



# Strategy as Practice

Strategy as Practice as useful  
way for strategic management in  
organisations

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Organisations are more than meets the eye. Obvious things such as organisational charts, processes, reporting lines and IT-systems are embedded in a complex and dynamic network of communication, organizational culture, power and politics. CQ Research conducts studies and analysis that unveil those hidden elements of organisations. Based on a rigorous scientific foundation, those studies act as valuable starting point for improvement intervention strategies and Team Consulting & Learning groups.

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## 1. INTRODUCTION

With its roots in ancient military philosophy (e.g. Clausewitz 1997), the concept of strategy was introduced in business and organizational science in the second half of the 20<sup>th</sup> century. Decades of intensive research have created a vast amount of scientific publications and practical guidelines about strategic management processes (Mintzberg 1990; Mintzberg 1998, Walker 2004). Surprisingly, the understanding of strategy as a rational and top down led formal planning process has dominated almost all strategic management concepts. In line with a wider social shift in management science, this traditional perspective of strategy has recently drawn major criticism from scholars and practitioners as well (Farjoun 2002; March 2006). Whittington (1996) introduced Strategy-as-Practice as an alternative perspective intended to address some of the shortcomings of traditional strategy concepts. This report will start with an introduction of the main building blocks of the traditional and Strategy-as-Practice (SAP) perspective. Furthermore, it will outline three main arguments why SAP contributes to the understanding of strategic management in terms of scientific progress on the one hand and strategy as an applied concept in the practical domain on the other. A critical discussion of SAP and possible areas of future research will conclude this report.

## 2. THE TRADITIONAL PERSPECTIVE

From an ontological point of view, the traditional strategy perspective relies on objectivism and positivism as the dominant epistemological position. The underlying understanding of organizations as deterministic entities that evolve in a mechanistic and predictable manner gave rise to the prescriptive nature (Farjoun 2002; Hughes 2006) of the traditional strategy perspective. Consequently, the traditional strategy perspective asks, “how strategies should be formulated” with an emphasis on formal planning, rational resource assignment and top down led action to achieve certain goals (Nag et al. 2007; Ronda-Pupo and Guerras-Martin 2011). This is reflected in popular strategy definitions and frameworks such as Porter’s five forces analysis and the SWOT framework (e.g. Johnson et al. 2008). While the traditional perspective is still dominating the business and management literature, recently critical voices have started questioning the appropriateness of the underlying assumptions (Farjoun 2002; March 2006).

## 3. STRATEGY AS PRACTICE

In line with a general development in social theories towards an actor and system centric perspective, strategy research started to turn its attention to strategy as social practice. Introduced by Whittington (1996), SAP relies on social constructivism as epistemology and subjectivism as ontological paradigm. At the beginning of its introduction, SAP focused “on how the practitioners of strategy really act and interact” (Whittington 1996 p. 731). Since then SAP has started to take a more holistic stance taking into consideration the wider context of strategy development and implementation (Jarzabkowski 2004, Whittington 2006).

### 3.1 Introducing SAP main concepts

SAP consists of three main concepts called practitioner, praxis and practices (Johnson et al. 2007). The concept of practitioner covers all actors who are actively involved in strategy formulation and execution (Whittington 2006). This extends the scope of the traditional perspective, which attributes strategy to senior management and neglects the influence of middle management, consultants and functional key players on strategy. Specific activities related to practitioners' strategy formulation and execution cover the concept of praxis. Drawing on major social theories such as Giddens' theory of structuration (1984) and Bourdieu's theory of practice (1977), practice as the third SAP concept closes the loop between an individual and system. More specifically, it refers to social structure such as shared routines, traditions, norms and rules (Whittington 2006) continuously created, changed and replaced in praxis.

### 3.2 SAP accounts for the human factor and social dynamics

The traditional strategy perspective relies on the understanding of organizations as predictable, linear and rational entities. Strategy resulting from social interaction is only, taken into consideration from a top down management point of view (Mintzberg 1990). A poor record of accomplishment with strategic change programs as well as recent research brought to light that these assumptions do not account for the complex reality in real life organization (Washington and Hacker 2004; Smith and Graetz 2011). In contrast, SAP relies on the assumption that strategy development and execution is an inherent social process. This translates into a complex model of social actors, reflected in the concept of practitioners, engaged in strategy praxis. Recent research in the area of distributed leadership (Caldwell 2009), change agency (Buchanan et al. 2007) and leadership as practice (Carol et al. 2008)

strongly supports this approach of taking the human factor and social dynamics into consideration. Thus, SAP has an advantage over the traditional strategy perspective in this regard.

### 3.3 SAP overcomes the dichotomy of individualism and collectivism

There is an inherent tension between individualism and collectivism in social science. This is reflected by theories being accounted to either individualism or collectivism. The traditional strategy perspective with its organizational domain and focus on top down management is inclined to collectivism. SAP in contrast overcomes this tension by drawing upon social theory that conceptualizes agency and structure as two sides of the same coin. This dualism (Giddens 1984; Outhwaite 2006) is reflected in the interplay of the three main SAP concepts practitioner, praxis and practice. SAP acknowledges that practitioners are always embedded in a specific cultural, organisational and situational context (Vaara and Whittington 2012). On the one hand, praxis is enabled by norms, beliefs, rituals, documents and other elements of practice prevalent in the specific context. On the other hand, those context specific practices constrain practitioners in their efforts to develop and execute strategy. Practitioners recursively draw on practices and thus reproduce as well as change them continuously (Jarzabkowski 2004). This relationship between practitioner, praxis and practice allows SAP to overcome the dichotomy of individualism and collectivism prevalent in the traditional strategy perspective. Consequently, SAP contributes to the understanding how a specific context influences the process of strategic management and vice versa.

### 3.4 SAP provides useful insights for the application of strategy tools

Strategic management has always been closely connected to decision models, frameworks, plans, methodologies and other types of “technologies of rationality” (March 2006, p.202). This report will refer to them as tools. Many of those tools are a result of the traditional strategy perspective searching for receipts on how to develop and execute strategy. While this approach is a good starting point for strategy practitioners, it lacks guidance on how to use those models in practice. In addition, critics are questioning whether those models oversimplify the complex reality of real life strategic decision making (March 2006; Jarrat and Stilles 2010). SAP in contrast has a strong focus on the practical domain. Thus, it provides valuable insights for practitioners on how to use those models in the process of strategizing. Studies conducted by Jarratt and Stiles (2011) as well as Jarzabkowski and Kaplan (2014) support this argument. They observed and analysed how key decision makers select, apply and change those tools in the practical domain.

## 4. CRITICAL PERSPECTIVE ON SAP

This report argues that SAP contributes to the strategic management discussion by opening up new perspectives on how strategy is developed and implemented. However, taking a critical stance towards SAP reveals some areas of potential shortcomings that have to be taken into consideration in regards to practical application and future research activities.

### 4.1 SAP only recently started to extend its scope to macro level strategizing

In the beginning of its introduction, SAP had a strong focus on the micro perspective of strategy formulation and execution. Even though SAP started to take a more holistic stance recently, more research must still be conducted in order to strengthen its profile as a holistic



framework for strategic management. Studies that started to shade light on the relationship between social structure and their reciprocal effect on practise (Herepath 2014) are promising signs that SAP is going to overcome this issue of “micro-myopia” (Vaara and Whittington, 2012, p. 28). The future research agenda proposed by Seidl and Whittington (2014) with an emphasis on system structures and relationship networks seems to be especially promising to address this report’s research question.

#### 4.2 The concept of practice requires additional research

This shift to a macro level is strongly related to SAP’s reliance on grand social theory like Giddens’s Theory of Structuration (1984) and Bourdieu’s Theory of Practice (1977). Considering this, SAP inherits the criticisms connected with the social theories it relies upon. An ongoing discussion that should be mentioned in this report is about the concept of practice, which has many parallels to Giddens’s concept of rules and resources. Drawing on critical arguments from Thompson (1989) that are mainly related to the “looseness” (p. 64) of Giddens’s concept, SAP has to address the same issue with its concept of practice. Future research could shade light on the relevance and form of specific practices in different contexts.

#### 4.3 The missing link of strategy discourse

The final critical argument this report wants to address relates to the SAP concept of praxis. SAP acknowledges that strategy development and execution is a social process that relies on discourse. Turning back to its roots in the micro level of strategizing, SAP addresses this discourse in various manners such as workshops (Hodgkinson et al. 2006) and the application of strategy tools (Jarzabkowski and Kaplan 2014). However, narrative as a key to social construction in praxis was undervalued by SAP (Fenton and Langley 2011) until

recently. Kaplan's (2011) study on the usage of presentations as "epistemic machinery" (p. 323) takes the "narrative term" (Fenton and Langley 2011) and can be considered as outline for future research directions.

## 5. CONCLUSION

After a brief introduction of the traditional perspective of strategy and SAP, this report introduced three main arguments for why SAP is a useful way of understanding how strategic management process work in organizations. The first two arguments support the claim that SAP contributes to scientific progress by addressing issues neglected by the traditional strategy perspective. Drawing on the concept of practitioners, SAP introduced the human factor and social dynamics into the field of strategy. This was a major contribution to science. In addition, SAP started recently to extend its scope from a strong focus on micro level strategizing to a holistic approach with emphasis on social structures as well. Even though there are critics that argue that SAP still lacks a macro perspective and a precise concept of practice, this report concludes based on recent research that SAP is moving in the right direction. Finally, the third argument draws on research in the practical domain of strategy development and execution. Recent research on the usage of strategy tools sheds light on the complex reality of strategizing in real live settings. Thus, SAP contributes not only to the scientific progress but also to the practical application of strategy tools in real live strategic management processes. However, SAP will not replace the traditional strategy perspective. It will complement it with valuable insights about strategy development and execution as a social process.

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