



## **In Search of Seminality: David Knights and Glenn Morgan on Company Strategy**

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### **Preamble**

The purpose of this paper is to question the standards of scholarship now current in the discipline of organization studies. It does so through a close-reading of a paper which has a fair claim to seminal status, since it is widely cited within the literature and is described as seminal in a number of recent contributions. The paper is Knights and Morgan's Foucaultian analysis of strategic management (1991) and the present analysis is best read with that text to hand. Read in detail, Knights and Morgan's paper turns out to be deficient in almost every respect. Their claim that strategic management needs to be understood as a discourse which 'constitutes the subjectivities' of its practitioners amounts to an innovation in terminology only, since there is no suggestion as to what kind of evidence might distinguish that process from the conventional acquisition of technique. Their proposed history of the origins of strategic management does not fit the historical record. Their claims to theoretical and methodological advances over previous major works in the field are not substantiated and depend in any case on serious misrepresentations of those works. They present a drastically one-sided account of Foucault's views on power, the application of which to strategic management is claimed as one of their major innovations. The one positive and original thing they have to say about strategic management – that it confers psychological benefits on those who practice it ('power effects') – is supported neither by evidence nor convincing argument.

The analysis then proceeds to a 1995 paper by the same authors on the introduction of strategic approaches to IT and product management in a life insurance company. Interesting as a conventional narrative, the notable absence of 'constituted subjectivities', 'power effects' and, indeed, of any mention of Foucault in this study is *prima facie* evidence of the complete irrelevance of the 'genealogical' approach advocated in the 1991 paper. This conclusion is reinforced by two recent papers which claim to have provided empirical support for the original Foucaultian approach. Neither of them achieves anything of the kind. The analysis concludes by suggesting that Knights and Morgan's 1991 paper continues to be cited in despite of its evident shortcomings because of the feverish intellectual climate which now prevails within organizational studies. Under pressure to produce innovative work in fields dominated

by established reputations, young researchers may be attracted to any intellectual direction which promises to subvert those reputations and so provide space for new models of academic distinction. This, it is suggested, is the true nature of Knights and Morgan's achievement, and it is one which may account for the failure of the academic community to take due note of the deficiencies of their work. In this sense it may be symptomatic of a discipline in which standards of scholarship have been eroded in a frantic search for novelty.

## **Introduction: Seminality and the Pathologization of the Literature Review**

Not many academic papers are described as 'seminal'. It is an accolade from one's fellow academics to which most of us can only aspire. As conventionally understood, its particular value lies in the fact that it is a gift unsolicited, and one given, moreover, on the basis of careful deliberation by minds which one respects. Knights and Morgan's Foucaultian analysis of company strategy (1991) is one such paper (hereinafter 'K&M 1991'). Over the sixteen years since its publication, the Institute of Scientific Information database lists 135 papers as having cited it as of January 2007. On top of that, it is actually described as seminal in recent papers by Samra-Fredericks (2005) (three times) and Laine and Vaara (2007) (five times).

An attentive reading of the paper, however, suggests another model of seminality. In this second model, seminality seems to lurk within the text itself, in the form of an unacknowledged desire. There is an impatience about K&M's paper, manifest in its insistence on its own novelty and the rough treatment meted out to the works discussed in its literature review. These are not so much drawn upon as resources but seemingly dragged into the discussion only for the purpose of being ejected from it again (c.f. Friedman, 2004). It is as if the writers cannot wait to get to their own unique selling-point. Tacitly but insistently, seminality is being argued for.

In this second model, the aspirant seminalist is no longer passive, as was the case in the first. Seminality takes on the character of a presentation of self, albeit one made through the medium of the academic text rather than face-to-face sociality. It becomes a performance, one which involves drawing attention to the differences between one's work and that of one's antecedents and presenting arguments purporting to show that the differences are improvements. In their nature such arguments will focus on the shortcomings of the work of these antecedents, the more illustrious, the stronger the claim to seminality. To the extent that arguments of this kind depend on the manner of description, it can be said that seminality on this second model is an accomplishment of the skilled academic performer.

Such performances depend on a kind of pathologization of the literature review. It is, legitimate and normal, of course, that an academic paper should make a case for itself. Inevitably this involves drawing attention to the manner in which the existing literature presents opportunities for extension, how it might be complemented either by additional evidence or theoretical reflection or even how it might stand in need of correction. In those aspects, the literature review necessarily depicts a present state of imperfection,

drawing attention in the process to the improvements which the author hopes to effect. Beyond a certain degree of insistence, however, an inventory of the shortcomings of previous research coupled with the claim that these will presently be made good invites the suspicion that a case is being made not so much for the existence of the new contribution, but for its superiority. Thus overstated, the rationale for a piece of research shades by degrees into claims for its seminality, a transformation which is recognizable once it has occurred though there is no way of identifying the precise point at which it happened.

It is not simply a matter of the stridency of expression. An over-extension of the critical process, both in respect of the number of works stacked up in the reject pile and in the density of the faults found in each can convey the same impression: that there is no conceivable prior research which could have satisfied our reviewer, that some form of distinction from it would have been sought whatever statement it had made, and that prior work is being criticized not for any shortcomings in its treatment of the problems to which it was addressed, but for its 'failure' to anticipate in every detail the approach for which seminality is now claimed. How far these remarks apply to K&M 1991 is, of course, a matter for opinion. The principle charges levelled against previous researchers in that paper are:

*Alfred D. Chandler Jr., Oliver E. Williamson*

Failure to acknowledge the mutually constitutive character of strategy and the problems to which it is addressed

'Intellectual legislation' - i.e. telling people what they 'really' mean

Anachronism

*Andrew M. Pettigrew, Henry Mintzberg*

Failure to question the view that strategy exists to solve problems in the relationship between the organization and its environment

Positivism

Determinism

Taking an unduly negative view of power

To these accusations Knights and Morgan (1995) add a further charge against all four that their work is a-historical. The extent to which these alleged failings are made good in K&M's own work is a matter which will be taken up presently. Meanwhile the question posed to the reader is what role they play in K&M's exposition. To what extent are they integral to its development and to what extent merely as a foil to the advances which are claimed?

As the world now recognizes, or at least that part of it which has read *Organization Studies*, 27(5), Knights is now a scholar of sufficient standing to have been persuaded by friends and colleagues to publish a *Vita Contemplativa*. Since his joint paper of 1991 on corporate strategy is one of the pillars of that eminence the qualities which mark it

out as seminal are of considerable interest. For young researchers who hope one day to achieve similar levels of seminality they bear on such questions as, ‘What kinds of advance must I make on previous work, how must I present it and with what kinds of supporting arguments and evidence?’ These matters may also be of interest to those who have no such ambition, but must still cope with the workings of the field of cultural production in which they find themselves faced with the problem of making a living.

## **Outline of K&M 1991 on Corporate Strategy**

The basic argument in K&M (1991) is that the process of strategic management cannot be adequately understood as a rational response to market conditions nor as an outcome of a political process in which managers bring a variety of frames of reference to the strategic process. Nor, they further maintain, can its origins be properly comprehended as a search by company management for solutions to the problems of matching company resources to competitive conditions. In order to overcome what they see as the shortcomings of these traditional approaches, they draw upon the work of Michel Foucault to propose that strategy should be seen as a discourse which works by re-constituting managerial subjects as strategic actors who “secure a sense of well-being through participation in strategic practices” (K&M, 1991: 251). From this insight, it follows that the practice of strategic management must have originated in the discourse of which it is an expression and, beyond that, in the conditions of possibility of which favoured the emergence of that discourse.

### ***On the Origins of Strategic Management***

K&M (1991) do not claim that their approach supplements or adds a new perspective to previous accounts of the emergence of strategic management. They claim that previously accepted accounts, represented in their literature survey by Chandler (1962, 1977) and Williamson (1975), are actually wrong. Since Knights, by 1991, was an established luminary both of the labour process debate and of critical thinking on management, one might have expected the discussion of these works to begin with Chandler’s self-confessed neglect of labour relations (Chandler, 1977: 493) and the implicit functionalism of Williamson’s transaction cost economics. Instead, both Chandler and Williamson are summarily dismissed in a breathtaking coup of the logomachic imagination, the grounds being that “we cannot accept the legitimacy of imputing strategic intent to business practitioners where the concept of strategy has not yet secured a discursive foothold” (K&M, 1991: 255).<sup>1</sup>

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1 In this one sentence the authors would appear to have contrived a conceptual engine of awesome destructive power. If it ever became general currency, it could annihilate entire libraries: for example everything on ‘economic’ anthropology, on pre-modern ‘art’ and on ‘infectious diseases’ in the ancient world. To appreciate the sheer silliness which the ‘conditions of possibility’ template can attain in the wrong hands, imagine the following sentence in a magazine for vintage car enthusiasts: “We cannot accept the legitimacy of imputing motoring intent to the drivers of self-propelled vehicles where the concept of motoring has not yet secured a discursive foothold”. The error, of course, is to treat a context-limited vocabulary as if it were an all-encompassing discourse.

Since K&M 1991 cite Williamson (1975) one must assume that they have at least dipped into it. They seem to have managed to do so without realizing that it is a work of institutional economics, not business history, and therefore one to which the accusation of anachronism is irrelevant. It is also a work which mentions strategy only in the 'internal' sense of monitoring divisional performance for the purpose of directing investment and only then in connection with the multidivisional organization. It is true that Williamson (1981), a later work to which K&M do not refer, *is* written as a contribution to business history, but Williamson's concern therein is to apply his transaction cost framework to developments in internal organization, not to consider developments in policy-making at the company level. Insofar as K&M's accusation of anachronism on the question of company strategy has any substance at all, therefore, it can apply only to the work of Chandler.

According to K&M 1991, Chandler was in error in imputing strategic behaviour to the managers of large US companies during the early years of the 20<sup>th</sup> Century because the 'discourse of strategy' had yet to appear. It is their contention that this discourse only began to evolve from the 1950s onwards and did so, not in the world of business practice, but in the academies. From there, it is said to have diffused outwards, through the vectors of management consultancy, the business literature and 'pro-active MBAs'. From the vantage-point of these insights, K&M 1991 then accuse Chandler (and Williamson) of 'intellectual legislation', on which concept they cite Zygmunt Bauman's *Legislators and Interpreters* (1987). By this, they mean that Chandler's attribution of strategy to management policies in advance of the existence of strategy discourse involves correcting these managers' own understanding of their activities.

First, the citation: a minor irritation but regrettably symptomatic. Bauman's book seeks to relate changes in the characteristic pronouncements of public intellectuals to a progressive disintegration of the moral order. In its early stages ('modernity' according to Bauman) the stance of intellectuals was basically 'legislative' in the sense that they sought to shore up what remained of a unified conception of the good life, refinement of manners and aesthetic judgment. In post-modernity, on the other hand, cultural diversity is supposed to have progressed to an extent which has undermined the legitimacy of any such attempt. Those intellectuals who have adjusted to the new situation now perceive their role as one of interpreting between cultures – hence the 'interpretive stance'. Those who have not made this accommodation persist with the legislative style but now practice it only within the boundaries of their own discipline, neither seeking, nor seeing value in, its imposition on a wider culture.

Notwithstanding the high regard in which Bauman's work is held, the thesis is unconvincing, not least because one could easily argue that there has been no secular decline in moral punditry from intellectuals over the centuries in question. Of more immediate relevance to K&M 1991's citation, the concept of intellectual legislation in the sense of insisting that a word should be used in a certain way forms no part of Bauman's argument: for him the legislative stance on the part of intellectuals always concerns a prescription for the 'good life', not the use of language. This means that K&M 1991's appeal to the authority of Bauman to lend gravitas to their argument is spurious. It is a citation which goes no deeper into the book than its dust-jacket, and it is not the only such citation in K&M's 1991 paper.

As for K&M 1991's substantive point, their claim that Chandler transgressed the mores of intellectual production in his use of the term 'strategy' to describe company policies which antedated the currency of the term is extraordinary coming from writers who are quite happy to tell us that managers are mistaken in believing themselves to be making rational decisions when they are 'really' acting out of a constitution by discourse. If the first amounts to 'intellectual legislation', so does the second. Not entirely unaware of the performative contradiction involved, K&M issue a disclaimer towards the end of their paper, though without withdrawing their original dismissal of Chandler. They are, they tell us, "not seeking to contradict or deny what practitioners do and say when they exercise power through strategic discourse" (p. 270), but how else can one describe their "rejection of the view that corporate strategy constitutes simply a rational response to the environment" (p. 268)?

### ***Where to start?***

Perhaps with K&M 1991's social ontology which might be summarized as a linguistic materialism wherein the usual relationship between the sign and its referent is reversed (Eagleton, 1978). In this particular case it is the description 'strategy' which is treated as ontologically prior to the practices which it describes (Gorman, 1993), the implication being that the latter cannot come into being in advance of the former. K&M's justification for this unusual view of the matter is that the discourse of strategy "constitutes the problems for which it claims to be a solution" (K&M, 1991: 255).

In the weak sense that managerial problems always appear as 'already interpreted', this is a notion with which the writer can only concur because it is also employed in his own treatment of management as inter-professional competition (Armstrong, 1984). In fact the idea that managers' functional backgrounds influence their interpretations of critical problems facing their companies has been around at least since the late 1950s (Dearborn and Simon, 1958) and it has inspired a considerable volume of research (Finkelsetin and Hambrick, 1990). None of this is cited by K&M and all of it is more sophisticated than their own work in that it provides a vocabulary wherein it is possible to discuss the *variety* of influences on the managerial perception of strategic options, something which K&M 1991's vaguely-defined 'discourse of strategy', however protean and various this is taken to be, does not. There is all the difference in the world, moreover, between the idea that problems can be variously interpreted and the crackpot notion that they simply do not exist before the evolution of the current manner of their description. This last statement of the issue, indeed, prompts the thought that it is K&M who read history backwards, not Chandler: this because they effectively assume that the practices which go to make up strategy *can only* be described in their present manner.<sup>2</sup>

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2 Again K&M 1991 are not consistent in their scruples over "intellectual legislation", being quite happy to describe Fayol's *Administration Industrielle et Générale* (emphasis added) as a work on *management*. In fact Fayol's term "administration" continued to be preferred in the first English translation of 1930 and it only became a self-declared work on management with the new translation of 1949. On K&M's view of things, therefore, Fayol's work had nothing to do with management until 1949. They cannot counter with the argument that the two terms are synonymous without undermining their prohibition of the use of the term strategy to describe managerial planning before the 1950s, and also without committing an act of "intellectual legislation" of their own against the

In order to concretize this issue, let us take a brief look at the kind of managerial practices which Chandler is accused of illegitimately describing as strategic.

In the first and second decades of the 20<sup>th</sup> century the managers of the E.I. DuPont de Nemours Powder Company were routinely using the return-on-investment measure to evaluate the cost-effectiveness of integrating backwards along the supply chain so as to ensure the stability of the supply of raw materials (summarized from Johnson and Kaplan 1987: 82, 83). They had also integrated their pricing system and competition policy into a system which achieved the difficult feat of stabilizing production in the face of fluctuating demand, and with it, labour relations. In particular, prices were manipulated so as to keep small competitors in business whilst discouraging new entrants so that it would be the small competitors and not DuPont itself, who would absorb the fluctuations. (summarized from Chandler and Salisbury, 1971: 155).

Can it seriously be maintained that this was not strategic management, or at least something well on the way to it? If the discussion is to proceed, we will have to assume that it can.

The next problem with K&M's account of the origins of strategic management lies in their depiction of its discourse as originating in the academies<sup>3</sup> and diffusing outwards thereafter into business practice. This is markedly at variance with what we know of the historical relationship between management practice and management thinking. From Fayolism to standard costing to divisionalisation to just-in-time, to 'flexibility', the historical record of managerial technique is overwhelmingly one of practice-led theory. Far from innovating, the role of management writers, consultants and academics has typically been to codify 'best practice' as they have encountered it in the field and from *there* to diffuse it into other companies. Indeed the fact that the latest 'best practice' is already in proven operation amongst a client's competitors has typically been a major selling-point.

Fayol's 'principles of management' are a case in point. K&M (1991) write that these were "developed in Europe [but were] only gradually and intermittently taken up in practice by European managements" (K&M, 1991: 256), a phrasing which suggests that the 'development' was somehow external to management practice. In fact Fayol's writings were the distillation of many years' experience as a manager in the French mining industry. Likewise, Taylor's innovations – very obviously given the manner of his expositions – were reports of practitioner developments in the management of production, made not just by himself, but by 'a hundred or more' industrial engineers employed in the workshops of North America (Urwick, 1953: 377). These precedents suggest that the assemblage of practices which we now call strategic management is the culmination of a long series of practitioner innovations, not the creation of decontextualised research and profound ab initio thinking in the academies. This, of course, is precisely Chandler's thesis and it directly contradicts that of K&M (1991).

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Institute of Industrial Administration. Not surprisingly, that body continued to hold that the term 'administration' was more inclusive than 'management' until it was merged into the British Institute of Management in 1957.

3 Actually K&M 1991 specify the universities of the USA, because in Europe, they tell us, 'the ethos of universities was distinctly separated from that of industry and the world of work'. Whilst this was certainly true of the UK, they forget, or perhaps do not know, that it is certainly not true of the German Technische Hochschulen or the French Polytechniques and Écoles des Mines.

In sketching out the conditions which they say, constituted the ‘conditions of possibility’ for strategy discourse, interestingly enough, K&M (1991) reproduce some of the major building-blocks of Chandler’s history, albeit in drastically simplified form. The developments which they pick out are the separation of ownership and control, the rise of the multinational company and divisionalisation – all of which long predated their dating of the origin of strategy discourse.<sup>4</sup> In thus replicating Chandler without acknowledging the debt in the relevant passages, and whilst simultaneously claiming to have surpassed him, K&M (1991) commit an academic malpractice which Friedman (2004) has called ‘strawmanning’. In this particular variant of strawmanning, the work of a previous author is criticized for weaknesses which it does not actually possess whilst elements of that work are simultaneously appropriated by the critics and credited to themselves. In this instance, in fact, the accusation may even be too generous because K&M (1991) offer no explanation of the evolution of organizational form. Instead they treat it as something which ‘just happened’ and which is related to the evolution of strategic management only as a condition of possibility of the appearance of strategy discourse. In this respect, theirs is a theorization which involves a considerable degradation of understanding as compared to Chandler’s subtle and heavily documented depiction of the interplay between managerial technique and organizational form.

Where K&M (1991) *are* genuinely innovative, though with doubtful merit, is in their emphasis, not on the concrete managerial problems of aligning company resources, internal design and control systems so as to respond to competitive conditions, but on the problems of reporting and accountability to which these new structures give rise – the ‘discursive spaces’ as they put it. Strategy discourse, ‘in their view’ prospered in this new environment because it provided a language in which management could describe their problems and propose courses of action both to ownership and to each other. But why *that* language? If, as K&M (1991) have already informed us, the problems to which strategy is addressed did not exist prior to the language in which they are now described, how could there possibly have arisen a demand for reports couched that language?

These difficulties aside, there remains the problem of why anyone should believe K&M’s account of the role of strategic management. What evidence would enable one to decide between strategy as a language of accountability and strategy as an attempt to direct the activities of a company? K&M (1991) do not see fit to provide any, but one would expect management reports to be couched in the language of strategy on either hypothesis – and what other possible evidence could there be? And if there is none, why should one accept an account of the origins of strategic management which leaves so much unexplained and throws up so many anomalies?

### ***On the Strategic Process***

K&M 1991 are no more prepared to co-exist with accepted views of the operation of strategic management than they are with accounts of its origins. The aggressive attitude

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4 Brief as it is, K&M 1991’s excursus on business history provides ample opportunities for incidental embarrassments. In the course of it, they refer to “the huge conglomerates of Rockefeller, Morgan, Carnegie, etc.” (p. 257). Standard Oil and Carnegie Steel as conglomerates!



towards alternative theories is again to the fore. "Analysis of strategy" (K&M, 1991: 251), they write, "*cannot* be reduced either to rationalist accounts of markets and environments nor interpretive understandings of actors' frames of reference" (emphasis added). The deficiencies of these existing approaches, they claim, are made good in their application of Foucaultian methodology.

One of the difficulties in assessing a claim to a new approach written in language so different from that of conventional business research is that of distinguishing innovation of substance from innovation of terminology. In the particular case of *The Foucault Effect* (Burchell et al. 1991), the difficulty is compounded by its association with a broader linguistic turn which denies the legitimacy of any attempt to descry the matter of what is said behind the manner of its saying. Possibly that is one of its attractions: that it facilitates low-cost claims to originality. But unless the critical function in social science is to atrophy altogether, it is also a reason why the attempt must be made.

It is useful to begin by making the null argument: that there is no difference at all between the view of strategy as a rational response to market conditions and the view that it works as a discourse which constitutes managerial subjects. This would give some indication of the kind of counter-argument which K&M (1991) would have needed to make in order to sustain their claim to originality.

We start with the observation that, as K&M's own literature review makes clear, the consultants and academics who created the early strategy literature certainly viewed it as a process of rational planning. For K&M 1991 indeed, this presumption of rationality is sufficient grounds for dismissing that literature as a serious account of the strategic process. Since K&M (1991) also make the point that these writings occupied a key position in the 'genealogy' of strategy discourse, the image of the strategist as a rational planner must have carried into the discourse itself. If, as K&M 1991 further maintain, this is the discourse which 'constitutes' the manager as a 'strategic actor', that implies an actor whose self-conception is that of a rational decision-maker and whose idea of the proper performance of strategy consists of a rational assessment of a company's strengths, weaknesses, opportunities and threats (for example). If practices of this kind are the outcome of K&M's processes of 'discursive constitution', they would appear to be identical to those of managers who are simply following the prescriptions of writers such as Ansoff (1965) and Argenti (1968). The implication for K&M's 1991 theory of the strategic process is that it differs from the rational action approach only in respect of its predictions for the self-images of practitioners. As the proposers of what is claimed to be a distinctive new approach, one would have thought K&M 1991 would at least have considered what form these differences might take and how they might be observed in empirical research.<sup>5</sup>

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5 Interestingly enough, this argument will generalize to all claims of discursive constitution. Since, as Foucault informs us, the discourses of the human sciences are of the form power-knowledge, they all incorporate a model of practice, a template of the proper relationship to the objects of practice and a self-conception of the practitioner. The result is that the practitioner constituted by such a discourse is subject to exactly the same internalized constraints as would be expected from professional education and socialization as this is conventionally understood.

### ***A Superior Epistemology?***

In the case of the processual and social constructionist approaches to company strategy – represented in K&M’s 1991 argument by Pettigrew, Mintzberg and their co-authors – they clearly *have* considered how their own approach might be claimed to be distinctive. As they put it, “It could easily be thought that our approach to strategy was not so very dissimilar from the processual perspective” (K&M, 1991: 267). Despite a complaint of ‘not enough space’, they find the thought sufficiently troubling to devote three pages to its rebuttal. In the course of these three pages it turns out that their claim to originality does not depend on any difference of substance in what they have to say about the strategic process. Indeed it could hardly do so in a paper which does not actually get to the point of saying anything concrete about it. Instead, K&M (1991) base their claim on their superior epistemology and theorization of power.

The odd thing about the first of these claims is that a paper which says nothing about the strategic process cannot be said to *have* an epistemology on the topic<sup>6</sup>. If no knowledge is offered there can be no operative theory of how it was obtained. What is offered in its place is an explication of Foucault’s methodological apparatus coupled with an attack on the alleged ‘positivism’ of Pettigrew, Mintzberg and their co-authors. The accusation is one which crops up frequently in the work of Knights and his co-authors, though not always in a manner which suggests that they have correctly grasped its meaning.

Pettigrew and Mintzberg commit positivism, K&M tell us, because they explain social outcomes in terms of interests and constraints – or (one senses an uncertainty of footing) that they are ‘inclined’ to do so. It is no act of intellectual legislation to observe that this is simply not what other people mean by positivism. Halfpenny (1982) identifies no less than twelve distinct meanings of the term whilst Keat (1981), less given to the classificatory impulse perhaps, lists only four. Not one of them so much as mentions either interests or constraints. Nor can K&M’s accusations be justified in terms of a more informal usage. Observing that out-and-proud positivism is comparatively rare, Alexander (1982: 5 ff.) suggested that much empirical research is still in the grip of a looser ‘positivist persuasion’. This tendency comprises a number of linked assumptions which are sub-articulate in that they are to be inferred from the actual conduct of research rather than announced in its proclaimed methodology: that there is a radical difference between empirical and non-empirical statements, that ‘philosophical’ or ‘metaphysical’ issues are irrelevant to an empirically oriented discipline, and that theory can somehow be constructed from observation by a kind of induction. Notably, neither interests nor constraints figure even in this in this less rigorous usage of the term.

Alexander’s (1982) observations suggest that the qualitative tradition in organization studies is overdue a period of critical self-examination. Such an effort of collective introspection would reveal that positivism is not the monopoly of quantitative research.

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6 This comment is specific to K&M’s 1991 treatment of the strategic process. It does not apply to their remarks on the origins of strategic management since they at least offer a secondary analysis of Chandler’s data, albeit one which is unconvincing.

However commonly it may be believed, it is simply not true that 'soft' data from ethnographic work or unstructured interviews, and the interpretation of that data in terms of social action, automatically add up to a non-positivist methodology. If positivism is to be avoided, the theory-laden nature of interpretations needs to be acknowledged, but, beyond that, the actual lines of influence between theory and interpretation need to be made explicit. The implication is that the conclusions of a non-positivist research should, strictly speaking, be presented in a conditional format: '*if, such-and-such a theory is employed, then the data are consistent with such-and-such a conclusion*'. By these means it is quite possible to interpret data in terms of interests and constraints without lapsing into positivism. Conversely, it is also possible to produce a positivist research which infers the discursive construction of subjectivities from its data, particularly when dogmatic truth-claims are made for such interpretations as they are throughout K&M's 1991 paper.

All this means that K&M's claim to superiority over other writers in respect of their anti-positivism would require that they consider the dependence of their own interpretations on the prior theory through which they are made. This, in turn, would require them to adopt a rather less dismissive attitude towards the work of other writers. They would need to acknowledge, for example, that the historical record might fit Chandler's version of the emergence of strategic management just as well as, or perhaps rather better than, their own; that managers 'doing strategy' might equally well be enacting the prescriptions of Ansoff as a constitution by discourse. This, however, is precisely what they cannot admit without abandoning their claim to have surpassed these writers.

### ***A Superior Theory of Power?***

K&M's claim to a theory of power superior to that of Pettigrew and Mintzberg begins with the accusation that these processual theorists treat power as a property of the individual rather than intrinsic to social relationships. Even if this characterization of processual theory were correct, both the critique of the 'property' theory of power and the improvement on it claimed by K&M (1991) were anticipated by the considerable, if unfashionable, figure of Talcott Parsons (1951: 121). To Hobbes' definition of power quoted as "a man's [sic] present means to any future good" (a property theory of power if ever there was one), Parsons proposed the qualification "that such means constitute his [sic] power, so far as those means are dependent on his relation to other actors".

K&M (1991) prepare the ground for their claim to theoretical superiority by criticizing the processual/social constructionist treatment of power on two grounds. The first is that these writers "cling to certain positivist [again!] attempts to identify and perhaps measure causal processes, as if action can be fully explained through references to interests and the opportunities or constraints surrounding their pursuit" (K&M, 1991: 267). The onslaught continues on the following page, partially contradicting itself in the process:

Despite the power being concealed behind constructions of reality that are seen to structure subordinates' wants, the conception being drawn upon is still the Weberian/Dahl one of getting people to do what they would not otherwise do in the absence of such power. It is still then a deterministic theory. (K&M, 1991: 267)

This is nonsense: no social scientist, not even one of the calibre of Pettigrew or Mintzberg, could simultaneously explain action in terms of interests and constraints on the one hand and social constructions of reality on the other. Besides which one can quote Pettigrew thus (1987: 656), “Neither, of course, given the dangers of simple determinism, should structure or context be seen as just constraining processes. Rather, this approach recognises that processes both are constrained by structures and shape structures”. On the supposed ‘determinism’ of Weber’s and Dahl’s views of power, here are the authors’ actual definitions:

In general, we understand by ‘power’ *the chance of* a man or of a number of men to realize their own will in a communal action even against the resistance of others who are participating in the same action. (Weber, 1947: 180, emphasis added)

the *probability* that one actor within a social relationship will be in a position to carry out his own will despite resistance. (Weber, 1978: 53, emphasis added)

A has power over B *to the extent that* he can get B to do something that B would not otherwise do. (Dahl, 1957:202-03, emphasis added)

Weber’s definitions are clearly probabilistic, not deterministic, whilst Dahl’s is either quantitative or probabilistic, according to whether it is envisaged that the ‘something’ which A is trying to get B to do can be done by degrees. If K&M (1991) still object to definitions of this kind, one is entitled to ask whether they have in mind a definition of power which makes it not even probable that it will prevail. Besides all of which, Pettigrew’s own treatment of power, throughout *The Awakening Giant* (1985), is explicitly anti-deterministic in that it consistently emphasises the part played by argumentative and tactical skill.

K&M’s second ground for criticism is what they describe as the processual/social constructionist assumption that power is “always about getting others to do what you want them to do” (K&M, 1991: 268). On this, they quote a paragraph from Pettigrew (1985) to the effect that power may be used either to defeat or prevent competition over strategic choice. Thus far, the criticism, if it *is* a criticism, holds. Pettigrew’s whole emphasis, however, is on a ‘multi-level’ approach which fuses cultural and political analysis and thus allows space for the understanding and tactical skill required to effect processes of cultural change, to construct effective symbols and to manage meaning (Pettigrew, 1987: 658-9). Whilst an eclectic approach to power of this kind allows for the comparatively straightforward business of ‘getting others to do what you want them to’ – as that of K&M (1991), one might observe, does not – it is certainly not limited to it. Against the approach which K&M (1991) have thus traduced, they counterpose a view of power which they attribute to Foucault:

power is not a property of individuals or groups but of all relations and, moreover, it is not principally about repression and constraint. On the contrary, it is more often positive and productive of subjective well being. Power is positive in the sense that it can transform individuals into subjects who secure their sense of what it is to be ‘worthy’ and ‘competent’ human beings through the social practices that it creates or sustains. (K&M, 1991: 269)

How far this is a fair representation of Foucault’s views on power is a question which will be taken up in a moment. For now, we note that K&M (1991) are proposing a view of power in which it is rarely or never about ‘getting others to do what you want them to

do'. In this they surpass even Talcott Parsons who at least recognised that "the capacity to get things done" might require "people to do things they may not presently want to" (1960: 182, 219-220).

### ***Representations of Foucault***

Much of K&M 1991's claim to theoretical sophistication involves setting themselves up as retail purveyors of Foucault to the management research community, a posture which later expressed itself in what must surely be one of the ultimate statements of hubris-by-proxy: *Writing Organization Analysis into Foucault* (Knights, 2002). Accordingly, much of K&M's 1991 paper is devoted to an introduction to Foucault's methodology and his thinking on power. Besides taking their percentage mark-up in the form of personal credit, however, retailers of this kind may make other claims on the wholesale product. They may market part of the range as own-label goods, as, for example, Knights himself (1990) is credited with the insight that through an engagement in discursive practices individuals can be "transformed into subjects who secure their sense of meaning, identity and reality" and Willmott (1990) with the discovery that power can "transform individuals into subjects who secure their sense of what it is to be 'worthy' and 'competent' human beings" (K&M, 1991: 269). A lesser variant of this tendency, and possibly an early stage in its development, is to add the retailer's own name to a citation of the authoritative thinker in question, as if to imply some parity of contribution. Other retailers may tinker with the goods in ways which affect their fitness for purpose whilst still others, as we will see in a moment, stock only that part of the range which they believe will appeal to their particular market.

The page references to Foucault for the view of power summarised in the above quotation from K&M (1991) are to two lectures of 1976 reprinted in Foucault (1980). It is virtually certain this citation was a mistake, and that K&M intended to refer to a brief passage on power in an interview of 1977 which is reprinted in the succeeding chapter. Of this latter passage, the quoted extract is largely a fair representation.

In the two adjacent lectures cited in error, however, Foucault expresses very different views on power, and at much greater length. In sum, the lectures are an extended meditation on how best to 'invert' the juridical doctrine of right which both legitimates and transmits power and so "give due weight to the fact of domination, to expose both its latent nature and its brutality" (*ibid.*, pp. 95-6). In these lectures Foucault does *not* say that it is 'incorrect' to think of power as repression. To do so, indeed, would contradict his characteristic treatment of truth as something internal to a particular discourse and an effect of power to boot. Foucault's point is that it is a mistake to conceptualize power as repression if the object is to get behind the ideology of which that conceptualization is a part – to unmask, as he puts it, 'the fact of domination', something which does not appear to be on K&M's list of things to do. His reasoning begins with the observation that the idea of repression implies that it is rights which are repressed – presumably because there is no place in Foucault's conceptual toolkit for essentialist notions such as natural rights or innate human expressiveness. He then argues that the notion of rights is embedded in a contractarian frame of reference, one in which powers are seen as surrendered to a sovereign authority in exchange for rights granted. This 'juridical' notion of power, he then maintains, has survived into the era of

disciplinary power wherein it now serves both to legitimate and obscure its real nature. From this chain of reasoning, Foucault draws the conclusion that any challenge to disciplinary power in terms of the ideology which sustains it is likely to be ineffective (*ibid.*, p. 108). He has a point of course, though the idea of active consumption (de Certeau, 1984, e.g.: 31) directs our attention to the many instances in which an ideology has been very effectively turned against itself.

There are other features of the discussion of power in Foucault's two lectures which are at variance with the views which K&M 1991 attribute to him. In stressing that power is a pervasive feature of human relationships Foucault is not de-emphasizing the powers exerted by centralizing authorities and nor (it follows) is he arguing that power can only be analyzed in relational terms, if that is understood in the sense of face-to-face sociality. Rather he is making the point that overarching systems of power can only be created on the basis of pre-existing local networks through which there is power already 'circulating' (Foucault, 1980: 98-102, see also Burrell, 1988: 227-8). Nor does he claim that disciplinary power operates primarily through the discursive constitution of subjectivities as K&M (1991) contend throughout their paper. On this point he explicitly states that it "*presupposes* a tightly-knit grid of material coercions" (Foucault, 1980: 104-5, emphasis added). Finally, there is nowhere in either of the two lectures, anything resembling K&M 1991 contention that power produces 'subjective well-being'.

It is not impossible to reconcile these two Foucaults. Power can be both brutal *and* technically productive. It can be productive both in the sense of enhancing human agency and in 'producing' the diminished inmate identities described by Goffman (1968). It can repress some whilst pleasuring others and, for some aficionados of restraint, it may achieve both at the same time. Such an exercise in apologetics, though, might be a misrepresentation in itself. From Foucault's interviews one gets the distinct impressions that he enjoyed toying with his interlocutors, and that he sometimes took up experimental positions in his published work as a way of developing his thought<sup>7</sup>. As Burrell (1988: 222) put it, "Foucault's iconoclasm takes him into positions which are not readily defensible and his refusal to retain one position for longer than the period between his last book and the next is certainly problematic".

It is certainly problematic for anyone who wishes to use Foucault's name to lend weight to a particular view of power, or, for that matter, of anything else. What is objectionable about K&M's importation of Foucault into business research is that it cherry-picks his writings so as to present a benign view of power which is unrepresentative of his work as a whole. There is a Bowdlerised Foucault, a Foucault stripped of his insurrectionary moments so as to fit him for consumption in the schools of management. It is ironic, therefore, that Knights (2002) later saw fit to excoriate the tendency of other (unnamed) writers to "appropriate the glitz [of Foucault] and gloss over the blitz" (p. 590).

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7 This interpretation is supported by the very different attitudes towards the concept of ideology expressed in the chapters cited in the main text. In the lectures of 1976, Foucault uses the concept freely. In the interview of 1977 he considers it "difficult to make use of", in part because, "it stands in opposition to something else which is supposed to count as truth".

### ***On the “Power Effects” of Strategy Discourse***

As we have already seen, K&M (1991) do not show much interest in the processes by which managers decide upon a company strategy. Nor have they shown more in the effects which strategic management might have on the kinds of policies which companies pursue, a matter which has been hotly debated at least since Hayes and Abernathy's trenchant critique (1980). What they *are* interested in is the effects of doing strategy, or, as they put it, in the constitution of the 'subjectivities' of the managers involved by the discourse of strategy. They call these 'power effects' though actually they are nothing more than a list of the social and psychological benefits which K&M think might flow from the practice of strategic management. The theorization is as primitive as that of Maslow's hierarchy of needs, notwithstanding the invocation of yet another heavyweight thinker. This time readers are referred to J-P Sartre's *Being and Nothingness* (1969) on the 'existential void' which K&M believe to have confronted corporate policy-makers before the advent of strategic management. One searches in vain for any such sense of human futility in the biographies of the great entrepreneurs of the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. If any existed, it would seem to have been filled by the collections of artworks and the endowment of charitable foundations rather than strategic management.

Seven 'power effects' are listed, ranging from the near-tautological "enhances the prerogatives of management" (K&M, 1991: 262) to the more arresting "reflects and sustains a strong sense of gendered masculinity for male managers" (p. 263). As a sample of the kind of evidence which might be offered in justification of this latter, K&M 1991 offer the phrase 'market penetration' – *penetration*, geddit? Here, for the reader's consideration, are some more phrases in which, by the same logic, the word 'penetration', "reflects and reproduces what may be termed a 'masculinist' conception of power" (K&M, 1991: 264)

What, then, would lead Cockburn who otherwise provides *penetrating* insights into the gendered labour process to resort to a compensatory theory? (Knights, 1990: 317)

Foucault's demand that subjects begin 'to refuse what they have become' remains something of an empty rhetoric unless there is some *penetration* of the way in which the attachment to a 'fixed' set of meanings is related to the pursuit of subjective security. (Knights, 1990: 329)

Lacking a theory capable of *penetrating* the complex constitution and reproduction of subjectivity, these studies are shown to be inattentive to the ways in which the contradictory, self-mediating relation to nature is also centrally implicated in its reproduction. (Willmott, 1990: 339)

Marx's analysis fails to *penetrate* the sensuous material reality of the interpersonal processes of production and circulation. (Willmott, 1990: 352)

Pollert's study provides a *penetrating* insight into why many women, occupying a subordinate position, are preoccupied with this particular identity. (Willmott 1990: 367)

(Italics added in all cases)

The practice of attributing secondary meanings to a text by reading it for innuendo seems to have entered the critical study of management with the work of Calás and Smircich (1991). The problem with this procedure is that it depends on the prior

assumption of what it seeks to demonstrate, as was pointed out with admirable brevity in Mintzberg's reply to Calás and Smircich (Mintzberg, 1991). By the logic of innuendo, for example, talk of 'market share' could quite reasonably reflect a gendered femininity. Perhaps too, the whole idea of adjusting management policies in response to market conditions, and even withdrawing from markets in which competition is too intense (Hayes and Abernathy, 1980), is a bit girly, or at least less macho than the generic Fordist strategy of mass-production backed up by hard-sell promotion.

There are other cases where the evidence presented by K&M pertaining to the existence of their power effects is decidedly thin. We are told for example that the self-conscious practice of strategic management serves to present an appearance of rationality to outsiders, as if this were an established fact rather than a hypothesis. In fact we already know that it isn't invariably true since Hayes and Abernathy (1980) and the many executives who requested reprints of the article from the Harvard Business Review were outsiders for whom strategic management appeared to be a recipe for economic decline. Even where they can be supposed to exist, K&M's 'power effects' could more plausibly be attributed to the delegated powers of capital attaching to senior levels of management than to a 'discourse' of strategy. Significantly, none of them are justified by reference to the prescriptive texts of strategic management which must surely be the ur-texts of that discourse. Though five pages are devoted to their explication, the question of how they might come about through ingestion of those texts or from the teaching and consultancy which derive from them is ignored, even though this posited process lies at the heart of K&M's theorization.

If we now fast-forward 13 years it is instructive, and depressingly so, to see how K&M 1991's speculations have been taken up in the subsequent literature. Thus Ross-Smith and Kornberger (2004) credit K&M 1991 (p. 264) with a *demonstration* that "strategic discourse and practice both reflects and reproduces what may be termed a 'masculinist conception of power'". So it is that the flower of knowledge blossoms from the green shoots of conjecture in the Disc(ourse)-World of social construction.

Consider now the implication of this mode of knowledge production for the supposed superiority of K&M 1991's epistemology over their 'positivist' antecedents. In relation to their 'power effects', K&M 1991 can truly claim to have transcended positivism, since they adroitly sidestep the problems of interpreting evidence by dispensing with it entirely. One might call this advance in methodology '(I am) positivism', or IA positivism for short – except that it is not new at all. Where positivism *simple* asks for the interpretation of data to be taken on trust, IA positivism goes one step further by asking for unsupported assertion to be taken on trust. Regrettably, IA positivism is far from uncommon in self-styled interpretive research, but the demonstration and exploration of this point would take us too far from the theme of the present paper.



## Subsequent Developments

### *Knights and Morgan's 1995 Case Study*

Knights and Morgan's 1995 case study of the advent of strategic management in a life insurance company (K&M 1995) is not explicitly presented as an application of the approach set out in their 1991 paper. Nevertheless it is not unreasonable to regard it as such since it makes extensive reference to that paper as well as to other works by the senior author. Looked at from this angle, the first sentence of their Introduction comes as something of a jolt:

Since its genesis in mid-nineteenth century America (Hoskin, 1990), the discourse and practice of strategy has proliferated throughout a majority of industries and the larger businesses and non-business enterprises in Western economies.

Welcome as it is, this retraction of K&M's earlier insistence that strategic management began in the academies of post World War Two, could have been more gracefully accomplished had it been accompanied by some recognition that it had in fact been made. As it is, we must be grateful for the ameliorative influence of Keith Hoskin, and hope that it leads to an eventual re-reading of Chandler.

One of the more striking proposals of K&M (1991), it will be recalled, was that the rise of strategy discourse was a response to conditions which created a functional need (a 'condition of possibility' as they prefer to call it) for a particular language of accountability. An increasing separation of ownership and control coupled with the advent of the divisionalised and multinational company, they say created a need (a 'discursive space') for managers to justify their actions in terms of the direction of the company as a whole. Possibly because only the first of these conditions applied to the most of the UK financial services industry, K&M's 1995 paper shifts their explanatory emphasis onto the intensified competition which followed various deregulatory interventions on the part of government and, to a lesser extent, onto an increased pressure from stock markets, at least in the non-mutual sector.

This change in the terms of explanation means that their 1995 paper effectively abandons their earlier claim that strategy discourse arose primarily as a means of communication. Though they continue to use the language of discourse, constitution and so forth, the substance of their explanation is now that strategic management seemed to offer a rational response to market conditions. Thus: "The discourse of strategic management was quickly embraced in that it constituted the problems of the market and the environment in such a way as to then be able to offer itself as a solution to them" (K&M, 1995: 199). Allowing for the fact that any means of dealing with any situation involves interpretation of that situation, this is a rational action theory. Contrast it with the statement from K&M (1991: 251) quoted earlier:

Analysis of strategy *cannot* be reduced either to rationalist accounts of markets and environments nor interpretive understandings of actors' frames of reference.

K&M (1991) claimed superiority over the 'processual' theories of Mintzberg and Pettigrew, it will be recalled, in respect of these writers' 'positivist' epistemology and

'determinist' theorizations of power. Attaching their own idiosyncratic meanings to these pejoratives, 'positivism' in K&M's usage refers to any explanation of social action in terms of interests and constraints and 'determinism' to any theory of power which suggests that it ordinarily prevails. Their 1995 narrative of the advent of strategic management in the life insurance company 'Pensco' manifests both of these characteristics in abundance. In outline, the story is that strategic management was forced into place by a new CEO, largely by the time-honoured tactic of installing allies in positions of power and confronting those who resisted with the alternatives of conversion or resignation. In contrast to K&M's earlier deliberations on the matter, the theory of power through which this narrative is presented is straightforward indeed: it is simply assumed to attach to the position of CEO. Notably absent is any reference to the Foucaultian circulations of capillary power-knowledge which featured so prominently in K&M (1991). Also absent is any demonstration of the 'power-effects' which supposedly attend the practice of strategic management. It is true that the converts are said to have become 'constituted' as 'subjects' by the new discourse (p. 208), but the claim is not accompanied by any evidence that this was the case, not that it is easy to see what would count as such. In sum, the account is straightforward, believable – and positivist in the sense that the facts are taken to speak for themselves.

K&M (1995) supplement this story of company strategy with one about the development of IT strategy in 'Pensco', driven by a 'belligerent' manager appointed by the new CEO. The failure of this strategy, overwhelmed as it was by the need to cope with a seemingly unanticipated surge in the public demand for IT services, is an interesting story in its own terms, but one whose relevance to the discourse of *company* strategy is not immediately apparent. In respect of its historical antecedents and its supposed constitution of subjects, there are fundamental differences, surely, between strategy as it applies to an entire company and strategy as it applies to aspects of its internal operation. At its lowest, the matter requires a discussion which K&M (1995) fail to provide.

As in their 1991 paper, K&M (1995) make much of their historical methodology. In the introduction to the later paper we read that both the 'rational' and 'processual' approaches to strategy are 'a-historical', a shortcoming which is contrasted with their own genealogical approach which, it is claimed, reveals that the "historical development of strategy discourses and practices are discontinuous and uneven across countries, sectors and companies" (K&M, 1995: 191). It so happens that Chandler's *Strategy and Structure* (1982) and Mintzberg and Waters' *Tracking Strategy in an Entrepreneurial Firm* (1982) are both referred to in K&M's 1991 and 1995 papers. Both studies give the lie to K&M's accusations. The former, certainly a work which treats strategy as a rational search for ways of increasing profit, is subtitled *Chapters in the History of the American Industrial Enterprise* and it has much to say about discontinuous and uneven development. Whilst this comparative dimension is necessarily absent from Mintzberg and Waters' case study of a single retail chain, history is certainly present since the research covers the evolution of company strategy over a period of 60 years, with particular emphasis, moreover, on its emergence as an accidental by-product of other management policies.

Turning to K&M's own 1995 case study: whilst it is true that they have interesting things to say about uneven developments in the financial services industry, those things in no way depend on the genealogical method. Instead, the late take-up of strategic management in life assurance as compared to other sectors is attributed to the stability of the clientele created by its tradition of personal selling and by trade association agreements which limited competition by limiting the rates of commission. In fact it is not entirely clear that K&M themselves have quite grasped the genealogical method which they advocate with such conviction. Quite rightly, they point out that it involves recognizing the role of accidental or historically discontinuous events (K&M, 1995: 196). In illustration of such in the case of strategic management, however, they list the growth of business education, the growing importance of marketing, the increasing separation of ownership and control, the threat of takeovers, the internationalization of business and competition and new organizational structures such as divisionalisation. Does it need saying that these are not accidental or unrelated events, and perhaps not 'events' at all in the sense that we apprehend them in their immediacy? Rather they are stories, told and retold: stories of highly interpreted and interconnected trends, interconnected because interpreted and interpreted so as to interconnect. They are, in fact, the elements of the theory of managerial capitalism and what K&M (1995) propose is that these elements should now be kicked apart, treated as mutually irrelevant, and then reassembled under the new brand-name of genealogy.

Nor is it true that the genealogical method can be unproblematically contrasted with what K&M call 'positivist' history. It is simply not true that the positivist assumption that the facts speak for themselves automatically correlates with a neglect of the accidental, the trivial and the seemingly irrelevant. A.J.P. Taylor's history of the First World War (1966) is only the most prominent counter-example, belonging as it does to a whole genre colloquially known as the 'cock-up theory of history'. A case can be made, on the other hand that the genealogical method, as described by Foucault himself, *is* positivist:

Genealogy is gray, meticulous and patiently documentary . . . it rejects the metahistorical deployment of ideal significations and indefinite teleologies. (Foucault, 1984: 76-7)

What else is this but a declaration that the historical record itself is to be pressed into service as a means of subverting imported schemes of theoretical interpretation?

In summary, K&M (1995) is a poor demonstration of the approach advocated in K&M (1991). Where the earlier claims are not quietly abandoned they remain unsubstantiated by the case material presented, not that this dents K&M confidence in the advances they believe themselves to have made.

### ***Other Empirical Tests***

If K&M's 1995 paper provides no confirmation of the value of their approach, perhaps that can be found in the work of those later writers who have declared their indebtedness to the approach. Two such are Samra-Fredericks (2005) and Laine and Vaara (2007), both of which declare K&M (1991) to be 'seminal'.

Samra-Fredericks positions her paper as a response to what she calls the theoretical and empirical ‘challenges’ posed by K&M 1991. That these challenges exist is not in dispute. An important theoretical task, one would have thought, would be to show how the constitution of subjectivities by the discourse of strategic management differs from rational action guided by its precepts and to indicate how the former might prove superior in explaining the substance of strategy in particular cases.

This is not how Samra-Fredericks sees matters. Regarding the core theory as already accomplished she sets out to consider how the subjectivities of ‘strategic actors’ – including the power effects listed by K&M (1991) – might be constituted in everyday interaction. To this end she embarks on a commendably energetic tour through Habermas’ universal pragmatics and speech act theory in search of what she calls a ‘complexified notion of competence’. Thus prepared she proposes to ‘meet the empirical challenge’ by attending to conversations between strategic actors or, as she puts it, “audio recording their naturally occurring talk-based interactive routines over time/space” (Samra Fredericks, 2005: 803). On the nature of that empirical challenge, there is more agreement. In drawing attention to what she takes to be manifestations of K&M’s ‘power effects’, she tacitly accepts that there is a need for some such evidence.

In fairness to Samra-Fredericks, she herself draws attention to the brevity of the two<sup>8</sup> ‘transcribed strips of interaction’ which comprise her data and to the fact that neither of them featured ‘overt strategy talk’. She is not overstating on either count. The following, in its entirety, is the second of the extracts (reproduced here because it is more substantial than the first). ‘Six white male strategists’ are discussing the employment of an IT consultant during the development of an IT strategy in response to the cost advantages thought to be gained from IT by a competitor:

Speaker C – but [name of Managing Director] I’m (.) I don’t want to sound as if I’m always defending [name of IT consultant used] but I I am =

Managing Director – = but you are yeah

Speaker C – he can do in two days what a rookie programmer =

Managing Director – = right =

Speaker C – = would would take five days =

Speaker D – = but for [that argument [for six to nine months but [not forever! and if

Speaker C – [yes

Speaker A – [don’t take the step you’ve got [surname of IT

[Speaker D] – [and thats

Speaker A – consultant] forever

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8 It is Samra-Fredericks herself who describes her data as consisting of two extracts. In fact her conclusions feature a third extract which she includes as a “last word” from the managing director.

Speaker C – um

Speaker D – [yes quite

Speaker A – [sometime you've gotta bite the bullet otherwise you're frozen [rigid in time

[[interrupted]

In line with her theoretical excursus, much of Samra-Fredericks's commentary is taken up with an identification of the various Habermasian validity claims involved in this exchange, and with the use of pronouns as indicative of membership claims relevant to the power-play between speakers. Considered as an analysis of negotiation, this exercise looks as if it might form the basis of a useful approach. Concerning the empirical validation of K&M's 'power effects', however, her results are more questionable, claiming as she does, that all seven of them are observable in the foregoing exchange. They are:

1. the provision to managers of a rationalization of their successes and failures
2. the sustenance and enhancement of the prerogatives of management and the negation of alternative perspectives on organizations
3. the generation of a sense of personal and organizational security for managers
4. the reflection and sustenance of a strong sense of gendered masculinity for male management
5. the demonstration of a managerial rationality to colleagues, customers, competitors and government
6. the facilitation and legitimation of the exercise of power
7. the constitution of the subjectivity of an organizational member as a particular category of person who secures their sense of reality through engaging in strategic discourse and practice

There is no reason to dispute that Samra-Fredericks sees in her data what she says she sees. To count as evidence, however, other people have to see it too. In the more meticulous traditions attaching to the quantitative analysis of discourse, this is recognized as the problem of 'rater bias' and attempts are made to mitigate its effects by the employment of independent judges. How many such, one wonders, would see what Samra-Fredericks sees in her brief 'strips of interaction'? This critic cannot see any of the listed power effects and nor, more generally, can he see any sign that the subjectivities of the speakers have been constituted by the discourse of strategy. They are simply trying to weigh the advantages of rapid progress accruing from the continued employment of the consultant against the disadvantages of perpetuating the consequent dependency.

The data offered by Laine and Vaara (2007), or at least the excerpts quoted from it, are more substantial and, as well as an empirical validation, they are presented as an extension of the work of K&M (1991) to include cases where strategic priorities are contested. Material obtained in the course of a six-year teaching relationship with an engineering and consulting group are used to examine inputs into and interpretations of the strategic process at three levels: that of the group as a whole, that of the business

unit and that of the engineering consultants themselves. Whilst not quite the 'ethnography' it claims to be, the material is well-documented and significant. The picture of the different and conflicting priorities as they appear to the different levels of management is vivid and convincing. Corporate management see the need to move into alternative markets, managers at business unit level see the value of drawing upon the skilled and experienced of their staff in formulating policy whilst the engineers themselves see the need to preserve a reputation with clients for the competent and reliable completion of projects. Of particular interest is the manner in which middle managers had learnt to legitimate their own agendas in terms of the necessarily abstract formulations of group-level strategy, and even to 'educate' senior management into a 'mature' understanding of (their own?) strategies.

Contested understandings of the strategic options facing a company are, of course, very much the territory of the processual approach and one would have expected Laine and Vaara to pay more attention to the work of Pettigrew and Mintzberg than the perfunctory acknowledgment it actually receives. Instead, reflecting the influence of K&M (1991), their material is presented as a struggle over *subjectivity* and *identity* and that framing of the data, runs right through their paper, from abstract to conclusions. This being the case, it is pertinent to ask how Laine and Vaara's data would look to a reader not convinced in advance that changes in subjectivity and identity are integral to the strategic process. Because of Laine and Vaara's generous presentation of verbatim quotations, it is possible test this to some extent by lifting that data from its context of prior framing and subsequent interpretation, though space does not permit this exercise to be performed here for the material from all three levels. On the basis that the quotations from the corporate level are the most likely to manifest the constitution of actors as strategists, that material is chosen here. In its entirety and in the order of its presentation, it looks like this:

The renewed strategy process was implemented with Consulting Company Ltd, making use of their strategy model. The objective was to introduce a new method for developing the Group's strategy for the period 2001 —2005, and at the same time identify new business ideas. Hundreds of pages of bullet point presentations were generated in the course of the strategy process. The complete strategy documentation amounts to more than 100 pages. A condensed version of the strategy will be cascaded throughout the company in the form of presentations. Because of the confidential nature of the strategy documentation, it cannot be presented in detail in the In-House Magazine. Therefore this article is limited to presenting the mission slogan and the values in brief. The strategy will be cascaded throughout the Group to every employee. (In-House Magazine 12/2001)

Side by side with the strategy process, a separate innovation stream was pursued with the aim of creating new products and business ideas transcending the borders between business groups. Representatives of all business groups participated in this process. (In-House Magazine, 12/2001)

We [top management] can only anticipate the expectations of the clients and personnel. The only issue that we do not have to guess are the expectations of the owners. That we know; it is a fact. The owners want earnings per share. That means profitability and growth and above all no surprises. Whatever we say we better live with it. (President, speech in a management training programme, 2004, participant observation)

The definition of the strategy is relatively easy but the implementation is the hardest issue... The most important things in strategy are actions. (President, management training programme, 2004, participant observation)

Significantly, Laine and Vaara's (2007) talk of constituted subjectivities and power effects temporarily thins out in their immediate commentary on the above passages. The extracts, they say, reproduce managerial hegemony in the form of a traditional top-down model of strategy formation. The emphasis on preparation and documentation, they continue, "underscores the central role of those who supposedly have the best knowledge" (p. 41). Similarly, the insistence on confidentiality "underscores role of corporate management as the key strategists and the passive role ascribed to the organization" (*ibid.*). That other employees are given only a condensed version which is 'cascaded down' further positions these others as the passive recipients of company strategy. In summary, "The strategy discourse of corporate management has promoted their own status as strategists whose decisions and actions determine the future of the organization" (P. 43).

This, of course, falls a long way short of support for K&M's 1991 theory. One can readily agree that the passages do indeed express a view of strategy formation as the prerogative (and responsibility) of senior management (§2 and possibly §6 of K&M's 'power effects'). However, they also contain elements at odds with this 'top-down' model of the strategic process which Laine and Vaara do not mention: notably the participation of business unit representatives in the product review and the recognition that the formulation and implementation of strategy are not easily separable. Of K&M's other six 'power effects', §3 (a sense of personal and organizational security) would appear to be contradicted by the strategists' recognition that the only thing they can be certain of is the expectation of profit. Of the remaining three 'power effects' there is no sign.

As evidence, even the most convincing of the above interpretations – the claim of an exclusive senior managerial prerogative to determine strategy – does not amount to much. An expression of the idea that it is the job of senior management to decide on company strategy can only be interpreted as a manifestation of the formation of subjectivities and identities by assuming what is supposed to be demonstrated. And as the paper progresses, that is exactly what happens. As the commentary proceeds further from the quoted material of which it is supposed to be an interpretation, mentions of subjectivity and identity re-appear so that by the time we reach the beginning of Laine and Vaara's Discussion we find the following statement of the 'key argument' which they believe themselves to have substantiated:

in these struggles, strategy and other discourses assign particular kinds of subjectivities for organizational actors, with empowering or disempowering effects. (Laine and Vaara, 2007: 50)

In reality this hasn't been shown at all. To do so would firstly have required information on what kind of person the strategists believed themselves to be and, ideally and more conclusively, how, if at all, their view of themselves had changed with the assumption of a role in the strategic process. This is not asking for the impossible, as has been demonstrated in the case of less exalted levels of management by Harding's (2003) interviews with nursing staff who had found themselves having to take on a managerial role and Parker's (2004) introspections on taking on the job of Head of Department. Secondly, and more onerously, it would have required some indication that the strategist identity had been formed by imbibing a discourse of strategic management and not, for example, through an autonomous process of individual adaptation. Given the lack of

attention to the empirical dimension characteristic of the 'discourse approach', this would present more problems, but researches on the influence of the mass media (e.g. Hall, 1980) would seem to provide a useful precedent.

What is dispiriting about all this is that the need for empirical validation of this kind does not seem to have been appreciated during the sixteen years' considerable attention which K&M's approach to strategic management has received – not even by those who believe themselves to have provided it. It is as if K&M's work has persuaded its adherents by a kind of textual charisma deriving from its deployment of what were then theoretical exotica, the counter-intuitive character of which seems to have convinced talented but impressionable young researchers that here at last, in a hitherto stagnant field of study was an exciting new direction.

No doubt these reflections, with their insistence on matching evidence to the assertions it is meant to test will strike the more avant-garde of those who 'write organization' as faintly retro and even gauche. If so, that is a measure of the state into which much European research on the subject of organizations has fallen. How much more pleasant it is to retain the creative freedom to think at a never-quite-defined angle to the empirical world, to have that speculation transformed into socially-constructed 'truth effects' through the collaborative agency of friends, colleagues and students, and so to enjoy a reputation as the producer of seminal 'truths', always in scare quotes as befits a conceptual universe in which only the 'positivists' are ever known to be mistaken.

### **Conclusion: Power-Effects, Paradigms and Seminality**

It should now be evident that the standards of scholarship in K&M 1991's paper do not stand up to serious scrutiny. In the continued absence of evidence pertaining to the discursive constitution of subjectivities, their account of the practice of strategic management must be considered as innovative only in its terminology. Their proposed history of its origins does not square with the evidence and is, in any case, the subject of an unacknowledged retraction in their later paper of 1995. They are able to present their work as an advance on previous approaches only by serious misrepresentations of them. They lay claim to a theoretical and methodological sophistication superior to that of previous writers in the field whilst making accusations against them which give the lie to that very claim. On the question of power in particular, they present a grossly one sided view of Michel Foucault, their major intellectual source. On the one positive and original thing they have to say about strategic management – that it confers social psychological goods on those who practice it – they offer little in the way of supporting argument nor evidence.

Now no part of the examination of K&M 1991's paper which led to these conclusions is beyond the capabilities of a graduate student in the social sciences. The question then arises of how it is that such a piece of work has become a citation classic. What overriding virtues does it possess that have led so many intelligent and well-educated people to overlook its evident failings? Alternatively, what have they been able to take from the paper on a reading so superficial that those failings have not even become apparent? Wherein lies its seminality? Amongst the possibilities which suggest themselves, there



is one relating to the material conditions of academic production which seems particularly apposite: that the paper opens a way forward for the press of young researchers who find themselves required to publish something original, appropriately 'academic', and on a managerial topic. What follows is offered as an hypothesis, of course, not as accomplished fact.

Consider the situation of the young researcher with an interest in strategic management as it stood before the publication of K&M 1991's paper. On the question of its origins, there was the massive presence of Alfred D. Chandler Jr. and behind him, that of other business historians, some of them of almost equal eminence. On the question of the strategic process too, there were substantial bodies of empirical and theoretical work by Pettigrew, Mintzberg and other social constructionist writers. The production of original work in either tradition required the mastery of a great deal of material combined with the creative flair needed to detect, and find ways of making good, any points of weakness within it. Once produced, the contribution would then have to run the gauntlet of a refereeing process dominated by the gatekeepers and custodians of those traditions, some of whom would no doubt welcome fresh insights, but others of whom, for very understandable reasons, might be less inclined to do so.

Under those circumstances, the promise that there exists a new way of doing research on corporate strategy which not only by-passes these formidable obstacles, but also creates new criteria of academic acceptability which destroys their credibility *as* obstacles, is not something one would be inclined to scrutinize too closely. Conditions of this kind, it is suggested, create a seller's market for accusations of epistemological, theoretical and empirical inadequacy against the dominant figures of any tradition. This pull of demand might well work to lower the threshold of credibility which those accusations would have to attain in order to be believed. K&M (1991), we are suggesting, has 'power effects' of its own: it provides a rationale, never mind how ramshackle, for a new generation of researchers to disregard and so subvert the existing order of authority in their discipline.

K&M's instance on the centrality of discourse too has convenient implications for the processes of academic production, especially for those researchers who lack the resources and industry contacts required to carry out empirical research on the activities of senior managers. If the subject matter of strategic management is displaced from its practice to the discourse which 'constitutes' that practice, it becomes possible to study it through the traces of that discourse in books, reports and other documents. And if, in the course of writing studies of this kind, empirical researchers can be berated for a failure to observe the protocols of the discourse approach, a display of outraged virtue can be added to benefits of convenience.

Viewed in this light, the signal virtue of K&M 1991's paper, the one that over-rides all of its many deficiencies is that it holds out the promise of what is miscalled a 'paradigm shift' in the social sciences relating to management. Its seminality, argued for in its treatment of established reputations and granted in the enthusiasm with which younger researchers have tried to read confirmation of its assertions into their data, is born of a desire to erase the past so that the game of reputations can begin afresh. The hypothesis, in sum, is that K&M (1991) is symptomatic as well as seminal, its seminal status

symptomizing a discipline in which standards of scholarship have been eroded in an over-riding drive for novelty.

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