



ELSEVIER

Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

Editorial

Making strategy critical?

It is hard to argue against the claim that strategy is one of the most ubiquitous and consequential organizational practices of modern times. The language and practices of strategy emanating from the corporate boardroom, consultancy firms and business schools have permeated all facets of society. Schools, hospitals, charities, sports teams, political parties, social movement organizations and religious organizations all have opted for, or been coerced into, using the tools, techniques and logics of strategic management. To fail to be 'strategic' seems to be regarded as a modern-day sin: tantamount to being incompetent, unprofessional and anachronistic. Yet the importing of corporate strategy language and practice has also transformed the way in which these organizations operate. Activities, identities and values are no longer allowed if they do not speak to the pursuit of the holy grail of the strategic "vision" and "mission". The commercial logic of strategy, in many cases, trumps all others. It has the tendency of writing out other possibilities for organizations, such as the pursuit of broader community-based objectives.

The strategies pursued in the corporate sector have also transformed modern society and their effects have been felt by every citizen around the world. Strategies of globalisation have shifted the production of goods and services in ways that can make or break nation-states and the livelihoods of their citizens. Strategies of monopoly power pursued by big corporations have crushed smaller, local providers and transformed the economic landscape. Global corporations often have more power than nation-states and do not seem to be shy from flexing their muscles in their 'non-market' strategies of political influence. Strategies of neo-liberalism have transformed public services into markets to be exploited and have transformed citizens into consumers. Strategies of 'financial innovation' in the banking sector have left the world still reverberating from the aftermath of the global financial crisis. To say that strategy matters is clearly an understatement. All stakeholders live with the consequences of strategies that have been implemented. With hindsight, some are visionary, while others are at best misadventures.

Yet the way that strategy is currently conceptualised, and taught in classrooms around the world, is a curious thing. As a subject, strategy is dominated by the field of industrial economics. Through this disciplinary window, strategies are devised and enacted through rational economic calculations: the scanning of market opportunities, calculations about the economic payoffs of different courses of action and judgements about the likely outcomes of competitive moves and counter-moves. Admittedly, it is something of a 'straw man' to invoke a caricature of contemporary strategic theory and economics as a discipline more broadly. Certainly, some attempts have been made to bring in the 'human' and 'political' dimension of strategic action: social networks, cognitive bias in top management teams, differences in logics generated by national business systems or institutional fields, and so on. But it is this starting point in economics that still seems to lead theorists to view the "stuff" of the social world as an aberration to the ideal-type model of rational calculations. The 'social' is conceptualised as either something to be eliminated (or at least contained) if it detracts from the process of rational calculation or something to be exploited in the case of reputation or social networks. In so doing, the field of strategy still seems to be missing an awful lot of "stuff" in its current state of the art. This missing "stuff" not only limits its development as a 'pure' science that can understand the phenomenon in question but also its development as an 'applied' and 'critical' science that can help those we teach to learn not only how to execute it on a *technical* level but also how to articulate ways of evaluating *how it is done*, and *how it could be done differently*, from the perspective of society as a whole not just the corporate elite.

What is this "stuff" of the social world? And why does it matter for the development of our understanding of strategy? This "stuff" refers to the things that serve both to 'bind together' groups of people and groups of organisations (the 'glue' if you like) and the things that can drive them apart (the 'wedge' to continue the metaphor). These social groups could be as small as a team of senior managers or as large as the groups of organizations that form networks and alliances or the groups of organizations that interact within an industry or nation-state. This social "stuff" includes all kinds of things that are constitutive of the social realm: social norms, rules, values, roles, identities, beliefs, discourses, symbols, meaning-systems, systems of domination, power relations and ideologies. Taking this social stuff seriously means moving away from understanding strategies as merely the outcome of sets of rational economic calculations. The way that strategies emerge

and gain or lose their legitimacy are instead viewed as rooted in this social “stuff”: shared understandings of what is normal and abnormal, what the ‘rules of the game’ are, what is right and wrong, who should ‘properly’ do what, understanding of who we are and what we can and cannot (or should and should not) do, beliefs about what exists and how the world works, ways of representing the world through language and other symbolic means, dominant systems of thought that structure how we come to see ourselves and the world around us, and the power relations and ideologies that generate and legitimate systems of advantage and disadvantage. It is this social “stuff” that is behind forms of coordination and cooperation as well as forms of division, conflict and inequality that arise from strategies pursued by organizations.

Importantly, this social “stuff” is not politically neutral and inert, a purely “ideational” realm” that is divorced from the material world. This social “stuff” from which strategies emerge is constitutive of, and consequential for, the material world. A deregulated banking sector and the strategies of risk-taking and risk-distribution which emerged from it, grounded in the belief in the ‘trickle down’ benefits of free markets, resulted in a global financial crisis which was then responded to as merely an ‘aberration’ in the neo-liberal ideology that created it (Clegg, Carter, Kornberger, & Schweitzer, 2011; Cooper, 2015; Elliot & Atkinson, 2009). From within this discourse and ideology of neo-liberalism, the societal response was not to question the foundations of the neo-liberal economic system that created the crisis but instead a bail-out to be paid for with tax-payers money and followed by a period of austerity, affecting the lives of millions around the globe (Kelsey et al., 2017). The social “stuff” from which strategies emerge could not be more consequential for those involved in their creation and those still today feeling their impact. Strategy is therefore not just about scanning competitive environments and calculating payoffs from courses of action. It is a practice that is enmeshed in power and structured by forms of domination, inequality and exploitation. Thus, if we want to ‘bring society back in’ to the study of strategy, we will also need new ways of understanding this social “stuff” other than as an external ‘stakeholder’ to be factored in to the strategy calculation.

In this special issue, we propose that our understanding of strategy, in a field still dominated by the discipline of economics, is significantly limited by its lack of engagement with theory that can explain strategy *as a social and political practice*. We are mindful of the words of Sir Lawrence Freedman in his book, *Strategy: A History*, when he argues that strategy is “about getting more out of a situation than the starting balance of power would suggest. It is the art of creating power” (Freedman, 2013, p. xii). Strategy works on the promise that the future can not only be known, it can be also dominated and controlled. The strategic plan can be created and the competitive moves can be calculated, but the plans and moves can also be brought into being by bending the world to the will of those who created them. Our aim in this special issue is therefore to bring insights from sociology, philosophy, cultural theory and politics to illuminate one of the most important practices of modern times: the doing of strategy.

1. Strategic thought: A potted history

Given the range and prominence of strategy it should hardly come as a surprise that there are many approaches to studying it. Contributions from economics, history, military warfare, international relations, organization theory, public administration, social movement studies and strategy-as-practice make for a diverse archipelago of strategic thought. The different islands of the archipelago do not share a *lingua franca* and consequently view strategy in very different ways: from the rational actor of economic theory to the commander-general of military planning through to strategy-as-practice’s focus on the somewhat more mundane and less exotic everyday management practices.

For close to three decades, scholarship on strategy in the Business School world divorced itself from broader developments in strategic thought. This was, in our view, a serious mistake. In place of a multi-paradigmatic discussion on the nature of strategy, what emerged was a narrow window comprising of two panes: market-based Porterian approaches and the more organizationally grounded resource-based view (RBV). Using a metaphor from North American politics, the ‘Overton Window’ (Beck, 2010) refers to political debate taking place within a narrow window where discussion is confined to safe issues (cf. Bachrach & Baratz, 1962). Porterian and RBV perspectives retained an iron grip on strategy debates. As any MBA student will point out, you are either “with” Porter or the RBV. Both panes of the Overton Window claimed to be able to pin point the ‘holy grail’ of strategic thought: the source of sustainable competitive advantage. Occasionally, Henry Mintzberg – or another heterodox strategist – would score a direct hit with his catapult, cracking part of the window. This would be greeted as an opening up of strategy, only for *Academy of Management* and *Strategic Management Society* glaziers to swiftly reinforce the glass. During this period, aside from incursions by writers such as Mintzberg, strategy was implicitly or explicitly grounded in its origins in industrial economics.

There have, however, been some initially promising movements. In February 2001, a group of organization theorists and strategy scholars convened at an EIASM workshop in Brussels (Carter, Clegg, & Kornberger, 2008; Clegg, Carter, & Kornberger, 2004). In broad terms, the meeting comprised of the old guard of processual strategists from Europe, some institutional scholars and a new generation of organization theorists. Out of this event, the nascent strategy-as-practice movement emerged. In the decade and a half that has followed, strategy-as-practice has institutionalised itself as a major position in strategy, especially in Europe. Arguably, this has been accomplished through the construction of a ‘big tent’, incorporating well-established processual scholars together with a newer generation of academics, perhaps best characterised as organization theorists who were interested in strategy processes. Big tents in academia, as in politics, tend to have a light ideological base to them, which can be a source of weakness as well as strength. The strategy pursued by the strategy-as-practice school itself is a fascinating story that is yet to be written. After a broadly incoherent start, the approach developed a

Download English Version:

<https://daneshyari.com/en/article/7411893>

Download Persian Version:

<https://daneshyari.com/article/7411893>

[Daneshyari.com](https://daneshyari.com)