Strategy as Practice: Achievements, Problems, Challenges & Opportunities

Professor Robert Chia PhD FRSA
Research Professor of Management
Adam Smith Business School
University of Glasgow
Scotland, UK

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Achievements of SAP

- 3000 Scholars/Practitioners from 150 Countries
- An International Network with Own Website
- SAP Recognized at AOM
- Idea of STRATEGY PRACTICE is Timely
- PRACTICE as What Strategy Practitioner’s ‘DO’
Why Research STRATEGY?

- Understand What Causes SUPERIOR PERFORMANCE:
  - Porter – ‘Positioning’
  - RBV – ‘Possessions’
  - Emergence – ‘Process’

- SAP – PRACTICE as Explanatory Mechanism For Understanding SUPERIOR PERFORMANCE?

Can SAP Explain Its Own ‘Success’?
Three Pressing Questions

- How Exactly Does This SAP Perspective Relate to:
  - Classical Strategy, RBV, Process Approaches?

- In What Way Does SAP Better Explain SUPERIOR PERFORMANCE?

- Practical Value: How Exactly Does SAP Help Firms in Terms of Enhancing Competitiveness?
Problem 1: Who Actually ‘Does’ Strategy?

- Only CEO’s & Formally Appointed ‘Strategists’?

- How Does Organizational Skill/Expertise Relate to Strategic Choice?

- Are Operational Capabilities Un-Related to STRATEGY?

- How About An ‘Operational Strategy’?
Problem 2: What is PRACTICE?

- **Two Views:**
  1) what people ‘do’.
  2) **PRACTICE TURN**: ‘perpetually extending manifolds ontologically prior to actions’ (Schatzki, 1997: 284)

- **IMPLICATIONS OF (2)**
  - Practices **Shape Identity**: We are “patterns of public comportments”, “sub-patterns of social practices’ (Dreyfus, 1991:151)
  - “carriers” of collective practices (Reckwitz, 2002: 256)

- Are We Doing Justice to the ‘PRACTICE TURN’?
Problem 3: What is the Relationship Between:

- PROCESS
- PRACTICE
- POSITIONS
- POSSESSIONS
- PERFORMANCE

?
Performance

- Whose Performance?
- Firm?
- Process / Episode?
- Managerial?
- Institutional?
- How judged and Who judges?
Two Performance Avenues

- Examining executive “practice” that leads to successful / less successful change

- Examining how “practices” come together to influence overall outcomes of change

- Unending research agenda: Executives, organizations, organizational forms, technologies
Practice

- A complex word: A verb, an adjective, a noun but also a theoretically informed term

- A useful label that can unite the field?

- A rod to beat us with?

- An enabler of theoretical pluralism that enables a richer research agenda and field?
Strategy as Practice: Problems, Perspectives and Prospects

David Seidl

SAP PANEL - EGOS 2016
What makes a practice “strategic”

First view: practices that are called strategic

• Practices treated by the practitioners themselves as “strategic”, e.g. strategy meeting, strategy workshops, strategy tools

• Narrow scope: only a small set of practices

• Advantage: easy to identify

• Example study:
  – Johnson et al. (OS 2010): study of strategy workshops
  – Spee and Jarzabkowski (SO! 2009): “we shift our attention to what actually happens when individuals use a strategy tool”
What makes a practice “strategic”

Second view: practices of strategists

• Practices of strategists or that happen in places that are considered “strategic”.

• Wide scope of practices: This includes many mundane practices, that might not be considered strategic per se.

• Advantage: easy to identify

• Example study: Samra-Fredricks (JMS 2003)

  “a fine-grained analysis of strategists’ real-time deployment of relational-rhetorical skills, constituting strategic practice.”
What makes a practice “strategic”

Third view: practices that are consequential

• Any practice that is consequential for the firm
• Wide scope of practices: Includes also many mundane practices
• Problem: can only be identified retrospectively
• Example study: Jarzabkowski, Balogun and Seidl (HR 2007)

“We adopt the broader view that activity is considered strategic to the extent that it is consequential for the strategic outcomes, directions, survival and competitive advantage of the firm (Johnson et al., 2003), even where these consequences are not part of an intended and formally articulated strategy.”
What makes a practice “strategic”

Fourth view: practices that are constitutive of the observable pattern in the stream of activities

- All activities that enact the pattern in the stream of activities
- Wide scope of practices: Includes also many mundane practices
- Example: Rouleau (JMS 2005)

“[An] understanding of [middle managers’] contribution in sustaining competitive advantage through their everyday activities.” “It appears that middle managers[...] strategize by enacting a set of micro-practices that are produced in each routine and conversation surrounding the change.”
What makes a practice “strategic” – Overview

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What is the role of “performance” in SAP?

**Performance separable from the practice**

- **Organizational outcomes (e.g. firm performance):** traditional, but often quite removed from the individual practices studied
- **Proximal outcomes:** Outcomes on the individual level and group level
- **Institutional outcomes:** Outcomes on the societal level, e.g. institutionalization of particular practices within an industry

**Performance not separable**

- **Performance as strategic practice:** “doing of performance”, e.g. ways of measuring performance
- **Performativity:** performance part of the activity, not separate from it e.g.: “Strategizing was performative because it explicitly mobilized and transformed its subjects and created legitimacy for particular representations of reality.” (Kornberger/Clegg, 2011)
Is SAP research practically relevant?

Differences in experiencing the world

– **Practitioner:** immersion in meaningful totality of the world
– **Researcher:** scholastic point of view on strategy practice
  (precondition for science)

→ Scientific knowledge of strategy practice different from practical knowledge of strategy practice

→ No direct instrumental but only conceptual relevance (e.g. revealing contingencies)

Splitter, Seidl (2011; 2015); Sandberg, Tsoukas (2012)
Richard Whittington
Institutional Work
Onto-Processualism
Actor Network Theory

Microfoundations
Behavioral Strategy
Strategy-as-Practice

Common Theoretical Shifts

Richard Whittington
Why These Shifts?

• competitive advantages are small; institutions start small
• institutions and strategies are fluid and variable
• institutions and strategies are constantly made and remade
• people, not firms and institutions, make up our classes
What Next for SAP?

• mutual learning – and differentiation

• connecting more with the macro/large

• comparative/historical work: roles of state, business education, professional and accrediting bodies, consulting firms, corporate ownership and governance, strategy consumers (media, regulators, financial analysts), institutionalized tools, discourses, and technologies
Paula Jarzabkowski

Professor of Strategic Management
Cass Business School
How does it understand practice?

• Practice Theory can answer big questions (Nicolini, 2013; Seidl & Whittington, 2014)

• How everyday practices constitute wider phenomena, such as the strategy of an organization, the competition between firms, the collective practice of a market

• How such wider phenomena are instantiated within the practices of actors
One Attempt, Structuration

Another attempt, Institutional Theory

Best Attempt (so far), Relational Presence

• Relationality: Actor and practice actively constitute each other
• Nested relationality: multiple interdependent relationalities across (Schatzki)
  • Site: Different market making activities
  • General Understandings: Common sense about how to participate
  • Practical Understandings: Complex know-how of participating
• Relational Presence: Present with unknown others in the common or collective practices of a market

PART 2
AN OPPORTUNITY FOR
RETHINKING SAP

STARTING FROM PROCESS
ONTOLOGY
PROCESS IS Reality (Heraclitus, Whitehead, Bergson, James)

NOT ‘Process Of…; a Transient Phase Between Stable States

‘a blooming, buzzing confusion’…‘an aboriginal sensible muchness’ (James, 1911: 50)

Reality as PROCESS is INHERENTLY UNLIVEABLE!!!
What Are ‘Actions’

- Doings Involving ‘Naming’ & ‘Intervening’ Into Fluid Reality to Reduce Uncertainty

- Differentiating, Parsing and Parcelling Selective Aspects of Reality into Discrete, Stable Entities

- Functionally Manipulating Aspects of Reality To Make Life Meaningful & Liveable

Uncertainty is always implied in the very notion of action…to acting man the future is hidden…were he certain there would be no need to act, action presupposes uncertainty’ (L. von Mises, *Human Action*, 1949: 105)
What Are ‘Practices’?

- Collectively-Shared Ways of Acting to *Fashion Reality* To Serve Our Needs

- ‘Pattern of Actions’ passed on *without passing through consciousness*’ (Dreyfus, 1991: 27)

- ‘Durable, Transposable Set of *Dispositions*’ (Bourdieu, 1990: 52)

- Social Skills Comprising *Discriminative Attunement & Appropriate Responses to Environmental Affordances* (Gibson, 1979)
What are ‘Positions’?

- Effect of Thinking in Terms of End-States; Thinking ‘Simple Location’ (Whitehead, 1926: 61)

- Consequence of Representing Dynamic, Emergent Interactions with Static Positions

- Reality: a Chess-Board with Fixed Locations & Positions: Movement of Discrete Entities

- Aggregative Effect of ‘Positioning’; Ongoing Practices of Skilled ‘Wayfinding’ (Ingold, 2000) In Situ
What Are ‘Possessions’? (RBV)

- Derives From ‘Entitative’ Thinking: Assuming Reality as ‘Succession of Instant Configurations of Matter’ (Whitehead, 1926: 63)

- Result of Fixing/Naming/Circumscribing Aspects of Reality

- Rethinking Resources & Capabilities *Processually*:
  - Resource as RE-SOURCING (Ongoing Practice)
  - Capability as ‘Taking Hold Of’ (Actively Seizing)

- ‘Possessions’ as Coagulated ‘Actions’: A ‘FIRM’ as FIRMING-UP of Skilled ‘Practices’
What is ‘Performance’?

- **Transformation** of Fluid Experience into Discrete ‘Moments’

- **Performance** – Pre-Forming of Unformed Potentiality

- **Functional Manipulation** for Collective Gain

- **Successful ‘Taming’/Manipulating** of Reality Leads to Progress
Summary

- **PROCESS** is REALITY

- **ACTIONS**: Interventions Taken to Temporarily Removing Uncertainty

- **PRACTICES**: Collective Fashioning of Reality To Meet Our Needs

- **POSITIONS**: Secondary Effects of Representational Practices of ‘Simple Location’ of Experiences in Space-Time

- **POSSESSIONS**: Secondary Effects of Practices of Fixing, Circumscribing and Naming Reality

- **PERFORMANCE**: Transformation of Experience
Thank You For Your Attention