterized by a mutual give-and-take without losing their temporal distinctiveness. We anticipate that temporal interplay will unfold in a multiplicity of different ways, which we refer to as “modes of interplay.” To advance our understanding of how temporal differences influence the modes of interplay between strategy and identity, we focus on “temporal structures,” defined as the structuring of time into past and future events and horizons that are particular to an organization (e.g., Adam, 1998; Ancona et al., 2001;

Orlikowski and Yates, 2002). We argue that strategy and identity exhibit distinctly different temporal structures enabling them to be investigated in an in-depth empirical study of the “nexus” between them. Specifically, we ask, *“How do the temporal structures of strategy and identity influence the modes of interplay between them?”*

We argue that when there is sustained reciprocal interplay between strategy and identity, the longer time horizons of identity may provide directions for the future and references to the past, enabling actors to make sense of strategic change and thereby increasing the likelihood that strategy will be realized. There is much to be gained by exploring reciprocity between strategy and identity. While identity is often experienced as too abstract to influence organizational goal-setting and practices connecting identity to the actionability of strategy in a temporal view might allow strategy to enact identity over time, making it more consequential to organizational actors. We examine the mutual interplay between strategy and identity through a longitudinal study of the Carlsberg group. In answering our research question, the paper makes three conceptual contributions. First, we demonstrate how temporal differences can be conceptualized as temporal structures, defined as the ordering of their past and future time horizons and the temporal depth between those horizons. Second, we show how different combinations of temporal structures lead to different modes of interplay between strategy and identity. Specifically, we show how the interplay developed over 17 years from a punctuated, occasional interplay, to a subsumed interplay dominated by strategy, to sustained interplay characterized by a continual reciprocal relationship. Third, we show how sustained interplay is more likely to happen when strategy includes multiple horizons and greater temporal depth, while identity has more defined and imaginable horizons and a temporal depth extending into both the past and the future. In a sustained mode, strategy is meaningfully framed by identity, while strategy serves to enact identity over time, which, inter alia, increases the likelihood

that strategy is realized. These findings, we argue, have major implications for how organizations can reconcile short- and long-term time horizons without one being at the expense of the other.

In what follows, we first review the previous literature on the temporal features of strategy and identity, before developing in more depth our own conceptual framework grounded in an analysis of the differences between the temporal structures of strategy and identity. We then present the methods, findings and conclusions of the study.

## **The temporality of strategy and identity in the literature**

Several previous studies have alluded to the importance of temporality to the interplay between strategy and identity. One set of studies discusses how organizations combine the past orientation of identity with the future orientation of strategy (Ashforth and Mael, 1996; Brunninge, 2009; Chreim, 2005). While Ashforth and Mael (1996) argue how past identity might provide continuity for future-oriented strategies, others point to how past identities might be changed through reinterpretation to support a different strategic view of the future (Brunninge, 2009; Schultz and Hernes, 2013; Sillince and Simpson, 2010). Yet, others reverse the argument in that they show how organizational actors deliberately engage in forgetting or deselecting their past identities in order to sustain future strategies (e.g., Anteby and Molnár, 2012; Casey and Olivera, 2011).

Another set of studies emphasizes how particular aspects of identity may be used to influence or enable strategic change. For instance, proponents of rhetorical history argue how remembered history can serve as a rhetorical resource in persuading stakeholders to identify with specific strategies (e.g., Suddaby et al., 2010), or how discursive aspects of national identities can be exploited as resources in strategizing (Foster et al., 2011; see also Oertel and Thommes, 2015). Other scholars stress the heritage aspect of identity, pointing at how identity emerging from a distant past creates an experience of continuity across time, such as the “relative invariance notion”

of heritage identity (Balmer, 2011: 1380). Drawing on the concept of organizational culture another group of studies shows how an identity deeply embedded in a past organizational culture (Hatch et al., 2015; Ravasi and Schultz, 2006) is more suited to creating a sense of continuity amidst strategic change. Conversely, some studies show how strong identities from the past can also lead to missed strategic opportunities (e.g., Tripsas, 2009).

Finally, some scholars have focused on temporal discrepancies between identity and strategy. For example, Ravasi and Phillips (2011) show how temporal discrepancies between past and present conceptualizations of identity *and* the future orientation of strategy were overcome by reformulating identity claims in order to enable identity-consistent strategic investments and projections. Similarly, Corley and Gioia (2004: 204) show how “temporal identity discrepancy” emerged in the process of a strategic “spin-off,” as organizational actors experienced discrepancies between what the organization was claiming to become and past and present salient identities.

Although the above sets of studies point at the importance of temporality to better understanding the interplay between strategy and identity, they tend to leave understudied the actual temporal features of strategy and identity and how they influence their interplay. When they show the relevance of the differences between strategy and identity, they tend to take a unidirectional view of the strategy–identity relationship, thereby overlooking the potential recursive dynamics that would normally constitute interplay. In order to offer more elaborate conceptual models of the mutual interplay between strategy and identity we draw on the notion of temporal structures introduced briefly above, which we elaborate in more detail in the next section of the paper.

## **Temporal structures as depths and horizons**

Temporal structures are defined as the structuring of time that is particular to an organization (e.g., Adam, 1998; Ancona et al., 2001; Orlikowski and Yates, 2002). They signify the patterns of events



and activities that are descriptive of actors' overall temporal orientations (Reinecke and Ansari, 2016; Rowell et al., 2016). Some aspects of temporal structures are descriptive of organizational processes, such as pacing, speed, and rhythm, whereas others are expressive of combined sets of time horizons as well as the temporal depth (Bluedorn, 2002; Kunisch et al., 2017) into past and future that those sets of time horizons extend. For the remainder of the paper, we will refer exclusively to temporal structures as being defined by the notions of *temporal depth* and *time horizons*, as we find these two aspects particularly instructive in exploring the differences between strategy and identity.

### **Temporal depth and time horizons**

Temporal depth and time horizons are distinct, yet mutually constitutive phenomena. Temporal depth is defined by Bluedorn (2002: 114) as “the temporal distances into the past and future that individuals and collectivities typically consider when contemplating events that have happened, may have happened, or may happen.” By including both the future and the past, Bluedorn's definition captures the combined temporal features of both strategy, which is primarily future-oriented, and identity, which according to the above review extends into both the future and the past. Another aspect of Bluedorn's definition is that temporal depth refers to the total span of actors' temporal considerations, which means that although there might be multiple past as well as future sets of horizons, temporal depth defines the longest temporal distance between the future and the past as perceived by the actor. Time horizons, on the other hand, are expressive of how the overall temporal depth is divided into segments and how transitions between durations or periods are articulated. They might refer both to the time marking the beginning or end of specific activities, such as the time horizons of plans, programs and projects, and to the imagined state or event that marks a beginning or an end of a period. In other words, whereas temporal depth is

descriptive of the ultimate span between time horizons, time horizons are descriptive of segments and transitions between those segments within the temporal depth. Scholars, notably in the strategy field, have employed both these two terms (Nadkarni et al., 2016; Reilly et al., 2016), but without specifying how temporal depth may consist of sets of multiple time horizons.

Temporal depth and time horizons might combine in different ways. For instance, actors with similar temporal depths might work with very different sets of horizons. Research has shown, for example, that the multiplicity of horizons might vary considerably even for organizations in the same sector (Grant, 2003). Judge and Spitzfaden (1995) showed how biotech firms varied in their multiplicity of time horizons, and how firms with more diverse time horizons tended to perform better financially than those with less diverse time horizons. Research shows also how actors with different sets of time horizons to operate with different temporal depths. Slawinski and Bansal (2012), for example, show how organizations with different sets of time horizons exhibited different past and future temporal depths. Although there is no direct causal relationship between temporal depth and time horizons, it has been found that greater temporal depth might accommodate more diverse sets of horizons, whereas lesser temporal depth leaves less room for diversity of horizons (Bluedorn and Martin, 2006).

### **Temporal depth and time horizons in strategy and identity**

The literature suggests that temporal depth and time horizons are descriptive of important distinctions between strategy and identity (see Table 1 for an overview).

----- Table 1 about here -----

*The temporal depth of strategy* might be seen as ultimate “end points” of sets of time horizons. The overall temporal depth of strategic plans, which is the temporal manifestation of strategies, typically signifies the deadline by which certain organizational changes are accomplished. Temporal depth is significant, not so much in terms of the actual number of months

or years, but because different temporal depths reveal different aspects of the world to actors (Bluedorn and Standifer, 2006). In the case of strategy, temporal depth implies relatively identifiable beginnings, starting with the present, and endings, at least in classical definitions of strategy (for an overview see Gavetti and Rifkin, 2007; Mintzberg et al., 2009). Importantly, research demonstrates that strategic temporal depth is largely oriented toward the future (Nadkarni et al., 2016). Although it is conceivable that strategic temporal depth also stretched into the past, as shown by Nadkarni et al. (2016), we choose to consider the past segment more as a means of orientation for setting future strategies than as part of those future strategies. For example, Das (2006) points at differences between near and distant future orientation, showing how in the case of alliances in the media sector, companies typically operate with a maximum future temporal depth of 10 years, while Judge and Spitzfaden (1995) point at how biotech companies typically stretch their temporal depth between five and eight years into the future.

*Time horizons of strategy* are commonly described as the sequencing of periods, expressed through plans, deadlines, goals, and other performance indicators directed at the future and defined in terms of time horizons (e.g., Grant, 2003). They help ensure that plans, programs, and performance targets are perceived as obtainable (Battistella, 2014; Weigand et al., 2013) from the beginning and until the end of the planned period. Research shows that strategic time horizons often are defined in terms of durations, which might be further decomposed sequentially. Whereas Goodman (1973) and Das (1987) suggested that companies operated with two- to four-year strategic time horizons, more recent works suggest that typical time horizons for corporate strategies lie in the range of three to six years (e.g., Grant, 2003), supported by a typical long-term investment horizon of five years, as argued by Bluedorn and Martin (2006). Reinecke and Ansari (2015) report from a study of international trade how timelines consisting of three-year certification cycles were used for strategic planning. These three-year certification cycles, however, did not

correspond to the strategic temporal depth, which extended further into the future. In their study of technology development, Kaplan and Orlikowski (2013) also reported how project members felt restricted by three-year horizons imposed by decision makers, preferring themselves to apply a 10-year horizon into the future.

*The temporal depth of identity* differs from the temporal depth of strategy by including the future and the past to different degrees. Future temporal depth is normally given by imagined states or events (Gioia and Hamilton, 2016), although those states or events are rarely specified in terms of how or when they are expected to take place. In identity studies, the future temporal depth is sometimes intertwined with conceptions of past events, such as when remembered (or neglected) organizational history influences identity construction directed at the future, as argued by proponents of rhetorical history (Foster et al., 2011; Suddaby et al., 2010). Others focus on how the past temporal depth of identity can be institutionalized as heritage available for future use, as suggested in the notion of “corporate heritage identity” (Balmer, 2011) or shown in how artifacts from a founding past are rediscovered and brought into the construction of a new identity (Hatch and Schultz, 2017). Such references to the distant past and future make it relevant to associate identity with longer and more open-ended temporal depth in relation to both the past and the future than what is typically assumed in strategy research.

*Time horizons of identity* are based less on projected periods and more on the events marking shifting meanings of change, as found, for example, in mergers (e.g., Creim, 2005; Gioia et al., 2010) and transformational change (e.g., Brunninge, 2009; Hatch et al., 2015). While time horizons in strategy are typically marked by future performance targets, the time horizons of identity are marked by events, whether they symbolize what has taken place or what might occur in the future. Identity rarely provides specific time horizons or actionable guidelines for the near future. Rather, the future time horizons of identity are conceived as “desired future image” (e.g.,

Gioia et al., 2000) or as “sense-giving for the future” (Ravasi and Schultz, 2006). Past-oriented time horizons in identity construction might refer to sequential events that marked transitions between periods. Dutton and Dukerich (1991), for example, showed how key events marked the evolution of the identity of the New York Port Authority, emphasizing how the events were important symbolic markers. By the same token, Howard-Grenville et al. (2013) demonstrated how the ongoing reinterpretations of past identity events were central to the resurrection of identity in Track Town.

Revisiting our research question, we focus in our empirical study on the differences in temporal depth and time horizons between strategy and identity, respectively. We set out to analyze how specific combinations of these temporal structures in strategy and identity influence the modes of interplay between them throughout three phases of our case organization.

## **Method**

Our study focuses on an organization in the brewing industry, Carlsberg Group. This is a listed, foundation-owned brewery founded in 1847 and the world’s third-largest brewery measured by turnover (see the link below). The brewing industry is well-suited for studying the temporal differences between identity and strategy. It covers long organizational histories as well as distant future challenges such as reducing environmental footprint and developing new and sustainable technologies, while also being characterized by a global consolidation in many mature markets, creating fierce competition and a focus on short-term efficiencies. Carlsberg has referred to its distant past as the foundation for its identity claims across time. In recent decades, it has embarked on strategies transforming the company from a dominant local position into a position among the global leaders. This strategic development has taken place since 2000, driven by a series of mergers, acquisitions, and joint ventures (Gammelgaard and Dörrenbächer, 2013). The

simultaneous engagement in both identity and strategy makes Carlsberg an appropriate site for studying the interplay between strategy and identity across time.

## **Data Collection**

Our qualitative data include developments from 2000 and onwards. To clarify that the different types of data have been collected during different time periods, we refer to “temporal brackets” (Langley et al., 2013: 7; see also Langley, 1999) to define the beginning and end of each type of data collection shown in Table 2.

Insert Table 2 about here.

First, we collected and analyzed annual reports from a 15-year period (from 2000 to 2015) along with published material related to investor presentations and website information. The annual reports comprise 2263 pages and were used to analyze the development in official strategies and identity claims. A careful reading of the annual reports enabled us to map the overall developments shown below in Table 3. In addition, we have drawn upon other studies of Carlsberg Group, included as “other sources” in Table 2, analyzing in particular the development from 2000 to 2008, where our first-order data are more limited.

The second type of data consists of qualitative interviews with top and middle managers conducted between 2009 and 2017. First, some of our interview data derive from a previous large-scale longitudinal study of the strategy–identity change 2009–2014, conducted by the first author. The total database was 90 interviews, of which we have directly cited/used 27 interviews for this paper. All interviews were taped and transcribed. Second, we have conducted nine interviews focused on the interplay between strategy and identity since 2014. To emphasize the origin of all our interview data, we have noted the year of the interviews in Table 2. We reveal the titles of all informants during the time of the interview, but, we do not use their titles in the paper. Our

informants consist of a combination of top and middle managers from headquarters and directors from local markets. Together they represent a broad range of different interpretations and opinions in relation to strategy and identity. Although we do not in any way pretend to make a representative study of the more than 40,000 employees in Carlsberg Group, we find that middle managers and local directors in this case are distant enough from top management to represent a broader organizational view on strategy and identity. When referring to our informants in the analysis, we distinguish between top managers (C level), middle managers (Senior Vice President and Vice President levels), and directors. Finally, it has been made clear to all informants that the interviews would be used for academic purposes only. We have not met any restrictions with respect to our analysis.

Third, we have included internal presentations and materials used to articulate strategies and identity claims at multiple levels in the organization (e.g., identity claims as expressed at the corporate level and in Carlsberg's Research Laboratory), as well as participant observations at several events in Carlsberg Group. These events were either dedicated to internal discussions of emerging identity claims or carefully orchestrated launches of new strategies and identity claims involving top and middle managers. Also, we draw upon participant observations at events co-organized with Copenhagen Business School, where managers of Carlsberg and the authors presented and debated the strategy and identity of Carlsberg.

The paper derives from an extensive longitudinal study of Carlsberg involving the first author from 2009 to 2014 in the role as academic researcher (Hatch and Schultz, 2017; Hatch et al., 2015). The second author has participated in the data collection since 2014, enabling him to analyze data from "up-close," but also enabling a distance to data from "afar," as suggested by Van de Ven (2007: 78).

## **Data analysis**

***Translating constructs from data.*** We analyze strategy and identity using multiple data sources. In our analysis, we had to translate both constructs into the terminology used by the organization in corporate texts and events, as well as among our informants. “Strategy” is used systematically by all data sources as a reference to deliberate corporate strategies defining corporate priorities and performance targets for a strategy period, manifested in reports, plans, and corporate presentations. “Corporate strategy” or “business strategy” is “signed off” by top management and adapted by markets and business functions into specific priorities and actionable targets, often referred to as “local” strategies or “strategic programs,” such as corporate social responsibility. Corporate strategies became significantly more comprehensive during the 17-year period we studied. Also, several data sources mentioned the “strategy process” as the initiatives involved in creating and launching a strategy. Some of the corporate strategies have presumably been realized, while others have not, just as informants have different interpretations and opinions about the content and processes of strategies, which are included in our analysis. In general, the need for construct translation is limited in relation to our strategy data which include both corporate manifestations and interview data.

Consistent with identity studies (e.g., Gioia and Hamilton, 2016; Ravasi and Phillips, 2011) we include organizational identity claims, as stated in corporate materials. We also include extensions, elaborations, and (re)interpretations of those claims as expressed in identity statements made by our informants (see also Albert and Whetten, 1985). This approach echoes what Ravasi and Phillips (2011: 112) define as “identity-related initiatives.” Similarly, we study how corporate identity claims are extended and enacted locally across multiple functions and levels. We explore how the corporate identity claims become meaningful to organizational actors – or whether they remain corporate claims disconnected from what goes on in the organization. We have included the founding identity claims, the “Golden Words” in Carlsberg, as they are stated in corporate



documents and reiterated by informants. Our analysis shows how these claims are extended and reinterpreted by organizational actors across time. We have also translated the aspirations of what the organization has strived to become as corporate identity claims. Some of those claims are articulated as values or guiding principles (e.g., “Winning Behaviors”, 2009), while others are written as narratives (e.g., the Group Stand called “Thirst for Great”, 2009; and the most recent “Purpose”, 2016). They were all intended for internal audiences, although the Purpose has increasingly also been communicated externally. We have excluded tag lines, as they refer to individual products (e.g., Carlsberg as “Probably the Best Beer in the World” or Grimbergen as “The Beer of the Phoenix”) and are intended for external audiences only. Unlike the goals and targets included in the strategy, none of the identity claims refer to actionable goals. In our interview data, we have included how informants refer to, elaborate, and (re)interpret the corporate identity claims, which often are extended into localized claims relevant to their unit or function. We have also searched openly for statements of who the organization has defined itself and/or is in the process of defining itself, which is found, for example, in the second phase of our analysis, where informants interpret parts of the strategy as expressions of identity. Finally, we have systematically searched for explicit interpretations of the organization’s “past” and “future,” acknowledging that there is a temporal underpinning in almost any interview.

We have not used computer-based coding in our analysis but searched through the database consisting of all interviews, using numerous keywords reflecting the above criteria and rereading relevant parts of interviews. Based on this search, we have extracted what we considered to be the richest citations and organized them in large word tables according to our emerging analytical themes (e.g., references to the past and the future). In addition, we have divided the data in relation to the phases of our analysis, as explained below. Finally, to capture the intended meanings of our informants, we have analyzed the full interviews of what turned out to be the most articulate

informants. Obviously, we have repeated these search processes multiple times, as our conceptualization developed.

***Abductive analytical process.*** We analyzed our data in an abductive process, as elaborated, for example, by Timmermans and Tavory (2012) and Langley et al. (2013), motivated by a theoretical interest in how organizational actors construct temporality and encouraged by a previous study on identity transformation in Carlsberg by the first author (Hatch et al., 2015). We began our analysis of annual reports (supported by two research assistants) from 1998/1999 and onwards. We initially used NVivo to analyze the reports but found that a more focused qualitative reading in relation to strategy and identity was necessary. We then conducted a careful reading of the reports, creating big data tables on annual developments, and were surprised by the differences in the elaboration of temporal structures between strategy and identity (summarized in Table 3 below). Although the annual reports were too sparse to allow a deeper study of the interplay between strategy and identity, they served as the springboard for a series of interviews from early 2016 and onwards, which led to a specification of temporal structures defined as temporal depth and time horizons, as shown in Table 1 above.

Informants emphasized that 2008 constituted a significant strategic change, which made us question how the strategy and identity interplay unfolded before and after 2008. This prompted a separation of the analysis into a first phase from 2000 to 2008 and a second phase beginning after 2008. The final phase of analyzing the interplay emerged, when both the corporate strategy and identity claims were changed again in 2015, spearheaded by a completely new top management team. Thus, the analysis below of the interplay between strategy and identity is separated into three distinctive phases characterized by significant changes in both strategy and identity claims. Our analysis of the interplay across these three phases was based on a triangulation between the reported experiences by informants; our observations of events, programs, and projects where interplay

occurred; and archival examples of interplay. Here we identified a punctuated interplay in the first phase, characterized by few reported and noticeable interrelations between strategy and identity. In contrast, we found a high degree of exchange and mutual influence between strategy and identity in the third phase, which we analyzed as sustained interplay. Finally, for the second phase, our findings pointed at an interplay characterized by a strong domination of strategy, which we conceived as subsumed interplay.

## **Modes of interplay between strategy and identity**

### **Main developments in strategy and identity**

The major developments in strategies and identity claims are shown in Table 3, which shows how Carlsberg has formulated numerous strategies since 2000.

Insert Table 3 about here.

Judging from annual reports, the strategies replaced each other sequentially, with the exception of the latest strategy, which was launched a year after a new management team was assigned to craft a new strategy. Other materials, however, suggest that strategies were also driven by emerging opportunities for acquisitions. Strategies are generally characterized by a future orientation defined by time horizons ranging from three to five years, although the company has embarked on longer time horizons of their most recent strategy (Carlsberg, 2016: Sail'22). Internal presentations demonstrate how they were further turned into actionable guidelines for quarterly business development. For example, the five dimensions of a strategy tool called the "Strategy Wheel" from 2009 were turned into specific quarterly targets and key performance indicators (KPIs) for each region, local market, and business unit. All strategies enabled assessments of whether they were accomplished or not. Following the initial intended strategy, most strategies were adapted, revised,

and further elaborated at least annually. Some strategies have clearly not been realized, such as the growth strategy in Carlsberg from 2009.

Carlsberg has also established and modified several identity claims over the period, as shown in Table 3. The founding claim represents significant distant past events which have been evoked and reinterpreted several times for more than a century. The founder of Carlsberg, J. C. Jacobsen, was clear about what kind of company Carlsberg should strive to become in the future, when he articulated the identity claim in his will from 1892, called the “Golden Words.” The “Golden Words” still serve as the founding charter of the Carlsberg Foundation, which holds the majority ownership of Carlsberg (see link below). None of the identity claims across time has included actionable goals, but did convey an envisioning of what that organization might become in the future, while connecting to an increasingly distant past.

The phases of our analysis of the interplay between strategy and identity are shown in column 1 in Table 3. For each phase we analyze how strategy and identity unfolded with respect to temporal depth and time horizons, leading to an analysis of how their interplay has been enacted by organizational actors. Our findings suggest that the modes of interplay differ significantly between the three phases and that each mode is conditioned by the underpinning temporal structures of strategy and identity. We have summarized our findings in Table 4, which are further elaborated in the following sections.

Insert Table 4 about here.

### **Phase 1 (2000–2008): Punctuated mode of interplay**

During this first phase, interplay between strategy and identity took place at two occasions which were years apart, both of which were marked by pursuit of novel strategic opportunities enabled by reinterpretations of founding principles. The occasions comprised a regional merger in 2000 and a

mega-acquisition in 2007. Before and after each occasion of interplay, strategy and identity remained disconnected and particularly strategy developed independently.

*Jolts in the temporal structure of strategy.* From the mid 1990s, Carlsberg developed the strategic ambition to participate more actively in the consolidation of the industry (e.g., Gammelgaard and Dörrenbächer, 2013). The opportunity that arose in 2000 of merging with the beverage division of Norwegian Orkla was the first step in that direction, expected to be leveraged within a time horizon of 2001–2004. According to a regional manager, the merger increased the complexity of the company, creating a need for more elaborate temporal structures, illustrated by the creation of a “Corporate Strategy Centre” dedicated to define and track organization-wide performance.

Before the end of the strategy period, top management in Carlsberg decided in 2003 to acquire the full ownership of the beverage division of Orkla, much to the regret of the Orkla Group. This gave Carlsberg ownership, among others, of half of BBH (Baltic Beverages Holding) operating in Russia. A new self-reliant strategy from 2005 to 2008 continued the synchronization of time horizons across organizational functions aiming to develop a singular organizational temporal structure for the company, which had until then been fragmented by multiple localized and disconnected units. This synchronization was manifested in organization-wide programs and standards of operational excellence. As explained by one of the responsible managers:

Carlsberg wanted to make a step change, because we were inefficient, we were lacking a system and a structure to capture the synergies and the scale benefit from that compiled business ... this was the biggest one to address, I will argue, in terms of urgency to deliver, because we had to save money and perform better as a business. (Top manager, interview)

Once again, an emerging opportunity in 2007 created a jolt in the planned strategy. This time it was the opportunity to acquire the remaining part of BBH as part of a hostile takeover, with Heineken, of Scottish & Newcastle (S&N), where the two competitors joined forces momentarily only to split

S&N apart. The acquisition almost doubled the size of Carlsberg and transformed the company from a regional brewery to a more global player. As stated in the annual report for 2008:

2008 was a truly special year and marked a milestone in Carlsberg's history. The acquisition of Scottish & Newcastle together with Heineken was by far the largest transaction in Carlsberg's history, immediately increasing Carlsberg's beer sales by 33 (pro rata). (2008: 4)

In the midst of the acquisition, the CEO left Carlsberg for an executive position outside of Carlsberg, leaving the incoming management team in a strategic situation of struggling to integrate the new organizations, while coping with the biggest debt in Danish industrial history.

***Reinterpreting the temporal structure of identity.*** Up and until 2000 the “Golden Words” as articulated in the will of the founder, have served as a key identity claim in Carlsberg. They express a desired future state driven by “a constant purpose, regardless of immediate profit, to develop the art of making beer to the greatest possible degree of perfection,” while: “keeping beer brewing on a high and honorable level.” In annual reports they are often referred to as a principle for quality in brewing:

Carlsberg's approach to quality has always been anchored in J.C. and Carl Jacobsen's “Golden Words” ... Quality is an essential prerequisite for Carlsberg's success in traditional, new and future markets. (2000, 2001, 2004)

The “Golden Words” also entailed Jacobsen's intention to preserve the ownership of the Carlsberg Foundation, ensuring that the “art of brewing” would never become compromised. However, the strategic ambitions for consolidation required additional capital and a reduction in the ownership of the Carlsberg Foundation, creating a need to reinterpret the “Golden Words” first in 2000, and later again in 2007. Drawing on what was labeled “the foundational intention” (own translation from Tamm 2018: 379), the reinterpretations of “what the founder would have thought and done” (own translation from Tamm, 2018: 378) agreed that the founder would have acknowledged the need to raise additional capital in order to maintain “brewing at an honorable level” (own translation from Tamm, 2018: 384).

On both occasions, the reinterpretation of the central identity claims implied that the Foundation could reduce its ownership in a way that allowed more shareholders, albeit with limited voting rights. However, it was noted as mandatory that beer brewing should be maintained in Denmark and the Carlsberg beer brand should be preserved. This limitation in how far the “Golden Words” could be stretched was reported in relation to failed mergers, such as the cancellation of a merger with a U.S. partner, among others, because the headquarters had to remain in Denmark (Tamm, 2018: 373–75).

*Punctuated interplay between strategy and identity.* In this phase, the two occasions of interplay occurred at which the identity claim was reinterpreted, enabling the pursuit of strategic opportunities for further consolidation in the brewing industry. In enabling a pursuit of strategic opportunities, both reinterpretations of the “Golden Words” were crucial (2000 and 2007). While the reinterpretations of the identity claim were aimed at emerging futures, they consistently focused on the past heritage, as defined by the founder, creating a temporal depth oriented toward a well-defined distant past. The reinterpretations of the “Golden Words” remained an issue for the upper echelons of Carlsberg and did not lead to reinterpretations of the “Golden Words” directed at the organization. Otherwise, management was focused on realizing the shifting strategies and delivering the planned operational excellence. We label this phase “punctuated interplay” because explicit reciprocal relations between strategy and identity were limited to the two specific occasions as discussed above. Except for those occasions, strategy and identity appeared to unfold without any discernible coupling between them. We illustrate one occasion of the punctuated interplay in Figure 1.

Insert Figure 1 about here.

The end of the first phase is marked by the mega acquisition in 2008, which was followed by a strategy process orchestrated by a new top management team and leading to a new strategy and new

identity claims. The acquisition itself occurred a few months before the worldwide financial crisis hit in September. The beginning of phase two was characterized by one of the top managers in Carlsberg in the following way:

What happened in 2008 no one saw coming and that was after Carlsberg took on the biggest acquisition ever done in our market, that's not a good start [...] you just get hit from left and right. That was the biggest surprise. (Top manager, interview)

## **Phase 2 (2008–2013): Subsumed mode of interplay**

This phase was marked by attempts to redefine identity as subsumed under strategy, where identity became dominated by the temporal structure of strategy.

*Strengthening the temporal structure of strategy.* The strategy for the immediate future of the newly enlarged company was derived from a short document called “the white paper”, which was written before the acquisition in 2007. As recalled by a top manager:

There was a very brief white paper, as it was called, and I think it was three or four pages and that was the only document you could find on Carlsberg's strategy ... When we did the acquisition, we did an extended paper ... It helped create some clarity, but not for the broader organization. (Top manager, interview)

To make up for this deficiency, top management engaged a wider group of middle managers in a process of crafting a new strategy lasting more than six months. The new strategy was launched in 2009 with the goal to become “the fastest growing beer company in the world,” defined by a four-year time horizon. This ambition was based on both the then promising Russian market and expected continuous acquisitions in Asia, as explained by an involved manager:

When we finally did it [the acquisition of Scottish & Newcastle] ... there was excitement in the organization because we did believe we would be the fastest growing beer business for a number of years to come simply based on the expected growth, we truly believed it. (Middle manager, interview)



One particular PowerPoint presentation was used to explain how the strategy would transform Carlsberg into an FMCG (“fast-moving consumer goods”) company even before the end of the defined strategic horizon, shown in Figure 2:

Insert Figure 2 about here.

Although most large industrial food organizations operate as FMCG companies, Carlsberg was apparently the first to announce it in their strategy (see Verstl, 2012). As explained by one of the top managers:

For me it was required to put Carlsberg on a journey where it became much more a different type of company, being managed across regions, functions, with one aligned agenda, so to establish one management team, and also to start introducing some of the many good disciplines you have in P&G, or Nestlé, or Unilever . . . we need to start developing great tools for category management, sales tools, again being more like an FMCG company. (Top manager, interview)

The transformation into an FMCG company entailed a further centralization and synchronization of temporal structures, in particular by integrating the supply chain in Western Europe into one temporal structure with the ambition to increase speed and time to market. To demonstrate that Carlsberg was different from a classic FMCG company, some structures were characterized as “GloCal,” as shown in Figure 2 (mix between global and local). The strategy was maintained with adjustments for the strategy period, although it became increasingly difficult to maintain the ambition of “fastest-growing beer company” because of a declining Russian market. Thus, Carlsberg already began a series of profit warnings (reduced expectations of earnings) starting in 2011 and continuing in the following years.

***Weakening the temporal structure of identity.*** The acquisition company raised fundamental identity questions in the organization, as actors wondered how their different pasts might blend into an identity oriented toward the future. As expressed by a manager in 2009:

The acquisition last year, where we bought a chunk of Scottish & Newcastle, meant that we acquired companies that were bigger than what Carlsberg used to be ... That raised some

questions about the identity of the company...who are we as a company? ... Who are we with these new brands and cultures coming in? Who are we now as the new Carlsberg? (Middle manager, interview)

Looking back at the strategy process, a top manager confirmed that identity questions were raised early in the strategy process:

I remember we had a big conference in St. Petersburg and we had 300 or 400 people together and there was a lot of discussion about what should be our values, behaviors. We did not spend a lot of time allowing discussion on strategy. (Top manager, interview)

Several informants stressed that it was considered too controversial to discuss a shared identity in a company with such different pasts and expectations for the future. Instead, it was decided to establish cross-organizational working teams articulating values and principles guiding the implementation of the strategy. They became known as “The Winning Behaviors” (shown in Table 3, see Sørderberg, 2015). As they were meant to support the execution of the strategy, they did not answer the question of what kind of company Carlsberg would become in the future:

We have formulated what we called The Winning Behaviors after a long value discussion. And that talks about the GloCal approach, which I think is key, but again, it is also important to define what we mean by that, because Heineken or SABMiller could say the same. But what does it mean, “the Carlsberg way”? (Middle manager, interview)

For more than a year into the new strategy, management focused on “rolling out” The Winning Behaviors, while several middle managers (and presumably employees) kept questioning what would happen if the FMCG strategy became the identity for Carlsberg:

And how far do we take it? [...] we’re not really a fully-fledged FMCG company, but we’re getting that way ... but making sure we retain our identity at the workplace, or the coal face, because beer is not the same as razor blades. People don’t really care where razor blades come from, as long as they do the job. But they do have a kind of emotional tie to their beer that they drink... I think the whole organization is just trying to find out exactly how far that goes at the moment. (Director, interview)

It depends what we put behind FMCG to be honest ... We are not Coca-Cola. We are a beer company ... which means that in some areas we need to be local. (Director, interview)

Some argued that an FMCG company identity implied a risk of losing localized heritage, stressing how being a brewer differs from being like other classic FMCG companies:

I think FMCG is about pace and fast and standardization and I think our heritage and what Carlsberg as a brand stands for are about the opposite. I think there's something about beer that takes time, enjoying beer takes time, being Danish, having the heritage, there's something there that you don't want to sacrifice. Actually, you want to be different, you don't want to produce like Budweiser and the Chinese beers. (Director, interview)

The internal uncertainties of the meaning of FMCG made top management initiate a search for a new identity claim defining what characterized the enlarged Carlsberg Group:

We got this feedback from The Winning Behaviors that there was this need for [defining] what links us together as a company. And could Carlsberg play a role in gluing us together as a company? (Middle manager, interview)

The process was assisted by a consulting company and entailed a revisiting of the distant past.

Instead of reinterpreting the “Golden Words,” which were seen as belonging to the Danish Carlsberg heritage, the team rediscovered a motto of the founder's son, Carl, “Semper Ardens” (Latin for “Always Burning”). The motto was seen as a more inclusive reference to a more undefined past spanning from the French brewing past from 1664 to Baltika's 20-year brewing history in Russia.

In contrast to the FMCG vocabulary, where “beer” was turned into “liquid,” the new identity claim aimed at connecting an undefined brewing past with the ambition to “brew a better future.” It was called “Thirst for Great” and known as the “Group Stand” (what the organization stands for, see Table 3). In contrast to the implementation of The Winning Behaviors, it was voluntary for markets and business units to make use of the Group Stand.

***Subsumed interplay between strategy and identity.*** The phase was characterized by a strategy focused on post-acquisition integration and exploitation of economies of scale, to be accomplished by means of fast-paced centralization and organization-wide synchronization of time horizons. The ambition was to turn Carlsberg into an FMCG company within a two to four years

future time horizon. Although top management was aware that the organization expected an articulation of a new identity, the efforts required to implement the strategy made them focus on value-based guidelines supporting strategic execution instead of elaborating identity claims that would answer the identity question of, how Carlsberg was different from other FMCG companies.

Confronted with persistent questions of how Carlsberg was different from other FMCG companies, top management initiated the creation of an identity claim, “Thirst for Great,” which replaced “fastest growing”, but which became expressed in strategic terms, as “the transformation journey.” The new identity remained subordinate to the strategy to become an FMCG company, in the sense that in temporal terms, it did not express defined past or future identity orientation but remained folded into the short-term strategic temporal structure, such as of balancing global and local (e.g., “we brand as many but stand as one”) and of pushing ambition (e.g., “we constantly raise the bar”).

We describe the interplay between strategy and identity as subsumed, because identity was expressed in terms of strategic temporal structures. In spite of an effort to articulate a new identity claim, the identity remained overshadowed by the strategy to the extent that an actionable strategy (to become an FMCG company) also became interpreted – and contested – as an ambiguous identity. The subsumed interplay was facilitated by vague time horizons of identity and a time lag between the launches of the strategy and identity, as the strategy-as-identity had taken hold when the new identity claim was launched. The interplay is illustrated in Figure 3 showing how the strategy was adjusted sequentially, while the temporal structures of identity refer to the identity claim “Thirst for Great.”

Insert Figure 3 about here.

The management of Carlsberg never managed to realize the growth strategy and was increasingly pressured by the failing Russian market along with a changing beer market, where consumer

preferences for localized specialty beer determined the new growth areas. Toward the end of 2014, the board gave up pursuing the strategy and consequently replaced the top manager with a new CEO.

### **Phase 3 (2015 Onward): Sustained mode of interplay**

*Expanding the temporal structure of strategy.* In early 2015, a new top management team set out to develop a new strategy. Again, top management involved a larger group of managers in the process:

When we met the first time in this group of the top 60, that meant we had a group of the top 60 leaders that basically owns the strategy, developed the strategy together, co-created it.  
(Middle manager, interview)

The management team took a longer time than was taken in phase 2 to develop a new strategy. It was launched in March 2016 directed at a time horizon of 2022 and named Sail'22, using a sailing boat as the dominant symbol. The strategy reached into the near past by being defined as an “evolution” continuing the previous “transformation journey”. It entailed a shift in strategic direction to “strengthen the core of beer” and “deliver value to shareholders,” based on a corporate self-description as “a brewer”:

What he [the new CEO] also said was, “I will not give up the growth strategy. I still think it’s important that we as Carlsberg continue to grow...but before I can grow, I need to be more efficient.” Right now, he’s [the CEO] focused on Carlsberg being far too complex, and far too big, and spending too much money on things that are not adding immediate value, so his first task has been to be leaner in order to fund the journey that he sees will continue.  
(Middle manager, interview)

The strategy had an unusually long defined time horizon of seven years, which enabled a sequencing of horizons into a period focused on financial recovery/strengthening the core and a period dedicated to “positioning for growth” (e.g., craft beer and non-alcohol beer in large cities). As explained to us:

So, we talk about a seven-year strategy.... Ten years seemed too high-flying, five years was not enough. .... Three years was always our cycle.....Then for people that are a bit more forward looking, they will have five years. And then you have the crazy people without

grounding in real life that will go beyond that. And I think our CEO wanted to signal that he was somewhere in between those forward-looking companies and the crazy ones. So, we have a long time horizon.... the cynical version of that will be that you also buy yourself more time by setting a longer time horizon. (Middle manager, interview)

The corporate strategy also served as an umbrella for other strategic programs with different time horizons, such as the program for corporate social responsibility under the heading “Together Towards ZERO” (see link below) with a 2030 time horizon:

The new strategy is a seven-year strategy to begin with. That helps some of the innovations that you want to do, that you have more patience. But in the plan we will launch at the end of the month, we will set a target that goes to 2030. We’ve never been allowed to do that before, which allows us to set targets that we don’t know how to reach, which is quite new and interesting for us. (Middle manager, interview)

Another example of how the strategy enabled initiatives with several time horizons was the aspiration to focus only on markets where Carlsberg could obtain a #1 or #2 position, implying that decisions on market penetration or withdrawal would occur within different horizons. Thus, the strategy was open to multiple time horizons, including the near horizons of ongoing projects (no more than 3 years), the 2022 targets aligned with the horizon of the corporate strategy Sail’22, and references to a 2030 horizon. The 2030 horizon was imagined as a future state of zero driven by four ambitions: zero carbon footprint, zero water waste, zero irresponsible drinking, zero accidents). According to our definitions, “Together Towards ZERO” was narrated as identity claims, but also included actionable strategic targets, some of which referred to 2022 (e.g., get out of coal by 2022). Overall, the seven-year horizon of Sail’22, along with the outreach into the transformation journey, created a greater temporal depth than that of any other strategy in Carlsberg.

***Defining the temporal structure of identity.*** Similar to phase 2, it took a while before the new strategy was accompanied by a new identity claim. However, drawing on the experience of how FMCG had been received as a “strategic definition” of identity, the renewed self-description as a “brewer” suggests that an emerging “brewing-based” identity guided the strategy. Also, the new

identity was from the outset searching for the bigger “why do we exist?” question, according to our informants. A year into the strategy, a new identity claim was launched: “We are brewing a better today and tomorrow,” called the “Group Purpose” (see Table 3). According to the involved participants, the Purpose had not been created, but “rediscovered”:

We talk about it as something that is rediscovered, that has always been there, [so] we don’t need to do anything. But the truth is, it has been hidden quite well because there’s been a period of time where we didn’t want to talk about it, we had been focused on being an FMCG company, and being the fastest growing, whereas the values that drive our strategy now are quite different. (Middle manager, interview)

The rediscovery may be seen as a reinterpretation of the “Golden Words” in that the founder and his “pursuit for perfection” underpinned the Purpose. This underpinning was even more evident in the video accompanying the Purpose, where the Danish founding story was retold as events from a rich, visionary brewing past. As summarized by an involved manager, all the past founders of the breweries which are now part of Carlsberg Group (e.g., Brasserie Kronenbourg founded in 1644; Sinebrychoff founded in 1819) had aimed for something bigger than just profitable brewing, making the Purpose embrace both a shared past and aspirations for the future:

So, the essence of what we talk about today is that what unites all of our founders’ mentalities has been to brew better today and tomorrow... All of them ... had a picture and values that went outside of the brewery gates. (Middle manager, interview)

The company embarked on a company-wide “roll-out” of the new identity claim by organizing localized events debating the identity claim, thereby enabling a connecting to strategy. According to one of the involved managers, these events were particularly important to employees working within very short-term time horizons:

That’s partly why we need this roll-out plan for the Purpose, because for some it is more natural to think about it in a very long horizon than for others. When I see our Finance Department, they are still in their quarterly thinking ... But actually, when I do these Purpose powwow sessions, some of the people that find it most rewarding to be pulled out of that short-term focus are exactly them. Our [leading finance person] here is one of the biggest supporters of this, because she says, “That’s one of the reasons I work here.” (Middle manager, interview)

The identity claim was not oriented only toward a distant, but defined past; it became woven together with identity claims envisioning a distant, but defined “better” future. Some of that future state was defined by “Towards ZERO”, while other dimensions concerned how research and innovation will lead to better drinking experiences. At that time, the imagined distant future state of Carlsberg would be as a fully sustainable brewer, for example offering beer from a biodegradable “Green Fiber Bottle,” which was one of the projects initiated to spearhead the identity. Although the actors involved in the Fiber Bottle project did not know how they were going to accomplish the identity claim, they were convinced that they were following the footsteps of the founder, as they were articulated in the identity claim underpinning the Purpose:

But the whole point was that when we launched the vision of the green fiber bottle, it was the first time in Carlsberg’s history that we went out and said we wanted to do an innovation that we didn’t know how to do. We had no idea of all the aspects ... I believe we run the business, like J.C. would have done. We will put some numbers on the table with very ambitious targets that go much further into the future than we’ve done at any time in the 11 years I’ve been here [in Carlsberg Group]. (Director, interview)

Thus, to many of our informants, the Purpose, more directed at the past, and the “Together Towards ZERO,” more directed at the future, were blended into a narrative of where Carlsberg was coming from and where it was heading into the future.

***Sustained interplay between strategy and identity.*** Contrary to the previous phases, the reciprocity between strategy and identity unfolded through numerous events in this phase, while they maintained their respective temporal differences. Several managers stressed how the identity claim since its launch in 2017 had been integrated into the strategic implementation process:

We are now co-implementing it [the strategy] in his [the new CEO’s] words and he integrated the Purpose into that from the outset. (Middle manager, interview)



They emphasized, however, that such integration did not occur immediately, but evolved from a rediscovery of the past to a situation, where identity claims were used to enrich strategy, setting future directions across multiple levels and priorities:

I think our history has become much more integrated in the entire strategy today. I think we have moved from the first step of introducing it in our communications ... and basically, being proud of where we are from, to a situation today [2017] where it [the Purpose] is integrated across four levels basically, of how we treat and think about people, how we develop and nurture our brands, how we engage with consumers, and how we organize all of our sustainability activities and our science in the sustainability area. (Middle manager, interview)

This integration suggests how identity claims were extended from being a corporate undertaking to defining distant future events directing localized realizations of the corporate strategy, such as when a future “Together Towards ZERO” was envisioned in the exploration of specific strategies. As explained by one of the responsible middle managers:

So, the whole sustainability strategy now, that will be launched at the end of May [2017], is driven, it starts with the Purpose, and it ends with the Purpose basically. And this is different, in the past we didn’t have any activities basically starting and finishing with the Stand [previous identity claim], it was part of our communication in general. (Middle manager, interview)

Another example of a manifestation of interplay was the “Rebrew Project,” where a new line of Carlsberg specialty beer was created, brewed using rediscovered yeast from the founding period (see the link below). The project began in 2013 when old bottles were found containing the yeast. As the project advanced it became part of the jubilee of the Carlsberg Foundation, using it as a springboard for events marking how appreciation for science always had been intrinsic to the identity of Carlsberg, hence reinforcing its strategy to make craft beers. Although Carlsberg had old strains of yeast in their laboratories long before, the (re)discovering of the identity as a craft brewer, along with the symbolic events, enabled them to see the relevance of a tangible, distant past for the future strategy:

But if you have had that yeast since 1883, why haven’t you put it into your collection before? And is that the same one then, or has it changed over those, what is it, 50, 70 years?

... We now have the original strain preserved in our collection, and there was also one in the bottle, so now we can say, now we can be damn sure, that we can produce a beer using the original strain. (Director, interview)

We describe the temporal interplay between strategy and identity as sustained, because it entailed significant continual interactions between the different temporal structures of strategy and identity, while maintaining their distinctiveness. On the one hand, the strategy had a greater temporal depth, which enabled an inclusion of multiple time horizons across organizational levels (i.e., functions and programs). This inclusion implied that functions previously operating more autonomously, such as the Laboratory and sustainability innovations, became a more integral part of the strategy. On the other hand, the time horizons of the identity claims were marked by a distant, but defined founding past and future, defined by distinct events, stressing a continuous reliance on, for example, science and the pursuit of perfection. The defined time horizons for identity provided a direction for how different aspects of the strategy could be folded into an organization-wide narrating of where the organization was heading into the future. As summarized by a manager in 2017:

The call that we have come to now is that that [the Purpose] needs to be integrated in everything we do. It's not enough for us to hunt for the next quarter's results, we still have to do that, that's for sure, but we don't stop at that. That's the value that should be everywhere. (Middle manager, interview).

The sustained interplay is illustrated in Figure 4. The figure illustrates how the temporal structures of strategy are divided into multiple time horizons enhanced by a more distant future time horizon of the corporate strategy, while organizational identity is characterized by a greater temporal depth extending into the distant past and distant future, but with distinct events as markers of time horizons.

Insert Figure 4 about here.

Contrary to phase one and two, the third phase is only half way into its defined time horizon, implying that it is still uncertain to what extent the Sail'22 strategy will be realized. According to

the annual report for 2018 and judging from reactions from investors, Carlsberg has successfully completed the first half of the strategy period, and is now moving into the second half period of growth. However, the interplay between strategy and identity has already been developed extensively across the company, making it likely that the underpinning of the temporal interplay will continue in the coming years.

### **Toward integrated time horizons**

Comparing the temporal structures of strategy and identity, as summarized in Table 4, suggests that significant shifts in temporal structures enabled the emergence of a new and different mode of interplay. In particular, the limitations of the contested and non-engaging subsumed interplay paved the way for a sustained interplay and its inclusion of much longer time horizons with respect to both strategy and identity. Thus, sustained interplay was enabled by combining a strategy comprising multiple time horizons within a greater future-oriented temporal depth *and* an identity characterized by a significantly greater temporal depth, marked by well-defined distant past and future time horizons. In this case, we might hypothesize that identity made strategy more meaningful to the organizational actors in Carlsberg by narrating how strategic activities might be framed by distant pasts and futures, while strategy served to enact identity in numerous events making identity “come alive” in the short term.

## **Discussion**

### **Three distinctive modes of temporal interplay**

Our study points at three distinctive modes of temporal interplay. Other studies have taken a more dichotomous view, suggesting how the relationship between strategy and identity can be either loosely or tightly coupled (e.g., Ashforth and Mael, 1996) or how they “mutually support each other ... or become out of sync” (cited in Ravasi et al., 2017). Our findings go beyond these dichotomies

in that we demonstrate three additional modes of interplay, which together expand how strategy and identity can be coupled across time.

First, we showed that the interplay can be restricted to sporadic, localized occasions, which we define as punctuated temporal interplay. In our case, punctuated interplay took place as jolts in the temporal structures of strategy occurred, when short-term future strategic opportunities emerged. The pursuit of these opportunities was enabled by reinterpretations of the distant past identity claims, hereby creating occasions of interplay between strategy and identity. However, we assume that other temporal structures could also lead to punctuated interplay, such as when reinterpreting identity claims for the near future enable a pursuit of more long-term strategies. This might be the case, for example, in occasions of raising capital found in many start-up companies. Here, the ongoing interplay between strategy and identity may be very limited, but interplay may emerge in occasions where organizational actors have to elaborate their expectations for the future.

Second, our findings revealed an interplay where identity was subsumed under strategy. In our case, identity became absorbed into the temporal structures of strategy, which meant that the temporal structures of identity lost their distinctiveness and thereby the ability to form a reciprocal relationship with strategy. The absorption of the temporal structure of one organizational phenomenon into another is consistent with the findings by Wright and Nyberg (2017), who show how distant horizons became “normalized” or “localized” and therefore lost their potential for contributing toward sustainable change. Conversely, while identity was subsumed under strategy in our case, strategy could also become subsumed under identity in mission-driven and idealistic organizations, as indicated, for example, by studies of co-operatives (e.g., Ashforth and Reingen, 2014).

Finally, we demonstrated how interplay can unfold as ongoing reciprocal couplings between strategy and identity, which we conceive as sustained interplay. In our case, sustained interplay was

enabled when strategy included multiple horizons and greater temporal depth, while identity had more defined horizons and a temporal depth extending into both the past and the future. Below we discuss why such combining of temporal structures was more likely to enable sustained temporal interplay.

In conclusion, we expand the possible interplay between strategy and identity significantly. However, we do not expect that these modes of interplay are exhaustive. For example, other modes of interplay may occur in organizations with less formalized strategies exploring the role of identity in strategic practices. Or in public organizations, for example, institutions may add other layers of temporal structure to the interplay, notably through entrainment, as indicated, for example by Rowell et al. (2016).

### **Expanded temporal depth and greater variety of strategic time horizons**

Our study shows how expanding the temporal depth of corporate strategy made it possible for managers at Carlsberg to establish a greater variety of strategic time horizons and hereby engage in more far-reaching activities. While Bluedorn and Martin (2006) have pointed at how some companies gradually expand the temporal depth of corporate strategy, others have focused on how organizations overcome the tensions between different strategic temporalities (Reinecke and Ansari, 2015, 2016). We advance these observations in two ways. First, our findings show how expanding the temporal depth of strategy enabled a multiplicity of time horizons in realizing the corporate strategy. This in turn both provided direction for multiple short-term horizons meeting the requirements of existing business models as well as licensed strategic programs to operate with longer time horizons. Second, the multiplicity of strategic time horizons was framed by the temporal depth of identity in that the distant past and future worked as a shared “temporal

anchoring” (see also Thoms and Blasko, 2004).<sup>2</sup> Such anchoring allowed organizational actors to see how strategies would become part of future history and to see their own contributions in making it happen.

### **More explicitly defined temporal depth and time horizons of identity**

Our findings suggest that more explicitly defined time horizons of identity in terms of events or imagined end states enable more sustained interplay with strategy, whereas ambiguous or abstract time horizons (as found in phase 2) do not provide the sort of marker events that can readily frame strategy. This suggestion challenges existing conceptualizations of identity as an open-ended process of becoming (e.g., Gioia and Hamilton, 2016) or of continuous endurance (Albert and Whetten, 1985). Our findings point at the importance of understanding how the temporality of identity works in framing strategies through better-defined time horizons. We suggest time horizons of identity as imagined states or events that indicate a direction of the identity development from the past and into the future. In this way, identity time horizons might weave together marker events (Hernes, 2014) from the distant pasts and futures, which actors can relate meaningfully to strategy and particularly to strategic change (Kunisch et al., 2017). Thereby, we advance the conceptualization of identity as definition of identity events marking past and future time horizons that make them accessible and meaningful to strategy.

Our findings are supported by insights from psychology on the difference between distant and near future events showing that distant events are more likely “to be represented in terms of a few abstract features that convey the perceived essence of the events” (Trope and Liberman, 2003: 403). These insights imply that distant future events are more likely to influence individual behavior than near future events are. In relation to our findings, the differences between near and distant

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<sup>2</sup> We are grateful to one of the reviewers for suggesting this term to us.

events add to the explanation of why the interplay between strategy and identity became subsumed in the second phase. The identity claim “Thirst for Great” was oriented toward near and vague future horizons comprising a great many details and ambitions, which were harder for actors to connect to strategy. In contrast, drawing on Trope and Liberman’s (2003) notion of “essence,” the identity claims of the third phase referred to a substantiated essence of a philanthropic and science-driven distant past, which was more easily extended into an essence of a distant sustainable “zero” future. Finally, drawing on Carton and Lucas’s (2018) distinction between image-based and abstract rhetoric in communicating corporate vision suggests that the use of image-based definitions of past and future identity events that are readily envisioned by organizational actors (e.g., the invention of clean yeast and the biodegradable bottle) has enhanced the ability of identity to frame strategy.

### **Integrating short- and long-term horizons through sustained temporal interplay**

The above discussion suggests how temporal interplay between strategy and identity is one way of connecting short- and long-term horizons in organizations. In line with existing literature (e.g., Bluedorn and Martin, 2006; Das, 2006; Slawinski and Bansal, 2012, 2015), the time horizons of most corporate strategy are future oriented (Nadkarni et al., 2016), and even longer-term strategies struggle to include distant events outside of their planning horizon (Wright and Nyberg, 2017). In contrast, identity has the possibility of pointing at distant past and future events (Hernes, 2014) that are more easily woven together into narratives connecting the distant past to the distant future in the making.

Our findings suggest that the ability of actors to meaningfully exploit the temporal depth of identity is enhanced when the events marking the horizons of identity are distant, yet defined by an imaginable essence (Trope and Liberman, 2003). The inclusion of distant identity events brought long-term concerns and aspirations into corporate strategy in ways that were meaningful because the defined identity entailed time horizons that were different from those of strategy. If identity had

become too short-term in its orientation, it would have lost its distinction in relation to strategy and thus the ability to engage in sustained temporal interplay with strategy. Thereby, interplay between strategy and identity is one way of creating “temporal ambidexterity” (e.g., Slawinski and Bansal, 2015:544), defined as that which makes organizations more inclined to consider *both* short-term *and* long-term time horizons in the ongoing enactment of strategy.

However, sustained interplay might also prevent a realization of strategy. It might lead to strategic inertia, as suggested by Tripsas (2009), if, for example, defined past horizons of identity overshadow its future horizons, thus delaying adjustments of strategy toward the emerging future. A reverse development, where identity is dominated by future horizons, might result in a loss of appreciation for past experience, with the implication that employees might become detached from the strategy. Also, maintaining a variety of strategic time horizons runs the risk turning different units into silos, such as for example when group finance becomes focused on short-term business targets, while corporate sustainability becomes focused on longer-term futures. This might lead to strategic fragmentation or, at best, localized interplay with identity. Finally, sustained interplay might imply that the temporal differences between strategy and identity become erased across time, ending up in a shared mid-range temporal depth without creative tension between strategy and identity.

### **Implications for future research**

Our findings point at the importance of sustained interplay to the realization of strategy and to making identity more consequential to organizational actors. Therefore, a first step in future research might be to study, if the same combination of temporal structures enables sustained interplay in other types of organizations (e.g. smaller and less formalized organizations), or if other combinations of temporal structures underpin sustained interplay between strategy and identity. Also, our argument of how differences in temporal structure influence the interplay between strategy and identity draw upon a focus on time horizon and temporal depth as manifestations of temporal structures. Although we have



compared temporal structures across different periods, we find there is a need for future research in the exploration of the dynamics of the temporal structures themselves, such as how the extension of the future time horizon of strategy is enacted in the strategy processes, or how intersections between the distant past and future may enrich each other in identity constructions. Also, our findings suggest the importance of distant futures to different organizational functions (i.e. from finance to corporate responsibility) and pose further questions of how different functions in the organization work with distant futures in mind.

### **Implications for practice**

Our findings suggest several implications for how management can facilitate better sustained interplay between strategy and identity as a productive way of combining short- and long-term concerns.

First, an expansion of the temporal depth of strategy should be accompanied by a greater multiplicity of strategic time horizons for programs and initiatives. Expanding the time horizons of the corporate strategy to seven years not only enabled longer time horizons than the usual three-to-four-year dominating horizon, it also unleashed energy and innovation in the organization to work toward more distant goals, which turned out to motivate the employees working within short-term horizons. In addition, the short-term horizons enabled a sequencing of the long-term goals that corresponded with existing business models.

Second, including distant past and future marker events in identity is crucial if identity is going to provide meaning to strategy and support its realization. In Carlsberg, this inclusion entailed distant events which also in chronological terms were located in the past and future. It is important to stress that distant events in a start-up organization might have a completely different temporal depth in terms of chronological time, but distant events can still provide the essential features that makes the narrating of identity a meaningful temporal anchoring for strategy. Our findings show that

including distant past and future marker events might be even more important if the business model is oriented toward a very short-term future.

Third, including multiple time horizons in strategy implies that sustained temporal interplay between strategy and identity involves several levels in the organization. Inspired by the notion of the spatial elasticity of identity (Kreiner et al., 2015), suggesting how identity can both “pull apart” and “hold together” the organization, we suggest that an identity defined by distant time horizons is more suited to hold together a multiplicity of localized strategic horizons, which might otherwise pull apart the organization. To management, this elasticity of identity implies that corporate strategies and identity claims should remain adaptive to localized interplay. To avoid that such localized events of interplay “pull apart” the organization, managers should nurture more distant past and future identity events that are rich with potential meaning, making them available to be exploited in enacting more short-term strategies.

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## **Links: All entries March 2019**

Carlsbergfoundation

<http://www.carlsbergfondet.dk/en>

Carlsberg annual report 2018

<https://carlsberggroup.com/media/28928/carlsberg-as-2018-annual-report.pdf>

Carlsberg Group purpose

<https://carlsberggroup.com/who-we-are/about-the-carlsberg-group/>

Carlsberg Group strategy

<https://carlsberggroup.com/who-we-are/about-the-carlsberg-group/our-strategy/>

Carlsberg sustainability program

<https://carlsberggroup.com/sustainability/sustainability-at-carlsberg/>

Rebrew Project:

<http://www.carlsberg.com/#!/rebrew|rebrew>

## Tables and figures

**Table 1. Temporal structures of strategy and organizational identity**

<b>Temporal structures</b>	<b>Strategy</b>	<b>Identity</b>
<b>Temporal depth</b>	Future-oriented Relatively near orientation and closed (such as completion of strategy)	Simultaneous past and future orientation Relatively distant and open
<b>Time horizons</b>	Sequential endings and beginnings of actionable periods and activities	Events marking past experience or imagined future
<b>Manifestation</b>	Plans, programs, models, reports and narratives	Imagination, claims, narratives, stories, artifacts



**Table 2. Data sources**

<b>Data sources</b>	<b>Specification of collected data</b>
<b>Annual reports:</b>	<b>Temporal brackets: 2000–2015</b> 2000–2015, 2263 pages in total Located on website: <a href="http://www.carlsberggroup.com">www.carlsberggroup.com</a>
<b>Interviews:</b> Titles of informants are noted as the titles they held at the time of the interviews. All interviews were transcribed (except 1) and lasted between 1.5 and 2 hours.	<b>Temporal brackets: 2009–2013; 2016–2017</b>  Number of informants: 24 Number of interviews: 36  <b>Corporate Headquarters:</b> - Chairman of Carlsberg Board 2013, 2016 (2 interviews) - CEO interview 2011 and 2015 (2 interviews) - CFO 2012 (1 interview) - SVP Group Communication 2008, 2009, 2013, 2017 (4 interviews) - SVP Global Sales, Marketing and Innovation 2009, 2010, 2013 (3 interviews) - Former SVP Supply Chain 2013 (1 interview) - SVP region Europe 2011 (1 interview) - SVP region Asia 2012 (1 interview) - VP Corporate Brand Management 2009–2013 (6 interviews) - Director, Corporate Affairs 2016 (1 interview) - Master Brewer 2011 (1 interview) - Director, Brewing Technologies, Carlsberg Laboratory 2017 (1 interview) - VP Group R&D, Carlsberg Laboratory 2017 (1 interview) - VP of Corporate Communication 2017 (1 interview) - Director of Corporate Social Responsibility 2017 (2 interviews)  <b>Subsidiaries:</b> - Marketing & Strategy Director 2011 (1 interview) UK - People Group Supply Chain 2011 (1 interview) UK - Managing Director 2012 (1 interview) Malaysia - Managing Director 2011 (1 interview) France - Managing Director Finance 2011 (1 interview) France - Supply Chain Director 2011 (1 interview) France - Com. Director (1 interview) France - Head of Supply Chain, Asian market 2012 (1 interview)
<b>Documents:</b>	<b>Internal Carlsberg material:</b>  Corporate Branding presentation by Carlsberg Group (2009)

	<p>The Corporate Stand video and its related storyline and online presence (2010)</p> <p>Presentations on the journey toward being an FMCG company for ExCom (2011)</p> <p>Strategy Sail'22 presentation for internal purposes (2016)</p> <p>Carlsberg Science Forum 2015, 2016 and 2017, including presentations by Carlsberg Laboratory.</p> <p><b>External presentations:</b></p> <p>Capital Markets Day: FMCG presentation (May 2010)</p> <p>Carlsberg 200 years: 3 Presentations: by SVP Marketing &amp; Innovation, by SVP Corporate Communication &amp; CSR, and by VP Carlsberg Brand (Copenhagen Business School, 2011)</p> <p>Danske Bank Winter Seminar by investor relations (2012)</p> <p>Carlsberg and Competitiveness presentation by CEO at Carlsberg Group (2013)</p> <p>Sail'22 strategy material from corporate website (entry March 2019)  <a href="https://carlsberggroup.com/who-we-are/about-the-carlsberg-group/our-strategy/">https://carlsberggroup.com/who-we-are/about-the-carlsberg-group/our-strategy/</a></p> <p>“Together Towards ZERO” corporate website (entry March 2019)  <a href="https://carlsberggroup.com/media/22505/carlsberg-group-sustainability-report-2017.pdf">https://carlsberggroup.com/media/22505/carlsberg-group-sustainability-report-2017.pdf</a></p>
<b>Other sources:</b>	<p>Bibliography of former CEO of Carlsberg, N. Smedegaard (2001–2007), by N. Lunde (2008) describing the strategic development leading up to the acquisition in 2008</p> <p>History of Carlsberg Group with a focus on the Carlsberg Foundation by Professor D. Tamm (2018), including 100 pages of the development from 2000 to 2008. Updated to 2017.</p>

**Table 3. Main strategies and identity claims in Carlsberg related to three phases of interplay**

<b>Phases of interplay</b>	<b>Corporate strategies</b>	<b>Identity claims</b>
<b>FOUNDING</b>	The “ <b>Golden Words</b> ”: Will of founder, 1892 and founding charter: “In working the Carlsberg breweries it should be a constant purpose, regardless of immediate profit, to develop the art of making beer to the greatest possible degree of perfection in order that these breweries as well as their products may ever stand out as a model and so, through their example, assist in keeping beer brewing on a high and honorable level.”	
<b>FIRST PHASE OF INTERPLAY:</b>  <i>Regional consolidation</i>  2000: <i>Merger with Orkla into Carlsberg Breweries</i>  2001: <i>CEO change</i>  2004: <i>Acquiring Orkla’s 40 pct ownership</i>	<b>2001–2004:</b> Regional Growth M & A in Western Europe. Leverage merger with Norwegian Orkla and access to Russian market Introduction of benchmarking/ KPIs to compare entities within company Introduction of Corporate Centre to support strategy	<b>2000:</b> Reinterpreting the “Golden Words” in founding charter allowing infusion of capital  <b>2007:</b> Reinterpreting the “Golden Words” in founding charter allowing reduction of ownership
	<b>2005–</b> <b>Probably the best beer company in the world:</b> Growth through mergers & acquisitions in Western and Eastern Europe and Asia; #1 or #2 in all markets; buying out previous alliance partner Norwegian Orkla Comprehensive series of operational excellence programs: -Production -Purchasing -Brand mgmt. -Knowledge sharing Newly acquired breweries should achieve group standard in 2–3 years	
<b>SECOND PHASE OF INTERPLAY:</b>  <i>Leap in global consolidation:</i>	<b>2009–2013: “The Transformation Journey”</b> <b>The Fastest Growing Beer Company in the World:</b> Mega-acquisition almost doubling revenue focused on Baltika	<b>Winning Behaviors 2009:</b> - We want to win. - Together we are stronger. - We are each empowered to make a difference. - Our consumers and customers are at the heart of every decision we make.

<p>2007/2008: <i>Mega-acquisition almost doubling revenue</i></p> <p>2007/2009 <i>New CEO and replacement of top management team</i></p>	<p>(Russia) Brasserie Kronenbourg (France)</p> <ul style="list-style-type: none"> <li>- Strategy Wheel with specific goals in five areas for both Group and regions/markets:</li> <li>- people</li> <li>- consumers and customers</li> <li>- efficiency</li> <li>- products and innovation</li> <li>- structure and society</li> </ul> <p>Reducing complexity and leveraging economies of scale:</p> <ul style="list-style-type: none"> <li>- Centralization of procurement &amp; IT</li> <li>- Integration of:</li> <li>- Global R&amp;D</li> <li>- Sales &amp; marketing into one unit</li> </ul>	<p>- We are engaged with society.</p> <p><b>Group Stand 2010: Thirst for Great:</b> “Great people. Great brands. Great moments. Founded upon the motto, <i>Semper Ardens</i>, Always Burning, we never settle, but always thirst for the better. We are stronger together, because we share best knowledge, best ideas, and successes. We brand as many, but stand as one. With the courage to dare, to try, to take risks, we constantly raise the bar. We don’t stop at brewing great beer, we brew a greater future – for our communities, our customers, and our people.”</p>
<p><b>THIRD PHASE OF INTERPLAY</b></p> <p>2015– <i>Market challenges in Russia &amp; multiple profit warnings</i></p> <p><i>New CEO (current CEO) and replacement of top management team</i></p>	<p><b>2016–2022:</b> <b>Sail’22: Successful, professional, attractive brewer in our markets:</b></p> <ul style="list-style-type: none"> <li>- strengthen the core</li> <li>- position for growth</li> <li>- deliver value for shareholders</li> <li>- create a winning culture</li> </ul> <p><b>Markets &amp; brands</b> Strong #1 and #2 positions across three regions Majority of profits generated in concentrated markets Strong portfolios of local beer brands in addition to specialty and international brands</p> <p><b>Expertise:</b> Strong R&amp;D capabilities In-depth local knowledge Consumer insights</p>	<p><b>Group Purpose:</b> “We are brewing for a better today and tomorrow.” “Some have to dig deep to find their purpose. For us it has always been there. We pursue perfection every day. We strive to brew better beers; beers that stand at the heart of moments that bring people together. We don't settle for immediate gain, when we can create a better tomorrow for all of us. We are brewing for a better today and tomorrow.”</p>

**Table 4. Three modes of interplay between strategy and identity**

	<b>Phase 1 2000–2008</b>	<b>Phase 2 2008–2013</b>	<b>Phase 3 2013–2018</b>
<b>Mode of interplay</b>	Punctuated	Subsumed	Sustained
<b>The process of interplay</b>	<p>Pursuit of two strategic opportunities was enabled by reinterpretations of founding principles.</p> <p>Very limited interplay before and after occasions</p>	<p>Sequential strategies dominate identity, as identity is interpreted as strategy.</p> <p>Attempt to redefine identity is subsumed under strategy.</p>	<p>Identity narrative provides meaningful framing of strategy, while strategy enables enactment of identity in numerous events across time.</p>
<b>Temporal structures of strategy</b>	<p><i>Jolts in the temporal structure:</i></p> <p>Short and general future time horizon and temporal depth, which are redefined during two occasions</p> <p>Creating organization-wide temporal structures as foundation for strategy (e.g., general corporate planning &amp; localized follow-up)</p>	<p><i>Strengthening the temporal structure:</i></p> <p>Sequential and specific future time horizon with temporal depth of 2–4 years</p> <p>Centralizing, synchronizing and integrating of organization-wide temporal structures (e.g., specific corporate planning &amp; follow up)</p>	<p><i>Expanding the temporal structure:</i></p> <p>Longer and specific future time horizon expanded to 7 years. Referring to near past horizon also expands temporal depth.</p> <p>Inclusion of multiple time horizons at different levels and functions (e.g., strategic programs with different horizons)</p>
<b>Temporal structures of identity</b>	<p><i>Reinterpreting temporal structure:</i></p> <p>Defined distant past time horizon which is reinterpreted twice (founding principles)</p> <p>Temporal depth oriented toward the distant past</p>	<p><i>Weakening the temporal structure:</i></p> <p>Vague past and future time horizons</p> <p>Narrow temporal depth oriented toward the near past and future</p>	<p><i>Defining and expanding the temporal structures:</i></p> <p>Defined, specified and imaginable past and future time horizons</p> <p>Expanded temporal depth oriented toward both distant past and distant future</p>

Figure 1: Punctuated interplay

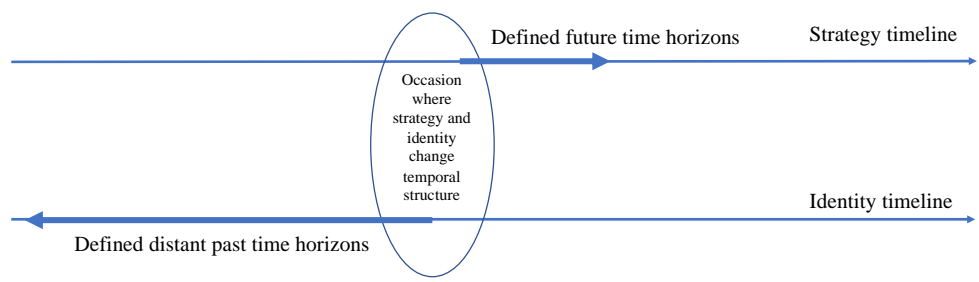
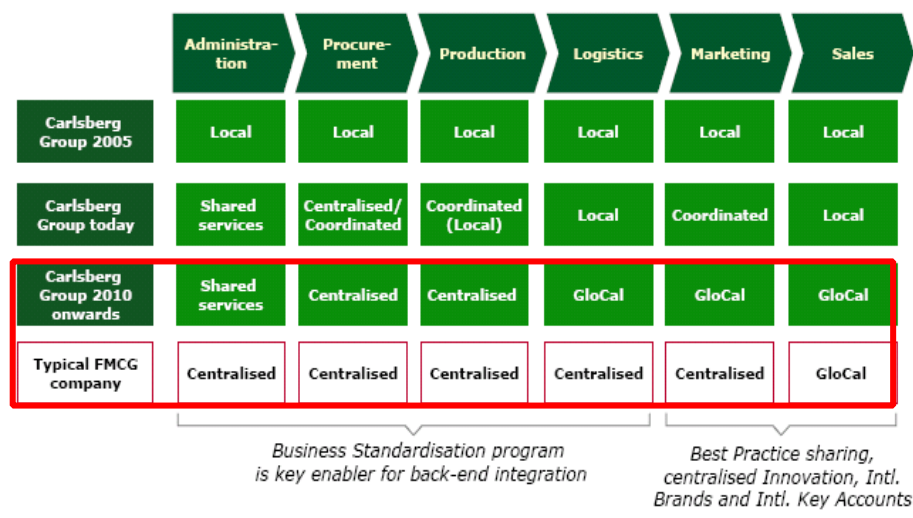
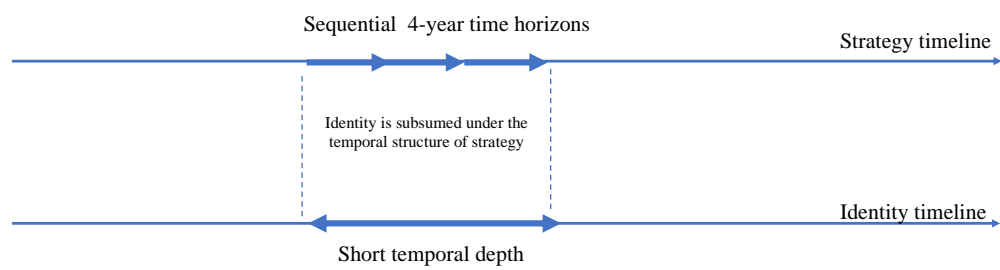


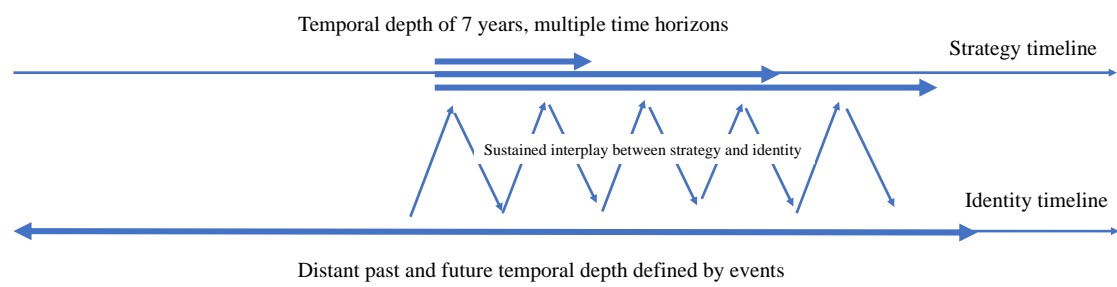
Figure 2: The implications of Carlsberg as FMCG



**Figure 3: Subsumed interplay**



**Figure 4: Sustained interplay**



## Biographies

**Majken Schultz** earned her PhD from Copenhagen Business School and is currently Professor of Management and Organization Studies at Copenhagen Business School and member of the Centre for Organizational Time based at Copenhagen Business School. Her current work explores how organizational actors construct their temporality, which she has applied in studies of organizational identity reconstruction, strategic transformation and the use of history for future change. See more at [www.majkenschultz.com](http://www.majkenschultz.com).

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