Re-reading the Term “Strategy”

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ABSTRACT

The aim of this paper is to understand the denotations and connotations ascribed to the term “strategy”, which is critical to the strategic management field. On the basis of the term, it has been appeared that the field takes mostly a normative position and could not escape from producing analytical tools for managers because of having a managerialistic focus since the 1960s, beginning of the field. This article provides a reader re-reading the term “strategy” from a different point of view.

The methodology of this study is based on qualitative content analysis of the selected articles. The results show that the strategic management field is still dominated by a managerialistic view. Therefore, the knowledge and analytical tools are produced by the orders of managers which create asymmetric power relations in the field.

This study analyzes the basic articles published in SSCI. It would be more comprehensive view to broaden the article pool. Although analyzing articles published on SSCI is widely accepted criterion, it also causes limitations. Besides, the books written on strategy are not included in this study.

The major claim of this study is suggesting a need of new view towards the strategy. It aims to create an argument on the main terminology of the field. These kinds of studies contribute to the evolvement of the field.

1. Introduction

There has been a rapid, growing, and diverse increase in the knowledge produced by the strategic management area since 1960s. Contributions of the researchers coming from various disciplines (economics, sociology, psychology, political sciences, organization theories, behavioral sciences, military sciences, engineering, biology, history, etc.) broaden this field since its beginning. As contributions from various disciplines make this field richer and deeper, and strategic phenomenon itself has multifaceted nature, the field has been dominated by a multidisciplinary fragmentation instead of a disciplinary homogeneity.

Unlike mature sciences such as economics, sociology, and psychology, strategic management, which is accepted as a developing research program even in management sciences, could barely become an independent field in recent years. So this field has started to progress to reach scientific maturity (Barca, 2009).

Although there is a consensus that the term-strategy started to be used in business in the 1960s, it had been using in military before this date. Alfred Chandler’s Strategy and Structure (first published in 1962, then reprinted in 2003) has been accepted as the first scientific work written on strategic thought. In his work, Chandler implies enhancing the micro economic intellectual basis of strategic thought thereby leads to a new academic area to the following academicians. The way Chandler lead fostered the formation of traditional strategy understanding. Andrews, Cave, and Porter are respected as subsequent examples of the aforementioned Harvard University focused traditional understanding (also called as the Harvard school). Till the mid 1970s, positive/descriptive studies have started to unfold instead of the normative/prescriptive approaches which were the main focus of interest. Chandler’s researches, which were based on historical analysis, were taken into account as a less normative works. Thus, it has an inductive characteristic in itself. In epitome, systematic observation, deductive analysis, modeling, and empirical testing have brought a new dimension to strategic management thought in 1970s.

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The research tradition which has been then called as "strategic process approach" plays a major role in the switch of strategic management field from a pragmatic area which tries to solve managerial problems towards a more scientific orientation. Mintzberg (1978), Quinn (1980), and Pettigrew (1987) became pioneers of this tradition. Among these, especially Mintzberg’s studies have taken a major part. Since the mid 1970s, Mintzberg suggested that instead of the approaches about “how strategy development should be”, “how strategy should be developed” needed to be investigated. Major contribution of Mintzberg was that he triggered the researches on strategy development process, so that a significant intellectual attempt has been directed from “how a strategy should be” to “how the strategy is”. In other words, while in 1960s such researchers as Ansoff and Andrews were in a struggle for transforming strategy into a more scientific orientation by standard approaches, in 1970s researches who developed the process approach discussed it as an art of individual subjective characteristics. Also they proceeded to practice “science of art” to understand how scientist carried out this art. Even it had maintained its importance later, the process research tradition in 1970s, which was developed by the benefits of social and behavioral sciences, started to become a limelight for the researches which tried to explain the content of the strategy fed by economics in 1980s. "The Competitive Strategy", produced by Michael Porter in 1980, was a landmark in the progress of thoughts about the content of strategy. The work, which made a massive leap forward, was followed by “Competitive Advantage” published in 1985. This work improved and deepened the basis of the previous one. Apart from Porter’s contribution, there was a huge increase in strategic management researches in 1980-1990. At the same time, such academic gurus as Charles Handy, Rosabeth Moss Kanter, and Tom Peters were trying to reveal that knowledge required by managers and leaders, which was intuitional, visionary, creative, and passionate, was more decisive than the objective knowledge produced by scientists such as strategists’ structures of minds, the way of thinking, rational figures, and forecasts.

Since 1990s, strategy studies has again started to become economic view focused. A new approach in this period called as "resourced based approach" took Penros’s (1959) “The Theory of the Growth of the Firm”, and Nelson and Winter’s (1982) book titled "An Evolutionary Theory of Economic Change" as a reference instead of the dominant paradigm in economics named as “neo-classic approach”. The resourced based approach became a dominant paradigm within 10 years. In 1984, Wernerfelt suggested that in-company factors should have been evaluated as a supplementary not an alternative to the Porter's positioning approach which stressed the exogenous factors. Wernerfelt stated that the only explanatory factor in Porter’s approach was industrial structure. Therefore, the role of resources and abilities of businesses in strategic issues were relatively ignored. However, the resources and abilities of the business, or core competences, had an effect on competitive advantage as much as industrial structure; consequently played a major role in the explanations of strategic phenomena. Upon to the principles, many researchers such as Barney (1991) and Peteraf (1993) made important contributions to the approach which enriched it (Barca, 2005). Along all these researches, practitioners/businessmen/consultants also contributed to the approach. Even today, it is possible to say that strategic management is fed by two main sources which are academicians and consulting/research firms.

2. The Critical Studies Carried Out in Strategic Management Field

It has been seen that there was an increasing interest towards critical management field in the last 15 years. Strategic management field has been fed by critical studies, and the researches about strategic thought have been conducted since then. Critical theory and postmodernism argue that the history of knowledge and social relations have been created politically and socially. Moreover, the theories advocate that if existent world is demonstrated as rational and natural, a contribution to dominancy can be provided. These two approaches criticize instrumental rationality of organizations on positioning instruments above the goals. Critical management researchers emphasize that postmodernism does not take into account the fact that many organizational practices occur under a capitalist system. The most important contribution of critical theory is dealing with the marginalized sides of organizational life, such as the symbolic dimension, emotional sides, and power relations of organizational life. Humanistic aspects such as emotion, passion, and intuition are as much important as rationalism in explanation and comprehension of organizations and management (Yıldırım, 2007).

However critical studies in strategic management field seem less sufficient compared to other sub-disciplines in management studies. It is possible to say that the most important event carried in this field is the congress named as “Critical Management Studies Conference”.
Levy and his friends’ work of Critical Approaches to Strategic Management guides critical studies in strategic management. According to the writers of the study, in the critical management studies, the term “strategy” is taken as a discourse, stresses the ideological side of strategy, and power relations. In this context, to universalize the interest of especially managers and capital-owning class, some topics in organization are described strategically. Thus, people who can solve these strategic issues are shown as managers. Here, the reason of existence of managers is legitimized and strategy contributes to the reproduction of inequality between all workers in organization. This general framework gives some clues to critical management researchers about critical approaches toward strategy field (Levy, Alvesson, & Willmott, 2003).

Another study is Toby Harfield’s (1998) work titled as “Strategic Management and Michael Porter: A Postmodern Reading”. In this study, the writer’s aim is not deconstructing Porter’s ideas or stressing the importance of Porter, instead he states that all the strategy discourse is a myth, and Porter would be evaluated based on this assumption. Since the field has all the criteria needed to become a myth, Porter is a myth maker as well. The writer benefits from the theme which is used by postmodernists frequently, so by questioning the relationship between writer-text-reader, he mentions the fact that a text could be interpreted differently by different readers. The interview done in his research is composed of the answers which are collected from Porter’s own writings. Therefore, the study carries a remarkable criticism especially in terms of methodology. Unlike the critique of Porter hitherto, as well as dealing the theory in the field as a myth, the guru of the field also becomes a myth maker in this study.

Pete Thomas’s (2000) work on ideology and strategic management discourse is another study deals the issue critically. He suggests that in the decision making process managers monopolize the issues for themselves directly or indirectly. In addition, they try to legitimize their dominant position by stressing necessity of control, the importance of decision making, and the responsibility. In fact, the legitimacy of dominant element in the organization is worth questioning, and strategic management could also be questioned in this context. Here, by taking Shrivastava’s (1986) study as a guide for himself, the writer demonstrates how strategic management discourse gains an ideological framework within organization, and how strategic management legitimize itself via the discourse of academicians, consultants, and managers. He presents this structure as a failing mechanism via the power relationships (Hızıroğlu, Dil, & Dinçer, 2009).

Consequently, neither strategic management studies nor critical studies deal the major term of the field; “strategy”, in various dimensions until today. In his work, Booth (2000) claims that strategy field needs to develop its own reflexivity itself and a comprehensive understanding of the term is required. To understand the term “strategy”, which is created by both academicians and practitioners, meanings ascribed to the term should be discovered.

3. Examining Core Studies on Strategy Definition

The term “strategy” has numerous definitions; however there is not a clean one yet. Therefore, this study aims to analyze the term “strategy” over the core studies. The purpose of the study is to understand the creation process of the “strategy” term which is crucial for the field, and to understand the denotation and connotation ascribed to the term via core studies. Hence the research question is created as follows: what kind of content does the strategy term have in consideration of the dominant core approaches in the field?

This question is answered via articles thought to be a basis in the field, by qualitative research method. In this context, the most cited articles in the strategic management field are analyzed via content analysis and 4 dimensions are obtained. These 4 dimensions serve as a basis for analysis.

The Dimensions Undertaken
- **Defining the term “strategy”:** How the writer defines the term “strategy” will be examined. Here Fahey and Christensen’s (1986) and Montgomery’s (1988) classification (process-content) is used.
- **Level:** In which level the term “strategy” is discussed will be examined.
- **Other terms and meanings which the term “strategy” is in relation with:** Other terms that strategy is used with, implications, emphasis, and other sub-meanings ascribed to strategy will be examined.
Relations with actors: Strategy creation process, determining strategy, sustaining (applying) the strategy, decision mechanisms, the importance/strength ascribed to manager, to whom workers'/personnel's decisions of creation, selection, and maintenance of strategy will be assigned, are examined.

4. Research Method

The methodology used in this study is based on qualitative content analysis of the selected articles. As widely known, content analysis techniques aim to understand and interpret a discourse, to avoid subjective effects. In contrast to the reader's automatically and easily done interpretations depending on knowledge, intuition, attitudes, values, and references, it brings objective reading principles. Instead of apparent, exhibited, and easily perceived content of discourse, content analysis provide revealing latent, implied content. Consequently, content analysis is a second reading oriented to determine invisible elements which affect an individual in a message. It has various techniques ranging from objectivity to subjectivity. The whole of these polymorphic and multifunction techniques let researchers use their subjective creativity. The technique used in the study is semantic content analysis (Geray, 2004; Bilgin, 2006).

4.1. Sample

The articles are selected among the most cited ones in SSCI. Besides, the articles which have the term "strategy" in their title and which are thought to handle "strategy" with a theoretical view are included in the sample. In this regard, 7 selected articles are as follows:

Selected articles;
4. Henry Mintzberg, 1978 - Patterns In Strategy Formation, Management Science,

Another characteristic of the selected articles is that they represent firstly the most dominant school of strategy today, called as positioning school (1st and 2nd articles), secondly the paradigm which is accepted as the most attractive one in the last 10 years named as resource based view (6th and 7th articles), lastly influential school in strategic management which are learning schools (3rd, 4th and 5th articles) (Nerur, Rasheed, & Natarajan, 2008).

5. Findings

Inferences obtained by re-reading the selected articles are summarized within the dimensions below:

5.1. Dimension of Defining the Term "Strategy"

These studies concerned with content focus on the topics that are needed for firms demonstrate an optimum performance in various environments. These topics could be arranged as required conditions, the market where firms operated in, and competitive behaviors. In the studies related to content, firms positioning themselves against the environment effectually come into prominence. The field of interest of these studies is not how to position a firm or targeted competitive position. The concern is the effect of resource usage on firm's performance. On the other hand, the studies about process of strategy draw attention on how effective strategies are formed. It focuses on effects of firm's management systems and decision making processes on its strategic position (Chakravarthy & Doz, 1992).

As a result of the readings which were carried out on the basis of well-accepted content-process division, it is seen that 4 of 7 articles deal strategy as content, 3 deal as a process. 1st and 2nd articles (Porterian view-positioning school), 6th and 7th articles (resource-based view) discuss the strategy as a content.
The role that 2 main movement dealing strategy as a content (positioning school and resource-based view) give strategy match up with competitive advantage effort. Besides, the articles are normative and pragmatically.

3rd, 4th and 5th articles, which reflect patterns of process school via adopting strategy as a process, avoid defining the term with a normative approach. Instead of emphasizing how strategy should be, they try to explore the nature of the strategy and to understand how the strategy emerged.

5.2. Level Dimension
The problematic of “how firms could obtain competitive advantage”, which also serve as a basis for strategic management, has a macro view compared to other disciplines of management (organizational behavior and human resource management). Therefore, it would not be a mistake to accept “organization” as the unit of analysis. Recently, although there are some movements reducing the units of analysis to the inside of the organization, associated variables are still at organization level or between organizations level.

After the readings, it has been seen that the 1st and 2nd articles which represent the positioning school have a macro view compared to others. Porter demonstrates strategy in several levels such as organization level, between organizations level, industry level, and between industries level. In his 2nd article, even he carries the unit of analysis level to inside organization meanwhile presenting an analytic method which he named the unit of analysis as a value chain, the results are still linked at organization, between organizations, industry, and between industries level.

The articles of resource based view indicate similarities with Porter’s 2nd article in terms of analysis level dimension. Representatives of this view consider that the source of competitive advantage is the set of resource/ability that the organization has. Therefore in their research they link the determination, creation, and management of organization’s resources and abilities to a strategy. Although they draw the unit of analysis in an organization, the results still remain at organizations, between organizations, and industry levels. Especially in the 6th article, the author carries the analysis level into between organizations and industry levels by associating inside organization analysis to attractiveness of industry that the organization act in, in other words, by ascribing an important role to the environment of organization in creating, sustaining, and selecting the strategy.

It is understood from the readings of Mintzberg that the level which strategy is examined remains mainly inside the organization compared to other studies, meanwhile demonstrates a more micro view. The author, who advocates that the strategy is a result of action, suggests that the deliberate strategies are not possible due to the complex, unpredictable nature of environment of organization. Thereby, he stresses that strategy rises at the end of a learning process. Here, he emphasizes the inside organization patterns and memory of organization with the “learning” point. Mintzberg mentions of 5 basic strategies which are strategy as a plan, strategy as a maneuver, strategy as a pattern, strategy as a position, and strategy as a vision. In 3 of these categories (plan, pattern, maneuver), Mintzberg deals analysis unit as an inside organization, in the rest (position, vision) he carries the analysis level into organization level.

5.3. Other Terms and Meanings Attached
It has been seen in the 1st and 2nd articles that strategy has a positive meaning even there is not a clear and tangible meaning of it. Porter defines strategy as a term that is creating meaning for the stakeholders. Inaccurately chosen strategy is shown as a failure. In his 2nd article, Porter suggests that the wrong strategy draws firm into a failure. As well, he defines strategy as a status of creating a unique and valuable position, adds that operational productivity without a strategy would not guarantee the performance. He stresses that operational productivity alone does not guarantee performance. In his 1st article which Porter suggests the assertion above, he associate strategy with operational productivity and performance, even he ascribes a more substantial meaning to the strategy. He claims that the base of competitive advantage is being different. From this point of view, he conceptualizes strategy as a way to differentiate organization from other organizations. Further, Porter emphasizes that strategy could be more valuable when it is practiced in a cohesive setting. In a nutshell, he underlines that competitive advantage emerges from total activities, so that choosing right strategy contains coherence, it also provides the totality of activities. In this discourse, Porter indirectly asserts that strategy also ensures the coordination between activities. Besides, referring to the creation and sustainability of the strategy, he imposes the mission of organizing to the strategy. According to him, profitability, productivity, and high performance could occur only by right strategies.
Simultaneously, a good strategy contains a long term planning. These 2 articles are the ones that have the most normative patterns among the selected articles.

Although the 6th and 7th articles are less normative compared to other selected articles of Porter, they still are normative. These articles, which have the resource based view, associate strategy with success, and stress that the accurately practiced strategies provide profitability, productivity, and high performance. Unlike Porter, the strategy concept is linked with some organization-specific patterns in these articles. Further, only organization-specific resources (tangible and intangible) are seen as elements providing competitive advantage. In these studies, resource is referred as a human resource, ability is referred as organizational learning, knowledge, and institutional history. Although, at first view, these studies seem like more humanistic than Porter’s terms due to their stress on workers in strategy creation process, this case contains more disadvantages. It is because these studies mention about human capital that the stress on workers means workers are tools in the creation process of the strategy. Consequently, emphasis on workers in these 2 studies could not go beyond the rest of the studies.

On the other hand, Henry Mintzberg has a view oriented towards the nature of strategy. He examined the creation processes of strategies. In this regard, Mintzberg neither conceptualize strategies with a normative view nor associate strategy with some organizational results. The most important and distinctive aspect of Mintzberg is that he tries to understand and define the strategies in the cases whereas others choose the cases which support their strategy concept.

### 5.4. Relations with Actors

In all the selected articles, missions such as selection of strategy, creation of strategy, actualization of strategy are ascribed to the managers. In this sense, it is possible to say that all the papers selected have a managerialistic view. Although it is more easy to observe this in the 1st, 2nd (positioning school), 6th, 7th (resource based view) articles, it is implicitly seen in the 3rd, 4th, and 5th articles. Dealing with strategy instinctively differs Mintzberg’s studies from others, but his studies overlap with others about the meaning ascribed to the manager.

Besides, Porter states that strategy should be used as a tool to bring stakeholders value via value creation. He gives this blessed task to a manager. In this sense, strategy is not a tool to reach the organizational objective, but an aim getting ahead of organizational objectives. In other words, there should be a right strategy (the measure of the rightness depends on the value it creates to the stakeholders), and then the strategy should be applied. This is the main task of a manager according to Porter.

Resource based view (such as positioning school) conceptualizes the strategy for a manager, and suggests some analytic approaches to managers to create the right strategy. In this regard resource based view and positioning school demonstrate a completely managerialist manner. In the Table 1, how the schools conceptualized strategy in terms of these 4 dimensions is summarized.
Table 1. Summary of the undertaken dimensions by schools

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Positioning (Porter)</th>
<th>Resource based view (Grant, Dyer, Singh)</th>
<th>Learning- (Mintzberg) school</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defining strategy</strong></td>
<td>Content – Economics</td>
<td>Content – Economics</td>
<td>Process – sociology, psychology</td>
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<tr>
<td><strong>Level</strong></td>
<td>It is defined dominantly organization,</td>
<td>Emphasis on organization level and</td>
<td>Organization and inside</td>
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<td></td>
<td>between organizations, industry</td>
<td>inside organization level resources.</td>
<td>organization level</td>
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<td>and between industries. Later (when resource</td>
<td>They are associated at</td>
<td>definitions are dominant.</td>
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<td>based view became dominant in the field)</td>
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<td>Environment is dealt as a</td>
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<td>it descended to the inside of the</td>
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<td>variable.</td>
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<td></td>
<td>organization.</td>
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<td><strong>The terms that</strong></td>
<td>Poor strategy=failure</td>
<td>Value creation</td>
<td>Planning, manoeuvre, tactic,</td>
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<tr>
<td><strong>strategy is</strong></td>
<td>Value creation</td>
<td>Operational productivity,</td>
<td>learning, uncertainty,</td>
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<tr>
<td><strong>associated with</strong></td>
<td>Position of being superior, unique</td>
<td>profitability, high</td>
<td>process, pattern, vision</td>
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<td></td>
<td>Operational productivity, profitability,</td>
<td>performance</td>
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<td>high performance</td>
<td>Workers, human</td>
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<td></td>
<td>Planing</td>
<td>resources, intellectual</td>
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<td></td>
<td>Organizing</td>
<td>capital</td>
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<td><strong>Relations with</strong></td>
<td>All decisions about strategy creation,</td>
<td>The emphasis on inside organization</td>
<td>Emphasis on indefinable</td>
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<td><strong>actors</strong></td>
<td>maintenance, and implication are given to</td>
<td>resources (workers) are at top level.</td>
<td>factors comprised of inside</td>
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<td>the manager. Workers are</td>
<td>Importance of workers in the choice,</td>
<td>organization, learning,</td>
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<td>pacified. Aim is to imply the strategy.</td>
<td>implication, and maintenance of</td>
<td>exterior factors in the</td>
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<td>Strategy is an aim. The conducting</td>
<td>strategy are understood. However</td>
<td>understanding of the</td>
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<td>studies are oriented to develop analytic</td>
<td>still the decisions about the creation,</td>
<td>nature of strategy</td>
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<td>methods to actualize the aim. Stakeholders,</td>
<td>maintenance, and implication of</td>
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<td>other competitor firms, top management,</td>
<td>strategy are tasks. Stakeholders,</td>
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<td>other actors in the market</td>
<td>other competitor firms, top management,</td>
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<td>actors in the market</td>
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<td>Strategic leadership.</td>
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**Discussion and Conclusion**

The accumulated knowledge on strategic management discipline is built upon studies which were carried on the main problem of "how do firms gain competitive advantage?" The term "strategy" is in a key position while answering to this problem. As a matter of course, initial attention to business strategies came from businessmen not academicians. In early 1950s, managers, who encountered a raising diversity and unpredictable settings in a business environment, showed a great interest in strategies to adapt to the environmental changes, to utilize the emerged opportunities, and to find several ways providing a prediction. As a result of this interest, various practical managerial approaches and systems showed up. Also, the relationship of firms with their environment started to be understood better. In those years, academicians showed nearly no interest to the strategy problem. When they were interested, they dealt the
subject in the individual creativity context rather than developing explanatory theories which would constitute a base for academic studies (Barca, 2005). When it is considered in this context, strategic management field is a subfield which has a 50 years history as a production of academic knowledge. The scientification effort of discipline which roots in practice and practitioner-writers still continues. In this direction, a new terminology belonging to the field was created. There is also a scientific community producing in strategic management field. Moreover, there are periodic journals/publications about the field. Well-accepted research methodologies were generated. According to Kuhn (2003) all these settings indicate that a discipline becomes scientific in a regular scientific process. In this sense, it is possible to think that strategic management field is turning into a scientific area. However even all the aforementioned situations are needed steps in the scientification process, the question of to what extent the knowledge in the field is unbiased and accurate should be kept in mind.

As seen from results, the strategic management discipline is still dominated by a managerialistic view. The major disadvantage here is that the knowledge, analytical tools, and techniques produced by the orders of managers, accelerate the asymmetric power relations existing in the field. It is understood that the way that strategy is defined and abstracted in the minds take out it from being a tool, and form it as a main objective of the organization. The term “strategy” which is shaped by the arguments of the managerialistic view, brings tools to managers that they could use to employ their power in accordance with stakeholders’ interest. Therefore, to avoid from the normative/pragmatic works, basic terms such as strategy should be redefined in different forms. It should also be thought that the current period is usual for a new discipline which has roots in practice.

References


