How Coordinative Effect of Routines Influences the Process of Replication
A Field Study of a Store Opening at Stadium

Rusudan Kvelashvili
Juho Ranto

Advisor: Marie Bengtsson
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Authors:
Rusudan Kvelashvili and Juho Ranto

Advisor:
Marie Bengtsson

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Abstract

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Authors: Rusudan Kvelashvili and Juho Ranto

Supervisor: Marie Bengtsson

Date: 25 May 2015

Background: The underlying factor behind opening similar stores in different geographical locations is replication of routines. Routines are collective, recurring patterns of action conducted by interdependent participants. Replication of routines involves creating another routine that is similar to the original routine.

Aim: The aim of this thesis was to find out how coordinative effect of routines can influence the replication of routines on a micro level, by studying micro processes during a new store opening.

Methodology: The data for this research was collected through a field study of a shop opening. It is mostly based on observations of the authors who at the same time were participants of the process.

Findings: Experienced employees can achieve high level of coordination through routines, but the contextual communication creates challenges in the teaching of new employees, particularly while translating contextual knowledge into explicit form.

Key Words: organizational routines, replication of routines, knowledge transfer, coordination, retailing organizations, store opening.
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Juho and Ruso

Linköping, May 25th 2015
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References
1 Introduction

Imagine a big sports retail chain company. The stores of this chain can be found in the main shopping streets of both big and small cities or in shopping malls and outlet centers in different countries. In each of these countries the stores provide similar feeling everywhere with similar products, similar store layout and similar service, that create a familiar experience throughout the shops, despite geographical location. The stores are full of different sportswear, shoes and various products and everything looks flawless and attractive. People are walking around the shop and sales personnel are helping customers to find that perfect pair of shoes for running or a skateboard for their children. In brief, a chain of shops where everything is working as intended in a similar way.

Now imagine a single store space full of boxes, packages, pallets and construction tools, where the only similarity to the other stores of the chain is the neon logo on top of the entrance. No need to explain that these qualities do not fit in the image of an ideally working shop. Although, the described chaos is a sign that soon the building process of a new shop will start, which will bring a number of people and activities together.

The authors of this study found themselves in a similar situation among the people who were going to work on the building process of a store. It happened in Hamburg, Germany and the store, which was going to be opened was the second German outlet of a Swedish sports retail chain Stadium. Our reason for being there was the interest of exploring micro processes of a new store opening and participate in turning a chaotic place described before into a functioning outlet. Behind this whole process of opening similar stores in different geographical areas, routines and replication of routines were identified as key features of the process (Winter and Szulanski 2001). In the academic literature, organizational routines have been defined as regular, and predictable behavior patterns, that among other things can act as an organizational memory (Nelson and Winter 1982). Nelson and Winter (1982) even defined routines as the “genes” of an organization and argued that firm’s knowledge is embedded in routines. Routines have also been identified as “a repetitive, recognizable pattern of interdependent actions, involving multiple actors” (Feldman and Pentland 2003, p. 96).

Routines have been found to have a coordinative effect in organizations, essential for completing collective organizational tasks. As Cohen et al. (1996, p. 683) state, routines are organization’s capa-
city to create collective action and they can “guide or direct an unfolding action sequence, that has been stored in some localised or distributed form”. Cohendet and Llerena (2003) offered, that routines create predictability and sense of regularity to individual behavior, essential for collective action. However, as Nelson and Winter (1982) argued to be able to coordinate through routines, much more knowledge is required than just a repertoire of different routines. In order to act according to the routine, individuals participating in the routine need to have the contextual knowledge to identify which routine is being done and act by interpreting signals from other members and the environment where the routine is performed (ibid).

Routines have a complex nature, because routines and the knowledge concerning routines are hard to observe, analyze or even describe (Nelson and Winter 1982). However, when companies are trying to create similar outlets as in the case of Stadium, they need to learn how to transfer complex and causally ambiguous routines and make them work in various contexts according to Winter and Szulanski (2001). This process is referred as replication of routines, which “involves the creation of another routine that is similar to the original routine in significant respects” (Szulanski and Jensen 2004, p. 349). In order to replicate a routine it is necessary for individual workers to acquire knowledge needed to perform that particular routine (Nelson and Winter 1982).

Replication of routines is a complex micro level process involving individuals’ activities and interactions however, existing research has not directed sufficient attention to it (Friesl and Larty 2012). Moreover, as stated earlier routines have been found to have coordinative effects in organizations (Nelson and Winter 1982, Cohendet and Llerena 2003, Jarzabkowski et al. 2012) although, matters of how the coordinative effects of routines influence the replication of routines and knowledge transfer processes have not been addressed.

On a more general level, studying processes has been viewed as a way to address important issues that are central to management and organizational life at large, because examining process questions contributes to the understanding of how and why things emerge, develop and change and at the same time it gives understanding of stability (Langley et al. 2013). This lack of research in the micro level processes of replication of routines, together with the importance of process questions for the academic literature was a reason of our interest to address this issues.
1.1 Research Purpose and Questions

The purpose of this research was to study the micro-processes in replication of routines and identify how retailing organizations transfer and re-create routines in new context, how do they conduct the teaching processes associated with this transfer of knowledge and how do they achieve coordinated activities of employees through routines. The aim of studying these processes was to gain a better understanding of routines and their replication and scrutinize the influence of coordinative effect of routines during replication. Studying micro processes in our case referred to mapping the performance of routines by individuals in new context with a special emphasize on the interaction between them. Therefore in order to fulfill this main purpose, the following question was addressed in the study:

How coordinative effect of routines can influence the replication of routines on a micro level?

Bearing in mind the research purpose and main question, the study evolved around 2 related sub-questions including: (1) How routines act as a source of coordination among experienced employees during a new store opening? (2) How the teaching process of routines is conducted?

1.2 Empirical Research

To be able to fulfil the research purpose and gain deeper understanding of the chosen topic, field process study was conducted for this thesis, where the authors were also active participants of the whole activity. The reason behind the choice of this method was that, besides the stated importance of process questions conducting process studies itself have been underrepresented in practice (Langley et al. 2013). This missing amount of process studies was our main motivation of conducting a field study including observing and active involvement in the processes and this engagement was the essential feature of gaining insights into the topic.
1.3 Thesis Scope

The research was done in Hamburg, Germany in March 2015 where Stadium AB, a Swedish sports retail chain company opened its second store unit in Germany, half a year after opening the first one. Since, all Stadium stores are owned by the company and seek for similarity between different store units, it served as a good example of a routine driven organization and thus, makes generalization of our results more reliable. We were granted a chance to participate in the opening of the new store and the education of new employees for two weeks, which gave us an excellent opportunity to study how the company replicates routines into new context. Our main focus was performance of routines by individuals during new shop opening and how the knowledge was transferred to the new employees.

1.4 Overview of the Thesis

In the following chapters we will first present an existing literature in the chapter 2 and introduce theories concerning routines and replication of routines. Further, in the chapter 3 we will present the methodology of the study referring to what we have done to fulfill the research purpose. It will be followed by the case-study in the chapter 4, presenting the background of a company we researched, how transferring processes are done there and our individual stories in this process. The discussion and findings of this study will be exhibited in the chapter 5. In the end, final conclusions, theoretical and managerial contributions and implications for future research will be presented in the chapter 6, which will conclude this thesis.
2 Theoretical Background

In the following chapter we will review current literature concerning the key theoretical concepts of this thesis. The main focus of this chapter is to provide a wide view of routines as a theoretical concept and how the existing theories present their development and replication. The chapter will start by introducing the existing literature of what routines are and how they develop. After providing this in-depth review about routines, we discuss the theories related to replication of routines and knowledge transfer. This chapter will be concluded with our theoretical perspective used in this thesis.

2.1 The Concept of Routines

In their seminal work of *An Evolutionary Theory of Economic Change*, Nelson and Winter (1982), argued that firm’s knowledge assets are embedded in organizational routines. Even though Nelson and Winter (1982) were not the first ones to introduce the concept of organizational routines, their work has acted as a catalyst for organizational routine research (Becker 2004). However, over time researchers have developed differentiated views about routines, which has made concluding one agreeable definition of the concept of routines a true challenge.

Nelson and Winter (1982) described routines as what skills are for individuals and as the genes of the organization. Other commonly accepted definition of routines among researchers was further developed by Cohen et. al (1996, p.683), who stated that “a routine is an executable capability for repeated performance in some context that has been learned by an organization in response to selective pressures”. Both mentioned definitions of the concept of routines share the emphasis on structure and organizational learning, where Feldman and Pentland (2003) added subjectivity and agency into focus in their view of routines, which they thought had been overlooked in the previous research. Even though the concept of routines has varied in routine literature and has not been unanimously accepted among researchers, the basic principle aspects of routines in research have been based on the definitions by Nelson and Winter (1982). Their work will act as a starting point in this thesis as well, when the existing literature regarding routines is further discussed.
2.1.1 Cognitive Aspects of Routines

Nelson and Winter (1982) analyzed routines by dividing them into two separate dimensions; cognitive and motivational dimension. By cognitive dimension, Nelson and Winter (1982) classify routines as the capabilities and memory of the organization. The authors state that organizations remember by doing, just like skilled workers maintain their expertise by the constant use of their skills. While using routinized skills it can become challenging for individuals to explain what they actually are doing due to the tacitness of knowledge related to the activity. As Polanyi (1967, p. 4) stated “We know more than we can tell”. Nelson and Winter (1982) elaborated that the same principle could be applied to organizational routines as well, hence the similarity to individual skills was expressed. Due to this fact, Nelson and Winter (1982) further argued that the true knowledge of an organization is held by its members, participating in recurring collective activities. Recurrence can be considered as one of the main characteristics of what creates a routine, since calling something that has only been done once, could hardly be called a routine. Recurrence of routines provides stability, if they are seen operated without major changes (Nelson and Winter 1982). Based on this view, the stability creates possibilities for learning from routines and adds predictability, which provides the possibility to look routines as coordinative mechanisms (Becker 2004).

Routines have been found to have a coordinating effect in organizations. As Cohen et al. (1996, p. 683) state, routines are organization's capacity to create collective action and they can “guide or direct an unfolding action sequence, that has been stored in some localised or distributed form”. Cohendet and Llerena (2003) see, that routines create predictability and sense of regularity to individual behavior, essential for collective action. Their conclusion is based on the idea presented by Nelson and Winter (1982) that to be able to coordinate through routines, much more knowledge is required than just the repertoire of different routines. As Nelson and Winter (1982, p.100) phrase “There is much more to “knowing one's job” in an organization than merely having the appropriate routines in repertoire. There is also the matter of knowing what routines to perform. For the individual member, this entails the ability to receive and interpret a stream of incoming messages from other members and from the environment”. The individual members of the organization use these messages then to pick correct routines from their repertoire and through these interpretations the behavior of the whole group is affected (Nelson and Winter 1982).

The interpretation of received messages itself requires specific knowledge by the members of the organization. As Nelson and Winter (1982) suggest, the language used in organization requires inter-
pretation that relates the messages into the organizational context. The responsibility of correct interpretation of these messages thus relies on the receiver, “who (to know his job) must be able to discern the implications for his own action that are implicit in the changes in his immediate environment-changes that others, by merely doing their jobs, have produced.” Feldman and Rafaeli (2002) consider that there are existing connections between the members of the organization, that enable the creation of shared understandings about what action is to be taken in specific routines and how to adapt them in their environment. Their view about connections is highly related to the view of Nelson and Winter (1982, p. 105) that “the context of the information possessed by an individual is established by the information possessed by all other members”. The concept of context that makes the shared meanings and language possible includes the physical state of equipment, external memories and the work environment (ibid). Cohendet and Llerena (2003) argue that routines are thus context-dependent, because the routines can only be executed in a context that provides attention for certain collective action.

2.1.2 Motivational Aspects of Routines

In addition to the cognitive dimension Nelson and Winter (1982) suggested to look routines based on their motivational dimension. The motivational aspect addresses the role of members in the organization and more specifically the question “whether they would actually choose to do what is "required" of them in the routine operation of the organization as a whole” (ibid, p. 107). The authors state that notable divergence in interests among the members of the organization usually occur and therefore routines should not be mixed with nominal performance standards of the organization (ibid).

Nelson and Winter (1982) suggest that routines can act as a “truce” among members with conflicting interests. Truces can act as a coordination method to bring balance into organization, solving and preventing intra-organizational conflicts by providing an agreed method of action (ibid). The routine can thus be seen as a compromise between different intra-organizational groups, that can help decreasing the conflicted interests of different groups, caused by differentiated incentives and goals (D’Adderio 2008). Nelson and Winter (1982) claim that through routines, even members who are needed to be reminded and whose actions are controlled by their supervisors usually stay within the routines (Nelson and Winter 1982). The fact that routines become the accepted way of working, creates circumstances where even members who have conflicting interests are expected to do their part in the process. Nelson and Winter (1982, p. 110) therefore describe that “routine operation involves a comprehensive truce in intraorganizational conflict”. The truces are considered as highly valuable and thus
rarely breached (ibid.) The terms of the truce however, are never fully expressed in explicit form and in some occasions they are not explicit at all (ibid). Nelson and Winter (1982) conclude their discussion of routines as truce by stating that the fear or breaking the truce, tends to hold organizational routines rather inflexible.

2.2 Development of Routines

Routines have been considered relatively constant and predictable, even considered as the cause of inertia (Nelson and Winter, 1982). Cohen et al. (1996) explain inertia as a source of persistence for change. The inertia, caused by routines can result in preventing organizations to seek for new possible solutions (Cohendet and Llerena 2003). However, the idea of constantly changing and adapting routines has been addressed in more recent routine literature. Feldman and Pentland (2003) challenged the view of routines as a source of inertia, expressed by Nelson and Winter (1982).

Feldman and Pentland (2003) argue that the traditional theoretical view on routines, which has aroused from the work by Nelson and Winter (1982) is not sufficient enough and requires redefinition. Feldman and Pentland (2003) interpret that prior research about organizational routines consider routines as static, unchanging objects that are a source of inertia. Feldman and Pentland (2003) see routines as generative systems, not only as a source of behavioral stability and predictability, but also as a source of change and flexibility in organizations. Due to the identified need for redefinition of routines, Feldman and Pentland (2003) formulated a new framework of what they see as organizational routines.

Their framework focuses on routines’ ability to change and highlight the role of individuals performing the routine (Pentland and Feldman (2003). However, their view on routines has many similarities with prior researchers such as Nelson and Winter (1982), as can be seen in their definition of routines. Feldman and Pentland (2003, p.96) define organizational routines as “a repetitive, recognizable pattern of interdependent actions, involving multiple actors”. The authors argue that routines consist of ostensive and performative aspects (ibid). Ostensive aspect entails the idea, cognitivity of the routine that guides employees’ actions. This aspect includes understandings of routines by various employees and these understandings are usually different from each other because they depend on individual’s point of view (Pentland and Feldman 2008). The authors state that routines entail performances by
particular people at particular times and within particular contexts and this aspect is referred as performative (Feldman and Pentland 2003). Feldman (2000) argued that the tendency of change in individuals’ behavior affects the performance of the routine and thus the routines must change over time. Based on this view, the context and the participants of the routine have an effect to the outcome of the routine and hence change in routines is inevitable (Pentland and Feldman 2008). The level of change discussed with routines is however considered as incremental, and even hardly noticeable (D’Adderio 2008). As Becker (2004) state, only few details of the routine change at a time and no major changes in routines occur instantly.

Pentland and Feldman (2008) linked their concepts of ostensive and performative aspects of the routines to artifacts. In routine literature, artifacts have been seen as physical objects or settings and as artifactual representations of routines, including standard operating procedures, rules and guides (D’Adderio 2011). Pentland and Feldman (2008) argued that artifacts can have an affect to both ostensive understanding of the routine as well as the performative aspect. However, it has been noted by D’Adderio (2008) that even though artifacts can act as a guide for action, the action itself is highly interpretation dependent and thus the actions through artifacts are hardly the same. Artifacts have been related to discussion, whether or not routines are automatic, mindless action, or purposeful and effortful accomplishment (Levinthal and Rerup 2006). Cohen (2007) presented his view that cognitive artifacts such as standard operating procedures are often confused with routines, and called artifact related actions dead routines, and purposeful performances of routines as live routines. D’Adderio (2011) has then presented new views on artifacts and has actually presented artifacts as a center of understanding the contextual routine behavior. D’Adderio (2011) claimed that the focus on agency in routine theories started by Feldman and Pentland (2003) had overlooked the role of artifacts and their true role in routines had been missed. D’Adderio (2011, p. 225) considered artifacts to be “important in channelling our attention towards the influence on routine of heterogeneous motivations by agencies whose specific knowledge, aims, and objectives can be complementary or competing”. By focusing on artifacts from the view he presented, D’Adderio (2011) considered that the sight of agency would not be lost, but instead artifacts’ influence on agency could be notified.

As explained previously, routines have been found to be context-embedded (Cohendet and Llerena 2003). Teece (2007) considers that routines can become inefficient when the context of routines changes. In such cases when routines become unfavorable to practice further, routines should be
developed (Nelson and Winter 1982). In such cases, organizations can not rely on the incremental change through tacit-accumulations of experience (Zollo and Winter 2002) and should rather intentionally fight inertia and focus on adapting routines and their related processes into new conditions, in order to be able to regain the positive, stable effect of the routine (Davies & Brady 2000). Such measures are needed in situations, where (Zollo and Winter 2002, p. 341) “technological, regulatory, and competitive conditions are subject to rapid change, persistence in the same operating routines quickly becomes hazardous”. Changing routines on purpose is highly challenging, possibly costly and requires constant dedication (Teece 2007). Since, changing routines interrupts the stability gained through them, negative factors can result from the change (ibid). Therefore, it is recommended to rely on the incremental evolution of routines whenever possible and avoid external interruption in terms of changes. Still, the slow changing of routines has been considered more beneficial, despite the side effects, than actually terminating the routine (Teece 2007). In order to control the natural development of routines, Cohendet and Llerena (2003) discussed how incentives are needed in order to guide routines in favored direction. Therefore, the needed motives and reasons behind a routine, can aid to create the right incentives for the participants to develop the routine (ibid).

Developing routines in a purposeful, favorable way is no easy task to achieve. As Pentland and Feldman (2005) state, routines within an organization often intertwine and thus developing one routine might cause changes in others. In terms of transferring routines into different contexts, the routines can become meaningless, since they function through the connections to the context (Becker 2004). In the process of transfer, routines might even lose part of the tacit knowledge that is embedded in them, which has been considered one of the main tasks of the routine (Nelson and Winter 1982). Therefore, the risk of a routine to lose its purpose is a real threat in situations of transferring routines.

2.3 Replication of Routines

Transferring organizational routines from one place to another and thus maintaining similarity throughout the organization is the key activity of firms pursuing replication strategies (Baden-Fuller and Winter 2005). Replication of routines “involves the creation of another routine that is similar to the original routine in significant respects” (Szulanski and Jensen 2004, p.349). Nelson and Winter (1982) suggest that replication is “a costly, time-consuming process of copying an existing pattern of productive activity” (p. 118).
Winter and Szulanski (2001) argue that in order to make replicated business model successful, it should be accurately guided by a template. This statement also applies to replication of routines according to Nelson and Winter (1982), who pointed out that while replicating routines, companies should use already existing and working routines as templates since, they enable to replicate more precisely. Templates are seen as a way to mitigate the problems associated with difficulties in transferring knowledge (Szulanski and Jensen 2004). Templates have also been found to support knowledge-transfer process by lowering subunits resistance to accept new knowledge (Jensen and Szulanski 2007) and it has been proven that they increase the performance of replicating subunits (Szulanski and Jensen 2008).

Nelson and Winter (1982) argue that in order to replicate routines successfully it is necessary for individual workers to acquire knowledge needed to perform particular routine. This could be achieved by training them in an old environment where the working routine is utilized and give them opportunity to observe it or send already experienced employees from the old unit to the new one (ibid). However, Nelson and Winter (1982) further identify several difficulties associated with replication of routines which include tacitness of routines, employee's inability or unwillingness to transfer their knowledge to others and finally the role of personal relationships on which some of the routines are based on. Due to this aspects exact replication of routines is challenging, but what is important in this case is not exact copying but rather overall performance similar to the previous routine (Nelson and Winter 1982).

Hodgson (2009) identified one more challenge associated with replication of routines. He referred to Nelson and Winter’s (1982) suggested notion that “individual skills are analogue of organizational routines” (p. 73) and compared replication of routines from group to group to the replication of skills from individual to another individual. Both processes include transfer of tacit and explicit knowledge however, replication of routines is far more complex than simply transferring individual skills, since routine performance involves interdependent activities of several individuals instead of only one individual. Accordingly, the way in which routines are structured together should also be taken into consideration while replicating them.
2.4 Knowledge Transfer

Since, routines embody organizational knowledge (Nelson and Winter 1982; Zollo and Winter 2002) it is also important to analyse knowledge transfer when we imply to replication of routines. In this section we focus on discussing knowledge transfer in the context of replication.

According to Szulanski (2000) transfer of knowledge is considered as dyadic exchange of organizational practices between a source and a recipient and in this task features of both parties are important. The author argues that while analyzing knowledge transfer it is important to note that knowledge transfer is not a single act but rather a continuous process. Szulanski (2000) further argues that knowledge transfer is a process of re-creating and sustaining number of organizational routines in new settings and contexts. This process contains a lot of obstacles and creates a challenge for companies since, it is very hard to achieve. According to the author, difficulties associated with knowledge transfer are mostly seen as abnormalities although, they are rather common characteristics of the process than abnormalities.

Szulanski (2000) distinguished four stages of knowledge transfer including initiation, implementation, ramp-up and integration (Figure 1). Each of these stages has their own difficulties identified by the author. However, in analyzing the whole process, it is important that the party who transfers the knowledge actively cooperates with the recipient on an initiation and first implementation stage. Although, in the later process, when knowledge transfer produces successful outcomes the level of interaction decreases.

Figure 1. Process of knowledge transfer. (Adapted from Szulanski 2000)
On an initiation stage the main difficulty is to identify what kind of knowledge should be transferred (Szulanski 2000). This stage gets even more challenging if company’s operations are causally ambiguous. However, this difficulty decreases when the knowledge to be transferred had been successful in other environments. On an implementation stage information and resource transfer flow is the most intense in order to fill in the recipient’s technical gap. The challenge in this case is to overcome the communication gap between parties, which might be caused due to differences in language, culture or coding schemes.

The ramp up stage implies to the process when recipient starts to use acquired knowledge (Szulanski 2000). During this time main problem is to solve unexpected problems, which arises because the recipients react differently than expected, for instance when trainings are insufficient or when new knowledge call for major changes in shared norms and understanding (Szulanski 2000).

On integration stage using newly acquired knowledge becomes routinized and is blended with the usual operations of an organization before difficulties occur (Szulanski 2000). Although, when obstacles are faced employees may stop using new practices and go back to the old ones. These obstacles might include both external and internal events. External events could be changes in an environment and discovering better alternatives. Internal events contributing to stop using new knowledge are individual deviations in performance, when rationale for using particular practice is unclear for employees or when there is a precedent of negative effects of using new knowledge (Szulanski 2000).

### 2.5 Theoretical Perspective

In order to study the coordinative effects of routines as well as the process of replication of routines, we will first refer to the routines itself and define our perspective in analysing them. The academic literature about organizational routines has produced differentiated views of what routines are, how they develop and what is their role in organizations, which makes this task more complicated. One reason for this is the complex nature of routines and the fact how the term routine is still sometimes confused with individual activity, even though routine refers to collective activity. However, we consider that the differences in views, indicated by routine researchers, require us to define what is our perspective on routines in this thesis based on existing theory.
Feldman and Pentland (2003) claimed that the initial definition of routines by Nelson and Winter (1982) emphasised structure and did not address change and agency to the level they considered was needed to understand routines completely. However, their definition of routines is still highly similar, to the one formed by the interpretations of Nelson and Winter (1982). Nelson and Winter (1982) approached routines as an analogue of individual skills. According to the authors routines act as organizations memory, where organizational knowledge is embedded into the routines. Since routines are recurring events, Nelson and Winter (1982) considered them as recreation of past, hence acting as a source of stability and even inertia. Feldman and Pentland (2003) disagreed with the view of routines as a recreation of the past and instead they see routine behavior as a circle, where the ostensive aspect of routines is affected by the performative aspect, which creates change in the future performances of the routine. What is often not referred in routine literature and the interpretations of the work by Feldman and Pentland (2003) is that they too see routines as source of stability, not only change. Actually, neither Nelson and Winter (1982) rule out routines ability to change, but the change is seen as slow, incremental evolution of routines.

In this thesis routines are seen as defined by Cohen et. al (1996, p.683), who stated that “a routine is an executable capability for repeated performance in some context that has been learned by an organization in response to selective pressures”, which is an evolved definition of routines from the work of Nelson and Winter (1982). At the same time, we will approach routines as an analogue of individual skills as did Nelson and Winter (1982), in order to create a better understanding of the knowledge embedded in routines and how the tacit nature of knowledge affects the replication of routines. In analysing the process of replication of routines we will refer to Nelson and Winter (1982) who suggested that while replicating routines companies should use already working routines as templates to make the process more precise. Further, for knowledge transfer process stages the model suggested by Szulanski (2000) will be referred. Here we also want to clarify that knowledge transfer in our case is connected to replication of routines and transferring organizational knowledge embedded in routines.

Our main focus will be coordinative effect of routines in organizations which was pointed out by number of authors. As Cohen et al. (1996, p. 683) argue, routines are organization’s capacity to create collective action and they can “guide or direct an unfolding action sequence, that has been stored in some localised or distributed form”. Cohendet and Llerena (2003) see, that routines create predictability and sense
of regularity to individual behavior, essential for collective action. Nelson and Winter (1982) argue that to be able to coordinate through routines, much more knowledge is required than just the repertoire of different routines. As Nelson and Winter (1982, p.100) phrase “There is much more to “knowing one’s job” in an organization than merely having the appropriate routines in repertoire. There is also the matter of knowing what routines to perform. For the individual member, this entails the ability to receive and interpret a stream of incoming messages from other members and from the environment”. The individual members of the organization use these messages then to pick correct routines from their repertoire and through these interpretations the behavior of the whole group is affected (Nelson and Winter 1982). In addition to interpretation of signals, we will address the relation of contextual understanding and communication among member of the organization as presented by Nelson and Winter (1982) and the connections created through shared understandings of the routine (Feldman and Rafaeli 2002).

Besides the cognitive interpretation of signals from others and the environment, we address the motivational aspects of routine as a way to create coordination presented by Nelson and Winter (1982). The authors stated that routines can act as a truce, an agreed method of working, which would mitigate the effects of conflicting interests of individuals and the organization. With the cognitive aspects of interpreting signals in guiding routine behavior, truces can create sense of control in routines and effect routine performance. For this reason, we consider it mandatory to address the issue of truce to be able to give more complete view on the coordinative effects of the routines.

As stated earlier routines have been found to have coordinative effects in organizations (Nelson and Winter 1982, Cohendet and Llerena 2003, Jarzabkowski et al. 2012) although, in our research these effects will be examined during the replication of routines. We see the need to examine this effect during the new store opening and replication of routines, since in this case the usual context where routines are performed is changed.
3 Research Methodology

In this chapter we will introduce the research methodology of our study and the reasons behind it. It serves to present different stages of our research and all the methods we have used in order to attain and analyze relevant data. Our aim is to describe what we have done during our thesis work in order to study sufficient processes and answer our thesis questions. We will start the chapter by presenting the research design for this study and defining reasons behind choosing single case study. Next, we will exhibit how we conducted the fieldwork and collected the data. In the end we will conclude this chapter by describing our approach to writing the case and analysing the data.

3.1 Research Design

Our research design and methodology were influenced by three main authors whose works guided us during every stage of our empirical work. During the initial designing stage of the study we were influenced by Bengtsson (2008) and applied a very similar research design and methods for fieldwork to our own study. Our general approach to research was inspired by Becker (2008) and last but not least while writing and analysing our case we referred to the work of Van Maanen (1988).

After making the initial decision to study replication and routines we immediately started the quest for a research methodology that would serve as the most relevant to the chosen research area. From the very beginning we were interested in studying and mapping micro-level processes through which actors and actions shape strategy of replication. Studying processes were outlined as valuable and important by Langley et al. (2013) who state that understanding processes is integral for improving management knowledge. The authors state that process research gives the opportunity to address important issues that are central to management and organizational life. Examining process questions contributes to the understanding of emergence and change and at the same time stability. However, while number of researchers studied process questions, process studies have been generally underrepresented in practice (Langley et al. 2013). Our aim was to fill this gap and conduct process study in order to gain deeper understanding of our chosen research area.
Since, the aim was mapping complex processes featuring replication of routines qualitative research method seemed the most relevant. Our approach was supported by Maxwell (2005) who states, that qualitative research is appropriate when the research purpose includes the need to understand 1) meaning for the participants, 2) the particular context and 3) the process by which events and actions take place. In our case, understanding and mapping processes were crucial for the research area to be studied, accordingly, we considered that the qualitative research approach was an appropriate choice for the study.

3.2 Single Case Study

Our chosen research style was a real-time case study which enabled us to follow and describe processes. Case studies have been described by Eisenhardt (1989) as a “research strategy which focuses on understanding the dynamics present within single settings” (p. 534). Fletcher and Plakoyiannaki (2011) state that case studies take into consideration the environment characteristics, resource constraints, and cultural traits, and through these considerations, can provide in-depth contextual insight. A single case is suitable for clarifying relationships, building, and testing of theory (Fletcher and Plakoyiannaki 2011). We relied on single case study because, according to Easton (2010) single case studies enable the understanding of a phenomenon in depth and comprehensively. These aspects were exactly what we were aiming to do in our research and accordingly case studies were our natural choice.

3.2.1 Selecting the Case to Study

The aim of this section is to discuss the reasons and justifications behind the chosen research site. While selecting our case study we implied to the theoretical sampling suggested by Eisenhardt and Graebner (2007). Theoretical sampling means that cases are selected because they exhibit “extending relationships and logic among constructs” (p. 27). In other words they demonstrate and illuminate particular topic very well. To find this kind of representative case for our study we referred to the article by Winter and Szulanski (2001) which was one of our main motivators to study the chosen area. In this article, the authors argued that replicators, need to learn how to transfer complex and causally ambiguous routines and make them work in various contexts. Due to these factors replicating organizations clearly illustrate challenges associated with knowledge transfer and utilization and therefore, they are “a natural laboratory to study knowledge issues.” (Winter and Szulanski 2001, p. 741-742). Bearing
there were several reasons behind our decision and why we considered that this company would be representative for the research topic hence, suitable for our study. Stadium AB, is already well established and known within Scandinavian market including Sweden, Finland and Denmark. Naturally, expanding and replicating their concept were activities company practiced a lot. Due to this fact, we considered that routines and replication of routines were the processes in which the company could have a lot of experience. Moreover, there has been little research involving Stadium, which made the organization interesting for us to study.

3.3 Context and Actors

The specific case we studied was Stadium’s expansion in Hamburg, Germany and we conducted our research between 16-28 of March. We observed and participated in the building process of the new outlet and also followed the learning process and usual operations in already opened store. One of the barriers that we identified from the very beginning was our lack of knowledge of German. Even though both of us could understand basic German our skills were far from being enough for conducting a study in this language. However, this issue did not turn out to be problematic because almost none of the support personnel or even some of the Stadium Germany employees could speak the language and therefore, most of the activities were communicated in English.

Among the main actors in this study were support personnel consisting of Stadium employees from different stores and different countries. They were mostly from Finland and Sweden and one from Denmark. So, along with English all the different languages could be heard during this process. These aspects created a very diverse and international environment which was very close to our own background and made this case even more special and interesting to us. Other important actors were Stadium Germany employees and new employees hired for the second store in Hamburg.

One of the interesting features of this study and its context was that this was Stadium’s first expansion outside Scandinavian countries and in particular in Germany. Even though, the company
opened its first store in Hamburg already in September it was still not fully established and was in the process of development. Accordingly, our research was done in the context of building presence in a new market and in a culturally different environment. While conducting our interviews we also referred to the employees on different hierarchical positions. It is worth to note that initially, when Stadium opened its first store in Germany both country manager and store manager were locals although, after couple of months they left the company. Consequently, during our study all the employees on a managerial position in Germany were from Scandinavian countries.

In the end, the authors of this study were also the actors of the research and active participants in the whole process. We will present our individual roles in this study and our own background further in this chapter.

3.4 Initial Expectations and the First day at Stadium Germany

Before going to Hamburg we communicated our study area and aims to Stadium Germany. In this case, we referred to the notion of Langley et al. (2013) who argues, that questions concerning processes are not only interesting for academic purposes but also for management and organization interests because it features knowledge of “what works.” In other words, analysing and theorizing processes create know-how knowledge. Due to this common interest the company also took interest in our study and supported the idea. The information that we received from the company was that we were going to stay in Hamburg for 12 days, follow the building process of a new store, observe the teaching process of new employees and at the same time be a part of everything.

During our first day we had a scheduled meeting with the HR manager of Stadium Germany and the store manager of already existing store in Hamburg. Even though we have already had our own research design we did not know what were the exact expectations of the company by then. Accordingly, what we were looking forward from the first day was a short introduction, schedule for the following days and some kind of limitations. However, instead of limitations we got freedom from them and how we were going to do our research was mostly up to us. Therefore, we decided to follow our initial research design but also go with the flow and observe anything that would seem interesting to study at the moment of working. We were also ascribed to the individual roles according to our backgrounds which will be presented in the following section.
### 3.5 Fieldwork and Data Collection

In this section we will describe what we did during our fieldwork and what methods we have used to collect the data. The source of inspiration for our fieldwork and methods for collecting the data was Bengtson (2008). We used mixed methods combining observations including field notes and field recordings together with interviews, which was also suggested by Eisenhardt (1989) as effective data collection methods for conducting case study research. Moreover, this methods were also underlined by Langley et al. (2013) as effective in scrutinising contemporary processes in depth.

The study was done by using our real-time observations of how the new employee training was done, how they built up a new store unit in Hamburg and how the activities and routines were performed by local and support personnel during this process. This approach was largely inspired by Becker (2008). According to the Becker’s approach to a research, we focused on observing how processes took place and how routines were performed. The author argued that observing these processes proved to be effective for understanding and analysing research areas.

Overall we spent 12 days in Hamburg conducting our research and working on a new store opening. What was one of the most important and interesting aspects of our study was that we were not mere observers of the processes but also active participants in the whole new store opening. We considered that our involvement in the process would enable us to build interactional expertise and give us closer access to all the events, practices and routines. This approach of developing interactional expertise was an integral part of our study since, we shared the idea that researchers who are involved in practice know how to relate to specialists in order to understand what they know with all its content (Langley et al. 2013). That was one of the features Becker (2008) and Bengtsson (2008) used in their own studies which was inspirational for us. Therefore, we tried to be very involved in working on building up the store, learning the routines and performing them. In the following sections we will describe our methods and what we have done during these days in more detail.
3.5.1 Our Backgrounds and Roles

Organizational ethnographer John Van Maanen (1988) argued that in order to write an ethnography a researcher should have some level of understanding of practices, rules, concepts and beliefs of the group they are studying. Later, Pettigrew et al. (2001) also underlined the importance of engagement between researchers and practitioners in understanding the processes at micro level and creating knowledge. They argued that knowledge is not produced just from individual thought but also from “collective processes of networking, negotiation, interpersonal communication, and influence” (p. 705). Consequently, we found our engagement in the processes important for our research.

Moreover, our individual backgrounds created a very interesting and complementary match for this study. On the one hand, Juho had an experience of working in retailing industry and in particular at Stadium. He had worked as a sales person at a store in Helsinki for more than 7 years between 2006 and 2013 and he has worked as a financial assistant in the head office for more than 2 years. On the other hand, Ruso did not have any experience in retailing and was completely new for this area. In this case, Langley et al. (2013) argued that engagement of both insider and outsider authors enabled to refer to different perspectives and balance them.

In addition, our background was suitable to the roles we had in this process. The first week we spent in Hamburg was scattered between 2 stores, one was already opened store at Mönckebergstrasse and another was the new store in Altona which was in the process of building and was supposed to be opened during the last 2 days of our fieldwork. After the first day of introduction and interviews at Stadium’s central office in Germany we were divided between the two stores. Ruso stayed at the store at Mönckebergstrasse where she followed a teaching process of new employees and also got involved in learning herself. It is worth to note that when she joined this process the new employees had already been there, learning in the store already for one week. Juho joined the building process of the new store and worked mostly with the support personnel and his role was also to be a support employee.

For the second week Ruso also followed the building process in the new store, since the new employees were also supposed to work there in order to familiarize with the environment of the shop.
Last two days of our fieldwork we worked at the store and followed the first day of the opening and half of the second day.

3.5.2 Observations

One of our main methods of collecting data was gathering it through real-time observations. This real-time observations were captured by writing down the notes at the end of the day, which was complemented by recording working processes. In this case we referred to Eisenhardt (1989) who argued that one of the main feature of a research that aims to build a theory from case studies is regular overlap between data analysis and data collection. He further suggested that field notes have a significant role in achieving this overlap. Van Maanen (1988) also offered field notes as means of collecting data and defined it as continuous commentary to oneself about the sequence of events including both, observation and analysis.

We tried to write down the notes at the end of the day, especially during the first week. As we were divided in two store for the first week we decided to meet each other at the end of every day, sum up everything we observed and did during the day and also keep the diary of events. By making this notes we wanted to describe all the details we found important during the day. Field notes were complemented by recording most of the processes in order to go back to the conversations later and analyse it better. In that case, we aimed to keep track of every important detail that we might have missed during actual observation. Along with observation we were working with the personnel also and at this time we might not have noticed something important for our study and in this case we would have our recorded material. Ruso had the recorder attached to the belt and carried it during the whole time.

However, we had couple of challenges with recording conversations. During the first days it seemed hard to choose the right moment to turn on the recorder because the new employees learned by doing and sometimes we could not capture all the right moments. We solved this problem by leaving the recorder on during the whole day but this on the other hand, also created another problem since, in this case we had number of conversations not related to our work and big gaps between conversations. Another problem was ethical issue with recording conversations of individuals. Before recording anything we tried to communicate to everyone involved in the conversations that we
were recording for our study purposes. Moreover, we gave them the opportunity to refuse if they found it uncomfortable although, there was not anyone who refused to participate.

One more challenge with recording was gaining the trust of employees and avoid the image of a “spy.” Even though the reason of our involvement in the process was explained to the team walking around with an attached recorder created a little tension in the beginning. It took some time to gain the trust of everyone and not being perceived as “outsiders.” One aspect that helped us in this case was our involvement in the process. We were not observing the process while standing on the side, but instead we tried to find our parts and help in anything what was going on. Another aspect that helped us in building trust with the employees was spending our free time with some of the support personnel outside work. Having lunch with them and spending the weekend together helped us to build better relationship and eliminated the issue of being “outsiders.”

Our observations were focused on certain procedures, routines and actions. We observed the routines in a storage including unpacking, attaching price labels and alarms to products and placing products in the storage. Moreover, we followed the process of doing the picklist and working with a visual. We chose couple of support employees with whom we spent most of the time. Moreover, Ruso focused on working with one new employee Iven who was supposed to start working in the store in Altona.

In the end, our observations were also complemented with photos to better visualise all the work that was done. Even though most of the processes were communicated in English, one of the advantages of our observations was that Juho could communicate in almost all the languages that was heard during the activities. He could talk with Finnish supports in Finnish while he communicated with Swedish personnel in Swedish.

### 3.5.3 Interviews

We used interviews as one of our data collecting methods as well. All the interviews were done while we were in Germany and we interviewed eight employees on different managerial positions. Our first interviews took place on the first day and it was combined with the introduction stage. The first respondents were the HR manager of Stadium Germany and the store manager of already opened
store at Mönckebergstrasse. Starting our fieldwork with these general interviews about the whole process was a good eye opener to get the whole overview. During the next days we scheduled interviews with other employees including storage manager at Mönckebergstrasse, sales controller of Stadium Germany, store manager of the new store, person in charge of the build-up, the person in charge of the visual look of the store and the person and the person in charge of the store.

We tried to include everyone who we thought could somehow contribute to our thesis work. Most interviews turned out quite relevant for our study however, there were some which was hard to apply to our case. The questions in interviews were presented to respondents in a semi-structured fashion to offer the interviewers and the respondents some room for discussion and still offer comparability among respondents to some extent, despite of the qualitative nature of the study (Bryman and Bell, 2011).

3.6 Writing the Case

The greatest challenge after coming back from our fieldwork was to embark on writing a case out of the collected data. Our empirical work data was rich with details and number of different aspects, so we had difficulties in deciding where to start and on which parts to focus on. We were especially concerned with writing the case because in order to generalize and make the theory out of process study one should create a generic story (Pentland, 1999). According to Pentland (1999), narrative could be especially significant for analysing organizational processes.

By writing the case we wanted to describe the experience from beginning to end and engage readers in the story in order to enable them to follow the process of identifying problems. In this task we referred to Van Maanen’s (1988) suggestions on writing ethnography. We tried to describe the development and progress of events in detail. To fulfill this aim first we have referred to the notes we had made during our fieldwork. Second, we went through the interviews to enrich the material and in the end, we tried to listen to some of the work conversations we recorded.

The learning process at Stadium Germany was written according to the interviews to various employees. While writing our individual case stories we referred to Van Maanen’s (1988) suggestions on
writing ethnography. We used the combination of realistic and impressionist tale writing style. On the one hand, considering the features of a realistic tale we tried to write mundane details of our studied research style in order to engage readers in the world of retailing. On the other hand, since we were participants of this process we also referred to impressionist tales and tried to describe our stories the way we saw, heard and felt.

3.7 Data Analysis

One of the guiding principles of our study was Howard Becker’s (2008) suggested approach to a research, which implies continuous dialogue between empirical data and theory. Even though, our broad topic of interest, routines was clear from the very beginning we kept this topic open and did not narrow it down before conducting the fieldwork. Moreover, our analysis was also continues dialogue with the data collection. Eisenhardt (1989) pointed out that this overlap between data analysis and data collection gives researchers a good start in analysis and also enables them to benefit from flexible data collection and this freedom to make adjustments during the empirical study is a key characteristic of building a theory from case research.

Eisenhardt (1989) further states that analyzing the data is the central part of building a theory from case studies but it is also the hardest part. Challenges pointed out by Eisenhardt (1989) describes the difficulties we also came across and tried to overcome. According to the author, the difficulty is mainly due to the fact that case studies describe research context and data collection methods in detail which leaves little space for analysis and discussions. The author further elaborates Miles and Huberman’s (1984, p. 16) view on this issue: "One cannot ordinarily follow how a researcher got from 3600 pages of field notes to the final conclusions, sprinkled with vivid quotes though they may be."

However, Eisenhardt (1989) pointed out main features of this type of analysis. The first key feature is within-case analysis which is driven by high volume of data and this high volume of data is because of the fact that usually research problems are open-ended in case studies. Within-case analysis includes detailed exhibitions of research sites and processes, which are mostly simple descriptions, although integral for forming insights. This notions also applies to our analysis, this descriptions within our cases which were based on our observations were the main guidance in analysing the data and creating the discussion. Further, our observations were analysed according to the theoretical
perspective presented in the chapter 2 and conclusions were made based on that. Due to the importance of narrative for our study and analysis in particular we would discuss it in more details in the following section.

3.7.1 The Importance of Narrative for Analysing Data

In our case study narrative was more than just a data and for that reason we find it important to refer to Pentland (1999). She suggested that narrative provides more than describing characteristics of social world, it is rather “constitutive of the social world” (p. 716). The author further refers to the notion that “people do not just tell stories, they enact stories, and these stories provide legitimacy and accountability for their actions” (p.716). Pentland (1999) also implies that stories give meanings to the events, actions, and processes. Since, narrative includes sequence and time it can develop process theories and explanations - “narrative, can be fruitfully used to create an alternative paradigm for empirical sociological research, in which processes, events, actions, and agents are at the center of the analysis” (p. 717). Our aim to write this type of narrative was to describe processes in details on which we based our discussions. With this being said we will further continue with the following chapter presenting the case study itself.
4 Case Study

This chapter serves to present the case study - the story of our experience, describing most of the relevant processes encountered during our research. First, it will start by introducing Stadium AB - the company we studied, which will be followed by presenting the teaching processes at Stadium. Further, the case will be continued by providing the individual stories of the authors, describing the processes from two different perspectives, one of a new employee and another perspective reflecting the story of an experienced worker. The aim of narrating our stories is to engage readers in our experience and enable them to have a closer look at retailing business and make alive the whole feeling around new shop opening. We believe this will support our readers in understanding and analysing the processes comprising replication of routines.

4.1 Stadium AB

Stadium is a Swedish sports and sports fashion chain retail company, which has its origins at Norrköping Sweden. The company was founded 1987 when Stadium opened its first store in Stockholm Sweden from the roots of another sports store Spiralen Sports, ran by brothers Ulf and Bobo Eklöf. The company has grown to the largest sports retailer in Nordic countries measured by revenue and the company is starting its expansion into central Europe (Stadium 2015).

Besides Sweden, Stadium has Stores in Denmark and Finland, where the company expanded in 2000 and 2001. The newest market expansion happened in fall 2014, when Stadium opened its first store outside the Nordic, in Hamburg Germany. During this research Stadium opened its second store in Hamburg, which is another step for Stadium’s Northern Europe expansion plans. Stadium has different store concepts and few subsidiaries such as Stadium Outlet and Stadium Sports Camp. All the country organizations are subsidiaries and belong to the Stadium AB group that is lead from Norrköping Sweden, the place of origin where the company headquarters still exists. The subsidiaries of Stadium AB are presented in figure 2. The total combined revenue of Stadium during the annual budget year of 2013-2014 was 6,3 billion Swedish Kronas (SEK). In total Stadium has over 3300 employees and over 150 stores (Stadium 2015).
Stadium Germany was founded in 2014 and the first store was opened in the fall 2014. After the opening major changes happened in the country organization’s management team, when both the country manager and the store manager were replaced after working only for couple of months. Replacements have strong experience from Stadium Denmark and have tried to create more “Stadium”-like atmosphere into the organization. General feeling was that the first opening could have been organized better and especially the training of employees and the employees attitude had been a recent question within the company. Thus the organization provides perfect conditions for our study, since the training and the replication of routines is in the focus of the organization.
In the fall 2011, Stadium presented the updated vision and revised values of the company. The vision answers to the question, why the company exists and the chosen values are to be seen in everything that the company does and participates. The values were given a title; “High Five”, which presented below (Stadium 2015). When we are talking about a certain “Stadium feeling”, or a “Stadium way”, we are referring to the interpretation of these specific values and the atmosphere created through them.

**Stadium’s vision**

"Activate the world"

**HIGH FIVE - Values of Stadium**

- **Energy**

  *The More Energy you have, the more successful you are*

- **Team Spirit**

  *Talent wins games, teamwork wins championships*

- **Improvement**

  *If you always want to get better, you are on the right track*
- Cost Consciousness

Small savings enable big investments

- Simplicity

If you make it simple, you make it right

4.1.1 The Teaching Process at Stadium Germany

Usual teaching process at Stadium starts with a trip to the head office, which is located in Norrköping, Sweden. This introduction trip is for new full time employees and serves to introduce them to the way of working at Stadium and also to get to know each other. In addition, the introduction phase generally includes working in an already existing store. In the case of new employees for Altona store the process was very similar. The introduction started with a day with store manager, HR manager and sales controller in Hamburg where they were introduced to Stadium and its core products. Afterwards, the new employees had a trip to Norrköping and this time, along with full time employees there were personnel who was going to work 80% of the time as well. After coming back from the trip the new employees started working at the already existing store in Hamburg, located at Mönckebergstrasse.

This last aspect was different from the first opening in Hamburg because most of the new employees of Mönckebergstrasse store did not have the opportunity to work in an existing shop since, by that time the store on Mönckebergstrasse was the first and the only store in Germany. Only store manager, visualist and one of the full time employees spent some time working in Sweden. Moreover, the sales leader was from a Stadium store in Sweden and had 4 years of working experience. Otherwise it was the same introduction trip but the rest of the time employees were participating in building process of the store and in the meantime learning from supports.

At Stadium Germany support personnel is seen as a very important part of a teaching process as well. New employees go in the store with the supports and mostly they are involved in learning by doing. Having an experienced employee near so new employees can ask them questions and watch how they perform routines is considered as important part of learning. Moreover, this time in Altona, supports were asked to teach about the products and customer service at Stadium as well. After
the time spent in an old store with supports, new employees joined the buildup process of their own store 4 days before the opening. There, they teamed up with sufficient support employees who were going to show them around their respective departments. Therefore, for example, the new employee who was going to work in the shoe department was working with the support who was in charge of building up the shoe department and this way they had some time to learn the routines from the supports.

The HR manager of Stadium Germany outlined some of the challenges incurred during the teaching process. One challenge is that new employees should follow every detail of routines step by step without omitting any element, which is sometimes hard for an experienced employee. Another challenge is associated with Scandinavian way of working, according to the HR Manager “hierarchical way of dealing with things in Germany is totally opposite to the Scandinavian style.” That was also the main difference outlined by other managers and that emphasis on hierarchy in Germany mostly clashed to the flat structure in Scandinavian countries. Due to this difference, miscommunication could be tracked between the local employees and overall organization. Accordingly, the company has to take into consideration how to present their way of working in a way, which will be effective in Germany and will not cause negative attitude among the local employees. “We need to take the Stadium way and the German way and try to make them work together, …it is not possible to transfer everything directly.” -said the HR manager.

However, as she further outlined “We want to get the same Stadium feeling here, even if in every country there is of course some differences in culture, we still want the Stadium way to be the same. And that’s not only the way we think but also routines, how we do it” and in this case the role of supports is very important according to her. Supports should have a great role in transferring all the routines, which is prominent part of Stadium’s operations. Apparently, what is vital for achieving this goal is to communicate their role to support personal clearly, so everyone is aware of their goals in the process of establishment and teaching. In the end, all the managers outlined that it takes at least one full year and experiencing all the seasonal changes to accomplish the learning process.
4.2 New at Stadium - Case Story of Ruso

Getting Started

After the first introduction day and the interviews at the head office of Stadium Germany it was finally decided that Juho and me would spend our first week separately in different stores. Juho was going to join the support team in building up the new store in Altona and I was going to stay at Mönckebergstrasse to follow the processes of teaching new employees and to get involved in learning myself. Every employee was already informed that we were going to be there and join them for our research the day before at the morning meeting, so everyone was aware that we would conduct the study during this process. I did not receive any schedule from the company and I was granted the freedom to follow any employee or process I considered important. Even though, I did not have a schedule for myself I had a lot of different schedules for all the new employees and I had an overview of what each of them were going to do during the week.

Following the given freedom, Juho and me discussed which routines and processes we were going to focus on once again at the end of the first day. Since, I was going to start my experience from storage room I had couple of relevant routines to focus on there. I was going to emphasize on unpacking the products and also observe how the teaching process of the routines was conducted. According to Juho’s advice doing the picklist was also one of the most important routines of the store and he considered it as a good idea to participate in this process also. Picklist sounded unfamiliar to someone without working experience in the retailing but as he explained later, it was a usual activity performed in every store in the morning before opening. The process involved filling up the store according to the list of sold products the day before. In order to reach these goals and follow the performance and teaching process I decided to pick one of the new employees and one of the support employees and spend most of my time with them.

Next day during the breakfast Juho gave me last advices and recommendations about store life, in order to be more aware of the environment. After that, we went to our separate ways, which meant that I would not have the support of an experienced partner anymore and I was going to find myself into the unknown environment alone. In this case, everything depended on me and I was a bit nervous about that. I immediately went to Mönckebergstrasse, which is one of the biggest shopping streets in the old town of Hamburg.
The Stadium store was located right next to the city hall in a very noticeable and central area. The store looked a lot bigger than Stadium stores I used to know from Sweden. The door to the office and storage was right behind the main entrance of the store where new employees where already gathered in a queue to get inside. I joined them already there and together we entered and started to prepare for working. I attached my recorder and decided to join everybody and go downstairs in the stockroom. The whole office and the store were full with people including the store employees, new employees and support employees. Therefore, it took me a while to get downstairs while I was introducing myself to everyone. Besides English one could have heard German, Swedish, Finnish and Danish and this international environment was the main feature throughout the store all the time.

The stockroom was also quite big considering the size of the store and it was full of boxes and different products. Along with all the usual working processes one extra elevator was being built in the storage, which was supposed to be bigger and complement the current one. Therefore, the busy environment was also accompanied with the building and renovation of a new elevator. Employees looked very busy with their occupations and actively engaged in the process and no one seemed to have any extra time for me, which meant I had to find my own way. At first, I was confused but since, I had a meeting planned with the storage manager Nina later that day and also, I considered some of the most important routines that I would like to observe might have been her responsibility, I decided to join her. We already knew each other from the day before therefore, I simply approached her and asked if I could help in any way. My question was followed with a simple “Yes, you can start with unpacking.”
Mission – Unpacking

At glance, unpacking sounds and might seem like relatively easy task however, I was watching at the boxes and did not really feel confident about what I was going to do. Meanwhile, some of the supports were also unpacking and did not look as uncertain as me. They were having general conversations not related to the particular task because everyone seemed to know what they were doing. In order to get started with my task I had to ask a lot of questions about how unpacking of each and every product was done. All these details might have been obvious for the supports but for someone as inexperienced as me it was not as clear and needed an explanation of every detail.

As I found out by asking questions to supports and Nina, almost every type of product needs individual approach. Some of them should be folded and some of them should be hanged on hangers. Moreover, there are several different kinds of hangers and each is used for particular kinds of clot-
hes. Further, clothes need to be sorted according to size and color and weather they are kid’s, ju-
nier’s, men’s or women’s products. Besides, some of the products need to be alarmed or the new
price labels should be attached to them if they are on a discount. Those were some of the details
new employees and I learned that day.

Most of the time we were asking questions by our own initiative and then supports were trying to
explain them to us step by step and they also tried to show us how they performed those tasks. All
these details seemed very simple but it was difficult to perform them without the knowledge and if
we missed some aspect that could have complicate and slow down the whole process. There were
times when I actually got carried away with performing tasks like a new employee and forgot that my
first reason for being there was observing processes but after couple of days of experience I devel-
oped my multitasking skills better.

During the time of learning I met a new employee Iven who was going to start working at the Alto-
na store. He had ten years of previous experience in retailing and he was quite a fast learner. We
spent most of the time together performing the same tasks with some of the Swedish and Finnish
supports and questioning them all the time. Occasionally when supports were teaching us, they were
also discussing how particular job was performed back in their stores and mostly, the performance
was very similar so, they did not have to discuss how each and every task was done between each
other. I also found out that Iven was going to join the picklist process next morning so I decided to
join him as well.
Picklist and Visual Check

Next morning at 8 a.m. picklist teaching was planned for some of the new employees. We were given lists of the products sold the day before and each of the new employees was assigned to their own area according to the product type they were looking for. We were given very short instructions after which we received freedom in performing our task.

Like I planned, I joined Iven with picklist process. The challenge both of us incurred was that the products had their individual names and also individual numbers but in the storage they were put in a particular type of product area. However, within those areas if one did not know exactly what product he or she was looking for it was very hard to find it because they were not sorted according to their individual numbers. However, we tried to find as much products as possible and later asked old employees to help us. It was relatively easy for them to show us where each product was supposed
to be. After finalizing the picklist we did not have any further plan and Iven suggested to find ourselves more work. We started the quest for more work and the rest of the day I spent helping Iven in performing various tasks to prepare products for the big opening.

Next day was my last day at Mönckebergstrasse and as usual I arrived at 8 and I knew that they were expecting a delivery because Mondays, Wednesdays and Fridays are the usual delivery days for the store. However, when I arrived the table, which is usually full during delivery days was completely empty and when I asked Nina what was going on she explained: “The delivery was supposed to be here half an hour ago but it has not come yet, so I’m waiting.” Then I realized that this “empty space” was very temporary and soon everything would have been full with boxes and plastic bags again. Considering the busy situation I volunteered for doing the picklist, which I was going to do alone since, the new employees were not there yet.

When new employees arrived picklist was done but the support employee from Sweden was going to teach us how to do the visual check, which was supposed to be complement to picklist in the morning. Visual check was the process of trying to see the store in customer’s perspective. Besides the fact that the physical layout should look nice there should always be the right amount of products arranged in a way, which looked just right. Of course the “right” look has its rules but it required a lot of initiative and decision making from employees. During this check we discovered that some volume products were not fully represented or some products could have been arranged in the store better. It was really natural for the support employee to improvise and change the way products were located in the store so they looked good. However, we had hard times changing the layout by our initiative.

A Day at Altona with Iven – The Influence of Routines

For the next week new employees and I joined the support personnel at the new store in Altona. The main reason for it was that the new employees would get to know the environment of the store they were going to work and also, to participate in finalizing the build-up process. I continued spending most of my time with Iven and together we helped in building the essentials department.
During this process we found out that the number of T-shirts for men was too much in the store and we needed to take some of them in the stockroom. When we went to the stockroom Iven noticed that the T-shirts were not arranged in the same way as at Mönckebergstrasse. At Mönckebergstrasse T-shirts were put on the shelves in a way that made it possible to see the labels, so when employees tried to look for a particular size it was easier for them to find it. Iven immediately noticed that something was different and wrong in the storage: “These T-shirts are not arranged as they were at Mönckebergstrasse, you can’t see the labels here, do you think we should change it?” I thought that would make sense to change it so it would be easier for the new employees to find products later on and also, it would have made it similar to the way it was done in the store where we have learnt. So, we just rearranged the T-shirts according to the Mönckebergstrasse layout.

Details Matter - Downsides of Experience

During the last two days of the building process, right before the opening the new employees had days off. Accordingly, it was just the supports, Juho and me in the new store and we were performing final activities just before the opening. It was the first time I worked together with Juho and we helped in building the shoes department. Together we were asked to alarm the shoes and put some of them on a display. Just by hearing “Can you alarm the shoes?” Juho already knew what he was supposed to do, while for me it was still not clear what I should have done in this case. Therefore, I started to ask a lot of questions, inquiring all the small details of the process; which pair of shoes should have been alarmed, which shoe was going to be put in the box and which was going to be on a display and all the small steps which was natural routinized activity for experienced employees.

When we finished alarming and put half of the shoes on a display and half in the boxes one of the support employees asked me to get a cart to transfer all the boxes to the stockroom. I went to the stockroom and found a cart that looked like a perfect cart to me but when I delivered it I found out that for shoe boxes employees use completely different cart which is more effective for transferring boxes. Support employees did not need to explain this to each other but I needed more description of details in order to get the right cart.
After organizing all the small details of the store everything was ready for the opening. Since, the company had special offers and discounts for the first three days of the opening we expected a lot of customers. Accordingly, everyone was supposed to be mobilized and take part in the process. I was going to work in the store and support at cashiers’ to pack the products, which was my very first experience of working in a shop. What I found important during this time was having someone experienced around, this way, in case of unfamiliar situation I was able to refer to them, ask questions and seek support and thus learn how to handle particular case. I found this aspect even more important when I worked with the new employees at the cashier which was not very effective and helpful in terms of learning or handling the process, because when we incurred challenges we did not have any experienced employee to refer to. Therefore, solving problems and learning how to perform correctly took more time then it would otherwise take by working with the support employees.

4.3 Back in Business - Case Story of Juho

Welcome to Altona!

I had agreed that I would be working alongside the supports in the building of the new store at Altona, which could give us insight of the difference of routine performances between the old and the new employees, when they all would be in the same space the opening week. My first day started at 8 o’clock as agreed beforehand with the person in charge. When I checked myself in at the store’s building site, the day turned out to have a major twist compared to our plans, since most of the support personnel working with the new store building were actually visiting the existing store at Mönckebergstrasse.
The only two people working in the new store space were the new store manager and a long time store manager from Finland, who was at Altona to train and aid the new store manager. I started my day with the store manager support from Finland, who I knew before, by going through the store space and he gave me a status update on which stage the store building was. He noted that the building of the store space was actually ahead of the schedule they had planned and the day was going to be a bit calmer one. Right at first glance the store felt a lot more “normal” Stadium store than the one at Mönckebergstrasse, that we had visited during our first day. There were no brand specific shop-in-shops and the store seemed like a smaller one in terms of size and the assortment. The store manager from Finland said that the building process had been rather easy for them so far due to the fact that the store space as a physical space reminded so many stores the company had built before. Almost all the Stadium interiors were in their places but most of the products were still missing from the view. The products that were on their places, were already sorted by size and put out to the store as they would be when the doors would finally open. Also the store’s “back room” storage was sorted “the stadium way”, by collecting certain type of products together. Despite all the work already done, there was plenty left to do before the store would be ready for the first customers.
The Experts In the Store

The second day all the members of the Altona support crew were present at the new store. The support team’s task was to build the store ready for the opening and organize the store in a way to make it as easy as possible for the new employees to take over. Meanwhile, other support personnel would train the new employees in the existing store at Mönckebergstrasse and the building crew would do only small parts of training just before and after the opening. The team consisted of experienced Stadium employees from Sweden and Finland who most of them had experience from other store openings as well. There were still few supports for whom this was to be their first store opening. All the support members had their specific areas or responsibility in the building and for most of them the tasks were pretty similar to what they had done in their respective stores as well.

The building consisted of several simultaneously on going activities. By the time we started our research the supports had been working already for a week and the store had started to form its initial shape. The construction personnel had installed most of the interiors and the otherwise empty store space was ready to be filled with products. Almost every day the store received a huge delivery of products from the central distribution center. During some days there were even more than one delivery. The products were mostly sorted by what type of products they were, which made the un-
loading process vastly faster. The basic workflow for a building day was to unload the delivery and simultaneously build the store sections as the goods came into the store. For the building to be time vise effective, the supports needed to have a broad knowledge over activities not only related to their own sections but others as well. Since the delivery flow really intense at times, it was crucial to be able to unpack the deliveries as fast as possible to make space for new pallets to be processed.

Despite it being a building process, the activities involving in the building are really similar to working in a store. It really reminds of the routines when the store receives new products and hence makes it rather easy for the supports as long as the store space and storage spaces are planned well. How unpacking is done, how products are placed to the store and storage, how price labels and tags need to be checked and printed, it is really all the same what it would be in an existing store. After I realized this I felt that I might actually be of use during my time in the build up and this revelation helped me to understand how the supports were able to work so efficiently.
Just Like Before

It had been over 2 years since I had worked in a store the last time. Even though I tried to make this quite clear for all the supports, most did not give me hardly any special treatment in the building process and rather treated me like another support. There were times when I felt that they might have just been testing whether or not an accountant could do any practical work. For my own and perhaps others surprise, I still really could do my own part.

The unpacking of daily delivery was my first chance to reflect the memories of the past. While unpacking the goods, certain type of products were put into specific clothing hangers, same style of clothes were folded the same way and shoes were sorted to the storage, by their type and avoiding similar boxes right between each other. My knowledge from the time over 2 years ago, still aid me to contribute properly. I felt that I had this. However, simultaneously it all felt rather strange for me.

The same knowledge that I possessed from the time over 2 years ago was still as valid as ever. The changes in terms of the unpacking daily delivery were really small. Of course the assortment and the products had changed to some extent and there were some steps where some steps were no longer needed, such as printing out price labels for every product and checking all the products manually to the stores storage account, but in terms of how the products were processed in the unpacking, not much had changed.

What I found interesting was that the routines came back to me really quickly. All I needed was to do something once or twice, or ask one question to just make sure I knew what I was doing and I was good to go. Few times I followed what others were doing, because I somehow felt insecure if I was doing everything right. To my surprise, people around me were doing the unpacking the same way I was and my confidence kept rising. The level of similarity in the performances of supports from different countries and stores and even myself was eye catching. I had not worked a single day in a Stadium store outside of Finland before this and here I was in Germany, working with a Swede, after over 2 years, and we were working almost exactly the same way.
“Honys, Ponys and Pumppukärry”

The language used in the store site could be described quite unique. The joint used official language at the building site was English, since not everybody could speak Swedish, Finnish or German, but the English used included words that one does not learn at school. As a Finn living and working in Sweden, I was not used to hear Swedish people to use Finnish words that often. When I first heard someone from the Swedish supports to ask “Can somebody put one pumppukärry into the elevator?” to the walkie talkie, I felt honest moment of shock and disbelief. Pumppukärry is a Finnish translation of a pallet trolley. During their time already spent at Altona, the support had not come to complete agreement of which English word would be the most suitable to be used from pallet trolley, so they had adopted the Finnish word, because apparently it did sounds fun.

The other odd words one could hear during a day of building were “hony”, “pony”, “trestell”, “plexi” and many other similar words that did not exactly have their normal meaning, if there was even one. All the four examples are certain interior materials used in a Stadium store. “Hony” or a “Horse” means a long, two level metal bar on wheels, when “Pony” is one shorter and thicker metal bar on wheels, used to put clothes in clothing hangers on display. The amount of specific Stadium knowledge needed to understand the used language was overwhelming at times. I could not help myself to wonder, how hard it must be for someone new, to just understand the given instructions or requests when it includes a word “hony”.

For the supports building the store, these weird names however were not a problem. In fact, it felt like as if they knew the specific name for everything that made it easier for them to address the correct item that they wanted to. Even if the official language at the building site was English, I would have rather said that the language was Stadium.

Do Not Say More

The language used might have sounded strange in my ears, but in fact the sentences used were really compact and efficient. During my time at the Altona store’s building process it was easy to notice how short the questions and instructions among the supports were. At first I thought that this had something to do with the fact that the supports were from different countries and were unable to
use their native language in all situation but after following the supports for a while I noticed this happening even when communication was done in native language.

As an example two supports were planning on what to do next at shoes section. This planning process can not really be called as discussion since merely few words were exchanged during it. "Do you fix the sneakers and I will fix the football?" "Cool, I'll fix the labels as well". When I heard this I just kept thinking that how on earth should a new employee understand this and how much more detailed instructions would have been needed to give enough information for a new employee to be able to do the same tasks. The “fixing” of a specific shoes sections contained multiple different tasks. The first task was to go through the shoe wall to make sure all the available models were on the wall. The shoes are organized on the wall in a specific way, always having the right shoe of the pair on the wall. The wall is checked by writing down all the models found in the storage, which are organized by their shoe types to be easier to find while serving customers. While putting the models to the wall the product number is written to a piece of paper so that a price tag can be printed out from an internal price tag database. The price of the shoe is also written into the paper piece to make sure that the price is equal to the one in the box. Then the price tags are printed out and cut to match the plastic tags and the shoes are organized at the wall to match Stadium’s sales manual.
To know all this, the person doing the check needs to have the knowledge over this whole process. For a new employee this kind of process would require a detailed list of instructions to conduct and would require a lot more time. By just using the phrase “Fixing the football” the experienced support personnel was able to do all this, since he had done this before and knew the tasks involving maintaining the shoe wall.

Because the task required so much information I started to realize how the supports were able to communicate truly. Since all of them did not share a native language and the level of English that people had felt like becoming a problem in some events, the information still got through, even when the correct words were missing. Due to the fact that the supports had such a firm knowledge over the routines, all they had to be able to communicate was to point the correct routine. Like in the shoe example, there were no detailed instructions but rather just a statement which routine should be done. The highly contextual nature of this type of communication made me wonder how such detailed tasks could be taught to people without prior knowledge, without missing key details involved.

Not all communication was even verbal. In some cases it felt like the supports were able to predict what the other person was going to do next. To continue with event of “fixing the shoe wall”, not both of the supports needed to print the labels. The other support noticed that the other had not started to print the labels for his section, and without any words exchanged, he took the made list of shoes for both sections and printed and cut them. Based on a quick glance at the shoe wall section, he made a decision of doing that part of the activity for both of them and not in any point was there confusion from either party that what the other would do. It was as if they read what the other person was going to do, and interpreted what was already done and identified the stage in the process. Similar interpreting of people’s actions was constant in the building. Through them the supports knew how to help out each other, predict what needed to be done next and for all this, only few words were needed, if any.
Socks, Underwear and Decisions

At Stadium the employee is expected to know how the basic tasks are done and how to adjust the skills needed in those tasks into different situations. Employees are expected to be proactive and take initiative in many forms but as I experienced, in fact the required amount of knowledge to do that is rather high.

When I was working with a Swedish support in building a Race Marine Essential lifestyle-clothing sections I faced surprisingly many situations where I needed to make a call on my own. Even though the tasks itself felt simple, I needed to make surprisingly many decision and think how I was going to complete them. One of my first tasks was to build sock-boxes. Socks are an important visual sales product for any clothing retailer and they have to be placed in a store in an appealing and self-selling way, since customers hardly ever want help in their sock purchases. Stadium uses metallic boxes to place the socks in, which are usually located near the cashiers or lifestyle clothes. The task sounds really simple, unpack boxes containing socks and fill the box, simple. The box however needs to be filled in a way that all the sizes and colors are easily available for customer and make the box simple to refill after daily sales. Based on my former experience, I started to fill the boxes and placed the extra socks at the back room storage. How I chosen the distribution between different sizes and colors was left all to me as well as which sock models I found to be best to put together. For my surprise my work pleased the support worker and I had succeeded. However, I can honestly say that taking those decisions of how to place the socks, took a quite some time and I even re-arranged two of the boxes completely after finishing them the first time.

What I noticed by observing the supports was that they were really fast making decisions and make changes if it came to it. Decision making looked really easy and even simple from an outsider point of view. Their experience gave them more room for their own thinking, even though controversially they were following the organization's’ way of doing, not their own. Many visualistic details at Stadium are dictated by Stadium Visual Sales manual, a guide book including the rules how the company wants the stores to look like. Nevertheless in most cases the generalized manual cannot be applied due to differences in store spaces and hence the employee needs to make decisions independently.
I experienced this as I was building a section of men’s underwear. I had about 20 boxes of underwear and an empty wall. The instructions that I got were following: “The boxers go to the wall in spikes. They should be sorted by colors and sizes but the space probably is not enough for that. Improvise and make it look good”. And then I started to work. To be able to follow the visual sales manual to extent that would be demanded, I needed to compromise in the amount of products available on the wall. We had not received all the sizes from all different colors that should be included in a normal selection and made my calls during building the wall. It is not only needed to know how the manual determine the way products should be put on display at the store, but it is needed from an employee to know how to apply that knowledge into a specific store space. As the person responsible of the store looks in the building said; “the visual sales manual gives aid with how to plan the sections but it is the person and experience that actually builds the sections”.

**Plan, Discuss Or Just Do It?**

One day few people from the headquarters of Stadium came to see how the store was starting to shape out. One of the sections that started to look quite ready was the action sports that was combined with training bags. The support responsible for the section had had a problem with the section. He was not quite sure if the current plan was working and asked for advice from a colleague support. The person giving advice told the support that he should change his plan and just do it this way. The support disagreed with the decision but because the decision followed more closely to Stadium’s guidelines he obeyed and changed the section. Later during that day when the section was almost changed completely, person from the headquarters stated that the section wasn’t working in this space and it should be changed. The support explained his earlier plan and that was found to be the next thing to do, again.

The cultural difference did not become an obvious issue many times but this sure was one. The Swedish way to plan and discuss with other people, before taking action seemed like a waste of time for some of the Finnish supports, who favored more direct action, rather than further discussion before that. The actual task is to build the respective section based on the products available and rely on the expertise of the worker to make it work and follow guidelines. In this case some further discussion over the matter might have actually been more time efficient way to go.
The cultural differences, even though they were not an issue most of the time at Altona, were only one form of resistance and desired change towards the way the company wanted things to be done. In this sort of disagreement situations, whether or not among other employees or the company’s view and the employee the company’s way came on top. This was most visible at tasks that people found unpleasant or uninteresting. Alarming the shoes was one occasion this occurred. Alarming 100 pairs of shoes is an enjoyable task for rare, but since it is supposed to be done, the support initiated the task despite of it. What I felt was that such tasks give very little room for discussion over them, especially while doing them. Since, the tasks done by supports seemed like something almost automatic, they were mostly first completed without arguments and the complaining was left for later time. Keeping personal feelings as their own information, was discussed as an important factor in terms of showing example and teaching the new employees.. The supports felt that by expressing their negative thoughts over an activity or the way it is done, could influence the way how the new employees would think of it, possibly resulting as not ideal performance.

Final Adjustments

A Few days before the opening new employees arrived at the new store. The building was almost done, but there were still some deliveries coming in and some adjustments to make. By this time, I had become comfortable at the shoe section. I did not had to ask what to do and instead I could just see from the situation what to do next and how I could help. The impression that the supports had was that the employees should already know the basic skills and have good knowledge over the activities at shoes section and today’s agenda was just to go through them the section, the storage and do some rather simple, time consuming tasks that still needed to be done before the opening.

I followed two of the supports giving a tour at the shoes section and the storage. First the supports told how the storage was divided among different shoe types and tried to explain the logic behind it. Since all the storage spaces, just like the store spaces as a whole are always slightly different from each other which made the learning curve more challenging for the new employees. They had only seen the storage at the existing store and did not feel 100% comfortable in the one at Altona. It showed as uncertain questions about where and why are certain models were and how one could find a specific model for the customer the fastest. The supports attempted their best to describe the tasks involving the shoe wall and the storage, but the response was few questions and uncertain silence from the new employees apart. One factor that might have affected their response was also the
fact that they were having the first day in their future working environment and that could have created some extra nervousness.

Then the new employees were put into work. One of the supports stated that the shoe wall needed its last minute fix and there were some shoes that took too much space on the wall and thus put back into their respective boxes and there still was some paper stuffings in the shoes, that the support explained would cause unnecessary trash and work during the opening, so they had to be collected away. The instruction were really detailed and the contrast to the discussion the other day among supports was quite clear. While fixing the shoe wall, many questions aroused: “Where is this model?” “Should this be a different size?” “Do I also need to fix the laces?”. The support answered the questions as they aroused but that was natural and like the support stated “a natural and actually a good sign that they want to perform well and do it properly from day 1”. Maybe even more discussion should have been had, since after the new employees left home and supports and I stayed to make last minute touches we still found papers and shoes without boxes. Afterwards the supports discussed this between each other and they seemed a bit irritated about the fact that some papers were left into the shoes on the wall. “I know it is not a fun task, but it is something that just needs to be done.”

After the Doors Opened

The opening day and the day after were our chances to see all the employees in their work. The opening is always a special day in a retail outlet due to special offers and above average visitor count, which puts even the most experienced employees’ stress levels into the test. The doors opened after pep-talks from the CEO and the store manager and the doors were open. After that it was time to see the new and the old employees in true action. Until this moment the focus had been on the training and building but now the store space and the learned skills would be put into use. For myself, this was the second opening day in a retail store where I had worked before. Since, the last time was 2008, I cannot say that I really felt confident about what was going to happen. One could sense similar nervousness among the new employees.

One could phrase the feeling at the opening day to be similar to a football game. Everybody have practiced the play system and the specific tasks, but only the more experienced ones could really
anticipate what was about to come and prepare for such occasions in beforehand. For the supports the tasks in the store are routinized, which gives them more time to think one step ahead. At shoes all the employees knew how to sell the shoes and how to find them at the storage, but only the more experienced people were able to pick those extra pairs of shoes to fill the “podiums”, while they were picking up the missing size from the storage to their customer. The new employees needed a reminder from the supports to do this and even so the process felt a lot longer.

The supports glanced how many boxes were missing and made their estimation of how many boxes they would take, when some of the new employees actually counted the amount of boxes to be filled and marked it to a piece of paper. The decision of which sizes to fill was also quite different. The supports did not make notes from the sizes and based their decision process to their prior experience of what sizes had sold most in the past and what sizes they were asked during the day by the customers, when the new employees needed to be told the sizes or they counted the needed sizes. The result was the same no matter who filled the podium. The correct sizes were added and the podium was filled. It was only the process how they got there that was different, which clearly reflected their experience over the task.

After talking with one of the supports during our break from what I had witnessed, he replied to me that “this is the very reason why the new employees need help even after the actual training period when the store is already opened. One can learn the tasks to some extent during the training but to be able to think beyond the task and make it automatic, people need reminding and to be able to get feedback.” The support even worried that without the help and further guidance, the task might even disappear or become unimportant in the eyes of the new employees. This answer reflects our interviews where we asked people their opinion of the time required to learn the routines involving Stadium store. The most common answer was one year. This was based on the idea that the respondents felt that employees needed to go through all seasons and the different routines in general at least once, to be able to do a task individually and effectively.

Now the store was opened and running. After the opening weekend, we and most of the supports left Altona for now and flew back to our homes. Few of the supports would stay in Altona for almost a month to help maintain the staffs new learned skills and help them in situations where they did not yet have enough knowledge to manage the situation on their own as a group.
5 Discussion and Findings

The objective of this chapter is to develop a discussion and provide findings answering the main question: **How coordinative effect of routines can influence the replication of routines on a micro level during a new store opening?** The aim of discussion is to reflect findings from our case study, which will be connected to our theoretical perspective presented in Chapter 2. In order to achieve these objectives first we found it important to start the chapter with a general discussion about replication of routines to present the insights about this phenomena. Further, it will be continued by presenting routines as a source of coordination to answer our first sub-question: **How routines acted as a source of coordination among experienced employees during a new store opening?** Later, the second sub-question - **how the teaching process of routines was conducted?** will be answered, where the teaching processes comprising the process of replication of routines will be discussed. The last section of this chapter - Clash of Different Levels of Knowledge serves to discuss the main findings concerning our research question and identifies how coordinative effect of routines between support employees can influence the teaching process of new employees and thus, affect replication of routines.

5.1 Replication of Routines - General Approach

In our study replication of routines were identified as the underlying factor for opening similar outlets in different geographical locations. As noted by the HR manager of Stadium Germany. *We want to get the same Stadium feeling here, even if in every country there is of course some differences in culture, we still want the Stadium way to be the same. And that’s not only the way we think but also routines, how we do it.”*

According to our findings, the replication of routines is achieved by inexperienced employees observing and following routines performed by experienced employees. At the same time, to learn a routine on an individual level, inexperienced employees should participate in performing routines and learn by doing. That is why the main role in replicating routines were attributed to the experienced support employees from the already established stores in other countries. This feature made it easier to communicate already existing and working routines to inexperienced workers through support employees and this enabled more precise replication. This general description of replication of rou-
tines fits into Nelson and Winter’s (1982) suggested way of replicating routines by sending experienced employees from old units to the new ones.

Moreover, explaining how and why certain routines should have been performed was identified as important by several managers and also our observations. We find that it is part of learning by doing and having constant interaction and dialogue between experienced employees and new employees which is integral for achieving replication of routines and this also fits into the description of principle-based replication suggested by Baden-Fuller and Winter (2005).

We found that the process of replication of routines put forward interesting aspects of coordinative effects of routines. First it pointed out how routines can be used as a way of coordination for experienced employees who never worked together but had the individual skills for performing routines. Second, this type of coordination enabled experienced employees to communicate with each other in highly contextual way which affected the process of teaching new employees who needed low contextual communication of tasks. The further discussion will evolve around these topics.

5.2 Routines as a Source of Coordination

Even though the experienced support employees had different backgrounds within the company and most of them had not worked with each other prior to the build-up, the level of cooperation and coordination was remarkable. The team that consisted of employees from three different countries, some even without previous experience from building a new store had one uniting factor, which were the routines involving in the build-up. Through these routines, the supports managed to reach a high level of coordination that helped their task of building the store, and aided the persons in charge of the build-up follow the progression more thoroughly.

The routines involved in the build-up were highly similar to the ones conducted in a normal Stadium store, reminding the constant building of specific sections in an operating store. The similarity gave the actions of the supports a common and familiar context, which was the Stadium store space with the familiar interiors and assortment of products. Through the well-known context, a certain type of language has been created at Stadium. The specific activities have their own names, such do specific
items. The language created even crossed lines with the languages that were presented, even though the official working language during the build-up was English. Typical example in our study was the pallet trolley, that was known by its finnish translation of “nokkakärry”, and was widely used by all the supports, despite the country of origin. However, the language adapted on organizational width was recognizable when the interiors were referred at. One could not know that “a pony” is a metallic bar on wheels without prior knowledge and experience. Similar intra-organizational words and meanings guided the supports’ verbal communication. As Nelson and Winter’s (1982) identified, the language used in organization requires interpretation that relates the messages into the organizational context.

This observation can be linked to what Feldman and Rafaeli’s (2002) have claimed, that there are existing connections between the members of the organization, that enable the creation of shared understandings about what action is to be taken in specific routines. However, the connections are deeply context related and as Cohendet and Llerena (2003) argued we also see that routines are context-dependent, because the routines can only be executed in a context that provides attention for certain collective action. Even though, in our field study in Hamburg, the provided context was slightly different, since the store was not yet in operation during the build-up, and thus the the store context was missing key elements, such as customers and sales related activities. Despite of this, the Stadium Altona store as an environment was enough to give context to the routines of the supports and they were able to act through routines they had in their repertoire from the store work. We argue that even though the routines require a certain context, and agree that the routines are context embedded, we see that through the individual knowledge of the members, routines can be modified to be used in a context that is not the same, but have similar aspects. In our case the context was created through the Stadium store elements, and the activities that resembled the supports’ normal working conditions.

The highly contextual nature of verbal communication among supports requires a wide knowledge over the context and activities to understand the messages correctly, but the true coordination among supports was based on just as much on non-verbal communication as it was on verbal. A good example in our study, is the example of “fixing the shoe wall”, where one verbal phrase triggered a series of actions. The actions were based on the supports interpretation of what routine was being used, what was already done and what the other person was doing. The supports needed only
one verbal phrase to indicate, which routine was to be done and the rest of the communication was merely based on interpretation of signals from the environment. Nelson and Winter (1982) suggested that routines can have coordinative effect, which requires not only knowing “one’s job” but also to know what routine to perform from the routine repertoire, based on the interpretation of signals, given by other people participating the routine and the environment where routine is being conducted.

Nelson and Winter (1982) describe routines as truce, as underlying agreement of a certain way of working. Similar truces could have been recognized in the way the supports worked during the build up. Even though the supports encountered tasks that they found unpleasant or uninspiring, they completed the tasks anyway. The supports acted based on the agreed methods of the company, even when they stated that some things were not done in a way they would like to do themselves. The extent and terms of the truce however, were never discussed, which made the identification of the truce challenging from the observer’s point of view. The way the truce was shown to be in place and active, was how the supports finished up their assignments as they were supposed to. Despite their lack of motivation for the task or difference in the view it could be done, they did it anyway and the complaining was left to verbal level, but never reached the performative level.

By Nelson and Winter (1982) the truce can be conducted between parties with conflicting interests to create an agreed method of working in form of a routine. In the build up in Altona, every support who had their respective sections to build, naturally had their individual motivations to finish their own section within the given time-frame. Besides the build-up activities, there were daily deliveries to the store, with more products to be placed in the sections and the storage. Since, not all the sections received products every day, and the amount of workload per support was very different from day to day, it was agreed that everybody participated in the unpacking of daily deliveries. By involving everybody in the routine of unpacking, the whole process became faster but as a trade, supports who did not receive products in the delivery, gave their time away what they could have been using to build their own section. The truce can be considered to be made between different individuals to help dividing the workload in the routine, in exchange of the time they could have been using in their own respective sections. The truce clearly functioned in favor of the company, since the main goal was to build the whole store in time. The person in charge of the build up, reminded from the truce in the morning meetings and indicated that everybody needed to participate. This was the only
explicit indication of the truce, and otherwise the truce was never spoken of. As Nelson and Winter (1982) identified, the terms of the truce are not easily broken and during the build-up they never were. Despite supports having stressful situation with their own section, they participated in the unpacking every time. The truce held, which constrained the motivational effects of individual behavior and contributed to the collective goal of building the store in time.

5.3 The Teaching Process

The objective of this section is to analyse knowledge transfer process according to our findings. We will refer to knowledge transfer process described by Szulanski (2000) and elaborate our findings about the process. In analyzing the whole process of knowledge transfer Szulanski (2000) argues that the party who transfers the knowledge should actively cooperate with the recipient on an initiation and implementation stage. In Stadium’s case, support personnel from most of the existing stores and also the head office were mobilized and actively engaged in the process. The main challenge however, was associated with the way of communicating routines to new employees on implementation stage. Interaction between experienced support employees and new employees in the replication process will be addressed in the last section of this chapter in more details.

As Szulanski (2000) pointed out, on an implementation stage of knowledge transfer information and resource transfer flow should be the most intense to fill the recipient’s gap. In our case this intense flow was reflected in active communication of details by support employees to new employee. This involved explaining all the details of routinized tasks and learning by doing. In this case learning by doing and having constant access to observing the performance of experienced employees and dialogue between experienced employees and new employees was found as a way of teaching and learning.

Our study has also revealed that replication of routines can be viewed as companies’ aim to develop the individual skills of new employees in a way that will be harmonized with overall organizational routines. The developed individual skills are required to be able to create connections between actions and the context and through those connections learn to understand the highly contextual language connected to routines and thus participate in its performance. To exhibit our finding we will refer to the example of Iven the new employee for Altona store. When he tried to change the way T-
shirts were stored in the new store his action was guided by the routine and his developed individual skill to interpret signals. He saw that the T-shirts were not arranged in the similar way to the old store where he used to learn and he identified the importance of changing the arrangement in a way that would make it similar to the original layout.

5.4 Clash of Different Levels of Knowledge

Arguably the level of knowledge in store operations and activities, hence routines, was very different between the experienced support employees and the new employees. Based on our case, we consider the ability to link actions into the context where routines are done crucial in order to reach the level of collective action that can be classified as a routine and for that, individual knowledge was required. The individual knowledge and the ability to understand contextual messages was identified as one of the biggest challenge in the replication of routines and teaching related communication between experienced and inexperienced employees.

Experienced supports communicated with a highly contextual language, that could not be completely understood just by pure English skills. The language had many specific context related words for items and activities that they had to try to cut down into more explicit level for new employees to understand it. The problem that we identified with translating highly contextual meanings into low contextual understandable form was the content lost in translation. The supports encountered challenges in translating all the details included into non-contextual words, thus resulting in gaps in information shared.

The gaps were attempted to be filled by actually doing the tasks, where the new employees could follow the supports and ask questions, but since they had not obtained the demanded level of knowledge for the task, we experienced that the new employees sometimes failed to form questions about their uncertainty related to the tasks. Without specific questions, the supports had hard time to express possible points of questions themselves, since it was challenging for them to realize, which parts of activities were unclear for the new employees. Often the experienced people overlooked the amount of knowledge needed to be able to do the task and that the new employee might not have the related knowledge to be able to do it. The authors of this study provided a typical example of such situation with the alarming of shoes, where the amount of details needed to discuss over a task
varied between two people, which effected to the level of needed communication in order to complete the alarming.

During our research, the supports were identified to be able to coordinate through routines by basing their actions on interpretation of signals, given by other supports and the environment. This made their actions highly automated and controlled. These two aspects were missing from the actions of new employees, when they were participating in the routines. Even though the new employees had developed a level of knowledge and sense of the routines, that they were able to contribute their fair share after the shop was opened, but that same sense of automatic behavior was absent. Based on our observations, we consider that the coordination identified among the experienced employees requires more effort than planting the seeds of understanding of routines and transfer the organizational knowledge. The new employees were participating in a routine, like in the case of “fixing the shoe wall” but could not create the cohesive linkages between each other during it, since they needed to focus on what they themselves were doing. The interpretation of the environment and others was missing and thus the connections between the members could not be made and thus the lack of contextual understanding left more room for effects of individual motivational factors to affect their work.

The supports’ ability to create coordination through routines among each other, made their work as a collective group easier by decreasing the amount of needed connections and by mitigating the influence of motivational factors, thus creating more predictability and control in routinized action. The way how they worked through routines created sense of order and efficiency to the store opening and the learning process, but simultaneously their contextual way of communication made it harder for new employees to understand how the coordination was established. Even though the new employees were able to follow the supports working, which we believe helped in filling the knowledge gaps that were left in the teaching process due to supports difficulties to phrase their knowledge verbally in an understandable way for a person without developed contextual understanding.
6 Conclusions and Implications

The aim of this chapter is to conclude this thesis. First, it will present our conclusions from the findings. Further, method implications and limitations of findings will be presented and in the end, we will provide managerial and theoretical contributions and implication for future research, which will conclude this chapter and thesis.

6.1 Conclusions from the Findings

Our findings have shown how retailing companies achieve coordination through replication of routines during a new store opening. We identified that routines can be a driving force behind coordinating employees in new store openings. We base this conclusion on our observation which revealed that most of the support employees working on a building process of a new store were from different stores in different countries and did not have previous experience of working together, but what enabled their coordinated actions were the shared understandings of organizational routines. Their shared understanding of the routines are created by their level of individual skills and their ability to link those skills into a familiar context - the store space.

These factors make it possible for the experienced workers to communicate highly contextually, and act according to signals given by other members involved in performing the same routine. Due to these factors, the experienced employees are able to coordinate the tasks efficiently through routines and with only limited amount of verbal communication. However, when it comes to teaching, since, the experienced employees use highly contextual communication and tight coordination in routine tasks, it creates a challenge for them to articulate the needed steps of routine activities in teaching situations in a low contextual way and this creates a difficulty of communicating the needed detailed information to new employees. This way the replication of routines and transfer of knowledge gets affected even though the coordinative effect benefits the new store opening with increased efficiency.

Our study has also revealed that replication of routines can be viewed as companies’ aim to develop the individual skills of new employees in a way that will be harmonized with overall organizational
routines. The developed individual skills and knowledge are required to be able to create connections between actions and the context and through those connections learn to coordinate through routines.

6.2 Method Implications and Limitations of Findings

Along with many advantages, building theories from case studies had their disadvantages. Some of the features that is the source of the method’s strengths is also the reason of its weaknesses (Eisenhardt, 1989). That applies for instance, to vast empirical material we got from our observations which was positive for our study but it also made us to make number of trade-offs. The main difficulty was to choose the relevant material which we were going to apply to our study and thus overcome the risk of creating excessively complex theory involving too many topics. Eisenhardt (1989) also described this problem by arguing that when there is a lot of data, researchers might attempt to include everything in theory building, and make the findings too complex. In this case, it is especially hard to evaluate which are the most important relationships within process and which are the features that are special only to particular case (ibid). That was also one of the main implication of our method we faced due to the vast number of empirical material gained from our study.

Another implication for our method was that building theory from case may lead to describe idiosyncratic phenomenon or the theory that is hard to generalize (Eisenhardt, 1989). Since, our case was conducted in a single retailing organization and included observations only on one store opening the findings might not be applicable for generalization. Moreover, our study was embedded in a special cultural context involving Sweden and Scandinavian countries on the one hand and Germany on the other. This can also be an obstacle in applying our findings to other cases in different contexts.

6.3 Managerial and Theoretical Contributions and Implications for Future Research

In terms of managerial contributions, this thesis provides insights of how routines can be utilized as a source of coordination and how managerial focus should be addressed to this topic. As for companies opening new outlets or units, the problems related to employee's ability to translate tacit
knowledge into explicit form, can help companies to prepare for such challenges in similar situations.

As for the field of routine related research, this thesis creates linkages with the concept of replication of routines and the coordinative effects identified in routine theory. The results of this thesis act as an empirical evidence for prior theory involving the coordinative effects of routines and creates an indication for further discussion of how the coordinative effects of routines emerge.

In our research we studied processes which take place during the new store opening, replication of routines and teaching of new employees. However, what could also be interesting is initial decisions concerning replication of routines and decisions of what and how should be transferred. For example, how are the formal rules and templates created and how do individuals influence that process.
References


