



# Strategic discourses of ‘competitive advantage’: Comparing social representation of causation in academia and practice

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## KEYWORDS

Competitive advantage;  
Discourse;  
Causation;  
Practice;  
Social representation

**Summary** The term ‘competitive advantage’ is frequently used in academia and practice, but does it mean the same thing? Academics are concerned about the gap between academia and practice. This paper reveals the nature of the gap by comparing the social representations of competitive advantage in both settings. Based on empirical comparisons of academic articles and practitioner annual reports, the analysis reveals surprising similarities and crucial differences. For example, both portray competitive advantage as tangible and favour internal causes generated by the organisation; but practitioners favour strong claims about simple causal chains, whereas academics favour hedged claims about complex causal chains. Based on these findings, tactics are recommended to bridge the academic to practitioner gap.

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## Introduction

The term ‘competitive advantage’ is frequently used in academia and practice. Last year it appeared in 2400 academic and 1900 practitioner articles (Business Source Premier). It is used in both settings, but does it mean the same thing? Previous work suggests not (Moscovici, 1984, 2000), but is it right? Management academics are concerned about the gap between academia and management practice (e.g. Spee & Jarzabkowski, 2009; Starkey & Tempest, 2005). Comparing the meaning of competitive advantage in both settings reveals the nature of the gap and indicates bridging tactics. Given the frequent use of the term in both contexts and the concerns regarding the relevance of management

academics, it is surprising that this comparison has not been conducted before.

This paper addresses this gap. It is based on empirical comparisons of the meaning of competitive advantage in academic articles and company annual reports. The first section provides a theoretical background in two parts: the theoretical underpinning of the social representation of meaning in academia and practice; a review of the conceptual discussions of competitive advantage. The second section provides research questions. These build upon the theoretical discussion to focus the empirical investigation. The third section provides the method. This justifies academic and practitioner ‘cause-effect’ sentences containing the term competitive advantage as a way of surfacing meaning in both contexts. It explains the extraction of the sentences and their analysis. The fourth section provides the results. This gives an analysis of sentences in academia and practice, followed by a comparison between them. The fifth section discusses what is needed to bridge the gap between

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academia and practice. The final section summarises the findings and implications.

## Theoretical background

### Social representation of meaning in academia and practice

Terms, like competitive advantage, gain meaning through use. Repeated use associates the unfamiliar term with familiar terms so they become ‘anchored’ and can be absorbed into different settings (Duveen, 2000; Moscovici, 1984, 2000). Over time such interactions lead to the meaning of terms having some stability, although a certain amount of fluidity remains (Gergen, 1997; Potter & Weatherell, 1987). Since individuals in groups interact more with each other than with outsiders, terms gain nuanced meanings that are shared by particular groups (Gergen, 1997). Individuals are not pawns in this social representation game, but have their own agency and wish to construct meanings (Voelklein & Howarth, 2005). They call upon terms to make sense of their world and to legitimise actions (De Rond & Theitart, 2007; Giddens, 1986; Jarzabkowski & Sillince, 2007; Jarzabkowski, Balogun, & Seidl, 2007). These processes can lead to the meanings of long-standing terms becoming ‘taken for granted’ by the wider society (Berger & Luckmann, 1972) and for important variations of meaning at the local level (Gergen, 1997). There is continuous interplay at all levels in this construction of the meaning (Jarzabkowski, 2008; Jarzabkowski et al., 2007).

Academia and practice are subject to these processes and can be viewed as two separate groups. Actors in each group are more likely to interact with each other than outsiders; they are likely to have shared rationales for legitimisation and also to share sense-making strategies (Gergen, 1997). Therefore, it is expected that the meaning of the term competitive advantage will vary between academia and practice. Furthermore, given the importance of competitive advantage to strategy (Powell, 2001), these differences will reflect underlying assumptions about the nature of strategy.

Moscovici (1984) can throw some light on the differences expected between academia and practice. He looked at how terms from psychoanalysis were transferred to and represented in the ‘commonsense’ world of lay people. Much of his work was concerned with the diffusion of scientific ideas to the wider society. This is outside the remit here. The term competitive advantage is different in this respect, as it was not generated by academics and then transferred to practice; rather it is likely to have been co-constructed in both groups at the same time. Nevertheless, the differences he finds in the academic and the commonsense worlds are still germane here. Academic representations of competitive advantage will be expected to be tightly defined, to be formalised, scientific and have alleged independence (Bangerter, 1995). In contrast, practice representations would be expected to be loosely defined, informal, commonsense based and dependent on who is making the representation and in what context (Bangerter, 1995). This predicted gap between academic and practitioner representation of competitive advantage, if correct, hints at the challenge that strategy academics face to be relevant.

### Conceptual representation of competitive advantage and causation

The discussion above has provided the underlying theoretical lens of representation for this research. Before launching into the empirical analysis of representations in academia and practice, it will be helpful to have an overview of the conceptual discussions of competitive advantage in the literature. It needs to be emphasised that this is not the systematic analysis of the representation in academia, which is to follow. This is an outline of the key conceptual debates. The aims are to understand the conceptual limits of competitive advantage within these debates, to provide a broad framework of elements to inform the empirical analysis and to provide a shared understanding of the debates.

Understanding the causal relations between competitive advantage, sustained superior performance and other factors is central to the strategic management project (Barney, 1991; Powell, 2001). The representation of causal relations between terms (representing things) gives insight into the core characteristics of their meaning (Sloman, 2005). How people represent the interaction between terms (representing things) reveals the nature of the term and ultimately how it may be portrayed to “intervene in the world” (Sloman, 2005). For competitive advantage, understanding how its causal relations are represented is central to understanding the underlying meaning behind the term. Since competitive advantage is at the heart of strategy (Barney, 1991; Porter, 1985; Powell, 2001), understanding these causal representations is also core to understanding the strategic management project. Therefore, the representation of the causal relations of competitive advantage is important.

Causal relations with a term, in this case competitive advantage, can be shown by putting the term at the centre of a diagram with things that cause the term on the left (upstream) and things that the term causes on the right (downstream) (Sloman, 2005). For example, an atomic explosion might be at the centre of the diagram, upstream causality might include a chain reaction and downstream causality might include radiation fallout. The complexity of upstream and downstream causality can vary considerably depending on the purpose of the person making the representation.

Fig. 1 uses this approach to provide an overview of the conceptual discussions of competitive advantage. Similar diagrams will be used to conduct the more systematic empirical analysis of academic and practitioner representation later in the paper. This framework cannot capture all the intricacies of the conceptual debates; it captures key debates that extended the representation of causal relations with competitive advantage. Fig. 1 is not intended to plot a Hegelian progression of ideas, so earlier representations are not bad and later representations good. For example, Porter’s (1985) representation of competitive advantage may be earlier than Barney’s (1991) but it does not make it better or worse. It also does not mean that a later representation necessarily stands for the mainstream representation, so Barney (1991) has not necessarily superseded Porter (1985). The story of the upstream and downstream causal representation is captured in most standard texts now and as such uncontroversial (e.g. Grant, 2010; Mintzberg, Ahlstrand, & Lampel, 2009). Representation of complexities

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