The construction of managerial knowledge in business networks: Managers' theories about communication

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ABSTRACT

In this article we regard managers' knowledge as a nuanced construction of reality that produces particular 'espoused theories' about the self as a practitioner and the environment in which they practice. Everyday managerial practices take place within the context of these theories. We argue that a subtle analysis of managerial talk can enhance the study of inter-firm relationships by revealing the espoused theories on the basis of which boundary spanners act. To demonstrate the construction of managers' knowledge, we introduce and explore materials collected in interviews with marketing and purchasing managers in several industrial contexts. We restrict our focus to talk about instances of communication to explore in depth how this talk establishes perceived 'facts' about inter-firm communicative work. We identify key discursive repertoires that are deployed to establish the range of communicative work, the difficulty in managing the directionality of communication and the complexity of managing in sometimes ambiguous situations — managerial 'facts' that are absent in some communication research. At the same time, discursive repertoires are deployed to establish the self as an able practitioner and a capable participant in communication. Our study has implications for boundary spanners and their organizations. We consider how boundary spanners' understandings of communication may be better deployed by the organizations that employ them and also in management education and training.

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1. Introduction

This paper contributes to debate regarding the nature of cognition within business networks through a constructionist stance. We put forward the idea that what managers take as 'knowledge' is a nuanced construction of reality that underpins their particular understandings of the self as a practitioner, of the environment in which they practice and therefore of the practices they may use in linking the self to environment. We apply these constructionist ideas to the network context so that our focus is upon construction within the buyer–supplier relationships that constitute the proximate environment of the network. To demonstrate the construction of managers' knowledge of the network we introduce and explore materials collected in interviews with managers that relate to instances of communication. Through our analysis we argue that such instances are linguistically constructed in the interviews to produce particular ways of understanding, or forms of knowledge about, such encounters. We show that these forms of knowledge variously pattern the practitioner self and the proximate network environment in ways that are important in enabling and restricting modes of engagement.

We open by outlining the constructionist approach to managerial cognition, demonstrating its heritage in organizational theory and its tentative adoption by network theorists. We then look briefly at the established approaches to inter-organizational communication in order to highlight the very different implications of a constructionist approach. The empirical contexts for our study are described and the discursive approach we have taken towards our data explained. We then offer a detailed analysis of a number of constructions of communication used by managers and relate these to managers' network theories. The discussion that follows compares and contrasts these constructions, noting how they are deployed in different ways to demonstrate the diversity and tensions of the relationship 'management' role. In conclusion we argue for the utility of an interpretive, 'post-positivist' approach to network analysis (cf. Flint, Woodruff, & Gardial, 2002; Wilson & Woodside, 1999) and highlight the managerial implications of our findings.

2. A constructionist approach to managerial cognition in networks

Sensemaking has been popularised as an approach to organizations through the work of Weick (1995) who persuasively argues that the basis of managerial action is not the world as objectively given but, rather, the world as people understand it to be. Rejecting the traditional approaches to management scholarship that take objectivity and

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rationality, albeit possibly bounded, as human characteristics (Smirich & Stubbart, 1985), Weick considers interpretation to underpin human nature. Thus, we are ceaselessly engaged in sense-making and our actions, and those of managers, perforce, derive from and are lodged in the sense that we make (Weick, 1979, 1995). The core argument that we derive from this theory is that sense-making intervenes between reality and knowledge; knowledge is subjectively constructed through sense-making processes and knowledge, rather than reality, is the important concept to researchers seeking to understand managerial actions.

The importance of language is noted by Weick, Sutcliffe and Obstfeld (2005) who argue that it is talk that brackets action and thus gives meaning. The linguistic production of meaning has been further theorized by numerous scholars within a discursive tradition (for fuller discussion see Oswick, Keenoy & Grant, 2000; Alvesson & Karreman, 2000). Astley and Zammuto (1992, p.449) more explicitly centralise language in the sense-making processes that both create and disseminate managerial knowledge, thereby making and shaping communities and organizations. For them, "managers espouse their own 'theories' about the way their world works, and the conceptual language they use establishes a context within which organizational life is constructed and reconstructed". The concept of managers' espoused theories emphasises that managerial knowledge is plausible and currently sustainable but that it is actionable rather than accurate (Weick et al., 2005). Furthermore, espoused theories are produced and reproduced in processes that Gioia and Chittipeddi (1991) refer to as 'sensegiving' in all communications with others. Espoused theories thus constitute managerial knowledge, define permissible managerial actions and may be said to demonstrate the (knowledgeable) manager. To the extent that the sharing of a body of knowledge marks a community, then an ability to draw upon, deploy and communicate certain types of knowledge (theories) legitimizes one as part of a community, for example, a credible sales manager. Thus the production and display of particular forms of knowledge is at once a sense-making act and an act through which identity is claimed. The dialectic production of knowledge and claiming of identity underlies our analysis.

Sense-making has been assimilated, to a degree, in extant conceptualizations of business networks. Hakansson and Johanson (1993) draw upon Berger and Luckmann (1967) to argue that activity structures such as networks are "formed by the views of the involved actors as to how the activities should be delimited and how they are related to each other. The structures are, in other words, *constructed* by the actors" (1993, p.37 — emphasis added). The implied theories of structure contained in this quote are developed by others who, in line with Astley and Zammuto's (1992) discussion, note the influence upon action and sensegiving properties of constructed theories. Hakansson and Johanson (1993, p.42) write of "actor's network 'theories'" that is, their perceptions about the present relations between actors as well as their expectations and intentions. Hakansson and Snehota (2000) argue that strategic choices are dependent upon these understandings whilst Johanson and Mattsson (1992) note that each actor's network theory has the potential to be communicated to other actors and thus influence their respective actions. More recently, Welch and Wilkinson (2002, p.29) posit that a focus on 'ideas' (e.g. meanings, knowledge systems, scripts) can contribute to our understanding of network development. As they put it, "Ideas encompass the perceptions individuals and organizations have about self and others, their beliefs or 'theories' about how the world functions, norms about appropriate behaviour, attitudes towards particular issues as well as values concerning what is desirable".

Our paper seeks to build the line of theorizing with respect to business networks that sees managerial knowledge as theories about 'the way things are' that both inform action and can be communicated to influence others. Such theories have generally been developed with an eye to the understanding of action in one context and on what we might term as 'on a grand scale'. By this we mean that network theories have been proposed as a concept that might assist in allowing us to understand 'a case' encompassing a broad view of interaction.

In contrast, in this paper we focus upon one aspect of relationship activity, namely communication. Our aim in isolating this activity is to be able to more fully explore how one activity (communication) may be variously constructed to at once create and support particular managers' theories and their working identities. This focus allows us to show how it is consequential, in network theory terms, that an activity is constructed in one way rather than another and thus to generate a detailed understanding in one micro-area that can be carried back out to studies of a broader focus. The choice of communication is, however, apposite given the importance that researchers have accorded to communication in relationship building (e.g. Gronroos, 2004; Mohr, Fisher, & Nevin, 1996). Thus, as we explain in the next section, we take a familiar construct from the academic community's understanding of networks and, conceptualizing this through the sense-making lens, we explore communication in the network theories of network members.

3. Communication in inter-organizational research: approaches and methodologies

Interest in communication within inter-firm relationships (IFRs) is substantial and has a considerable heritage. A brief review of works in the area reveals how, despite the diversity of contexts, theoretic perspectives and methodologies that have been employed in the study of inter-firm communication, a common focus dominates extant work. That focus is upon 'actual' communication, so that researchers have sought to understand, from a realist perspective, what communications 'really' occur between organizations, how these may be classified and what consequences ensue from different forms or styles of communication (e.g. Lindberg-Repo & Gronroos, 2004; Olkkonen, Tikkanen, & Alajoutsijarvi, 2000).

For a more extensive discussion of communication in the context of marketing relationships, the reader is referred to Varey (2002). We note, however, a broad movement within which communication was understood to influence perceptions of power and to contribute towards tension between firms. This has diminished as academic thought has tended away from the view of IFRs as conflictual and towards a greater stress upon the ostensibly harmonious aspects of relationships (Wilkinson & Young, 2002). An interest in more co-operative concepts such as trust and commitment (Morgan & Hunt, 1994) has both re-shaped and intensified interest in communication. At the most general level a picture now emerges of trustful and committed relationships that are necessarily supported by 'good' communication.

Communication is thought to moderate or control the behaviour of partners (eg Mohr et al., 1996). Indeed, a strategic perspective has tended to dominate the IFR literature, with an apparent presumption that communication and influence are utilised in "all relationship management tasks" (Ford, 2002, p.112). According to Ford, a plethora of such tasks exist, including: persuading customers; discussing relationship investments and adaptations; showing commitment and building trust; exercising power and managing dependence.

Several typologies have been applied to communication, with an underlying aim to differentiate between different communication patterns or styles and in particular to be able to identify what constitutes 'good' communication. The most widely used classification system differentiates influence strategies (e.g. promises, threats, exchange of information) that activate different power bases to achieve influence (Gaski & Nevin, 1985). Other typologies include: at a more basic level, direct communication and action (e.g. Morgan, 2000; Weitz & Jap, 1995); the arguably more subtle distinctions made between power/conflict and trust/commitment-based communication (e.g. Gaski & Nevin, 1985; Ford, 2002); managed/planned and unplanned communication (e.g. Mohr & Nevin, 1990; Anderson & Narus, 1999); and most recently, monologic and dialogic communication (e.g. Ballantyne, 2004; Gronroos, 2004).