A Micro Level Approach to Strategy

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“A micro perspective on strategy and strategising”

“An emphasis on the detailed processes and practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes”

“… an activity based view of strategy”
Resource Based View

• All inclusive categorisation of resources
• The empirical marginalisation of organisational activities
• Need for studies linking micro level activities with strategic outcomes
• Failure to identify what managers can manage

Institutional Theory

• “Most institutionalists prefer to focus on the structural environments, macro to micro level effects and the analytic autonomy of macro structures” (Di Maggio and Powell, 1991)

• Despite the centrality of social construction of institutional forms through negotiation and interpretation
Corporate Diversification

• “More than 100 academic studies have failed to determine if diversification enhances profitability or whether related diversification outperforms unrelated diversification” (Grant, 2002)

• Why:
  - inappropriate and crude metrics (e.g. SIC codes)
  - Apparent relatedness may not be exploited in practice
  - The benefits of diversification have to be understood in the activities of managing and realising (related?) diversity

Corporate Structures and Structuring

• Failure of 40 years of research to establish performance relationships linked to structures

• Why:
  - Traditional characteristics of structure too broad to differentiate variations e.g. types of multidivisional structures
  - Increasingly structures are in continuous motion / change
  - Structural categories too static to pick up change
  - The need to understand the activities involved in creating and implementing structures - structuring
Process Research

- Opened up the ‘black box’
- Humanized strategy
- Legitimation of finer grained in depth studies

BUT……..

Process Research

- A bias towards “organisational” processes rather than activities in organisations.
- Second hand reporting; the “veranda” problem.
- The separation from “strategy content”.
An Exploded Map of Strategic Management:

Institutionalised Strategies: e.g. conglomeratisation

Actors’ process episodes: e.g. mundane activities

Actors’ content routines: e.g. coordination

Organizational Strategies: e.g. diversification

Organizational Processes: e.g. strategic change

Institutionalised Processes: e.g. planning

Institutional Field Practices

Organizational Actions

Activities/Praxis

A revised map of strategic management

Institutionalised Strategies: e.g. conglomeratisation

Organizational Strategies: e.g. diversification

Activities/praxis

Institutionalised Processes: e.g. planning

Organizational Processes: e.g. strategic change

Institutional Field Practices

Organizational Actions

Activities/Praxis
A potential agenda

The interrelationships between:

- V1: Activities and organisational processes
- V2: Activities and strategies
- V3: Activities and institutionalized processes
- V4: Activities and institutionalized forms

The Benefits

- The need to link “strategic” phenomena with micro explanations
- Doing away with the content/process divide
- Micro is what managers do
The Challenges

- The need for mid range theory
- Defining micro
- Links to outcomes
- Avoiding micro for micro’s sake
- Generalisability and knowledge accumulation
- Research design