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CHAPTER 1

Advanced Strategic Management: Strategy as Multiple Perspectives

Mark Jenkins and Véronique Ambrosini with Nardine Collier

None of the authors of this book can claim to be dyed-in-the-wool ‘strategists’; we have all arrived in this domain by following varied paths across other occupations, disciplines and functional areas. It is also fair to say that most of those who teach, research and practise strategic management have travelled through similarly eclectic paths. The variety of backgrounds to those working in the area of strategic management is indicative of a domain which is essentially driven by particular kinds of issues and problems rather than any specific doctrine. Strategy can therefore be seen not as a discipline or a function or even a tool-kit, but as an agenda: a series of fundamental questions and problems that concern organisations and their successful development. It can also be seen, as eloquently explained by Howard Thomas in the foreword of this book, as a field that has a rich history and that is constantly evolving.

Whether it be Barnard’s (1938) treatise on the role of the individual executive in the strategy of the organisation, Ansoff’s (1965) focus on strategic analysis for the purpose of decision-making, Mintzberg’s (1994) energetic and eloquent critiques of the adoption of formal planning processes, Pettigrew’s (1985) work on developing our understanding of strategic change, Eden and Ackermann’s (1998) more contemporary view of strategy as a journey of organisational regeneration or Barney’s (2003) proposal for an integrative framework necessary for understanding the rapidly evolving field of strategic management, they are all important contributions to the field of strategic management in that they are all concerned with addressing questions regarding the future performance of organisations.

If we define strategy as a particular kind of agenda then the imperative is to address these questions and problems by whatever means we have at our disposal. Organisations are some of the most complex phenomena studied in social sciences, while it may be convenient for academics to see strategy from unitary perspectives for the purposes of conducting research; the complexity and difficulty of the challenge means that we have to embrace any approach which can add to our ability to refine, develop and address some of these strategic questions. It also underlines the converse issue that if we restrict ourselves to unitary perspectives then we can never adequately explore such questions.

In addition to requiring a range of perspectives, the strategy agenda is concerned with a range of levels. Strategic management is concerned with the success of the ‘organisation’; in order to address this, we have to consider the context or environment in which the organisation performs and the individuals whose actions help shape the performance of the organisation.

A review of organisational environment needs to consider competing firms or influential stakeholders, competing technologies or regulatory influence, all of which may impact on the nature of strategic issues. A consideration of individual organisations and how they operate deals with the ways in which resources and the know-how are combined to create performance. It is also about how distinctive such organisations are and the basis by which they are able to create advantage over others. The final level which strategic management needs to consider is the role of the individual. This role

in developing, engaging and enacting strategy is central to the nature of the process. Each of these three levels interact and combine to create a dynamic set of ideas which form the basis of strategic management; neither is sufficient but each is necessary, and in our view each draws on differing perspectives in which to illuminate important aspects and qualities. The final point is that the strategy agenda requires us to move between these three levels, to understand the dynamics between them as well as exploring each level in depth. Clearly it requires a more sophisticated approach than simply applying the same lens to look at these different levels of analysis, and some emerging and alternative theories straddle and potentially integrate these levels.

In addition to recognising the importance of diverse perspectives, the need for multiple theoretical lenses and differing levels of analysis, there are also some important areas of commonality. To some extent many perspectives will cover strategic issues such as Context, Corporate, Competing, Change, Control, Competences and Culture. These are summarised in Figure 1.1. Some chapters will address many of these issues, while some will only be concerned with one or two. Each perspective offers different insights and addresses different aspects of the fundamental strategy questions.

While each chapter is unique and offers different interpretations, in what follows we briefly elaborate on how the strategy agenda is covered through the seven categories of Context, Competing, Corporate, Competences, Culture, Change and Control.

Context covers the issues concerned with an organisation's external environment: how the external environment is perceived, how it is scanned, what the organisation can do to control it and to change it. It also refers to industry and market structure, and strategic groups.

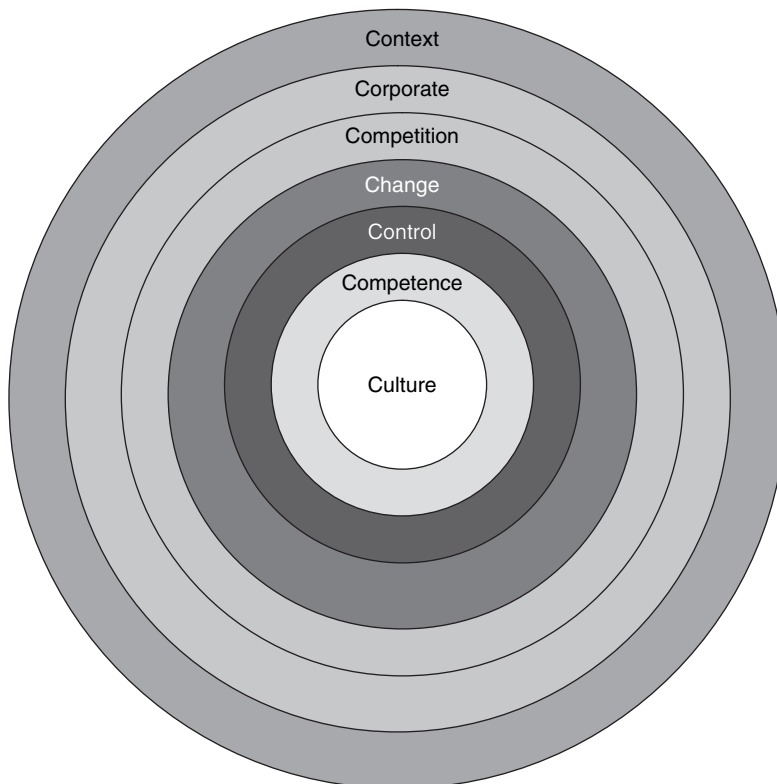


Figure 1.1 Strategy: The main issues

Competing deals with how organisations gain customers, how they identify their competitors and how they outperform them. It is also about the competitive strategies organisations can implement to achieve sustainable advantage and about co-operation and collaboration.

Corporate strategy typically addresses the multi-business context. So this heading deals with questions such as alliances, diversification, mergers, globalisation, corporate parenting, to cite just a few.

Competences deals with issues concerning the organisation's resources such as skills, know-how, organisational knowledge, routines, competences and capabilities. It deals with their role in the organisation and in generating competitive advantage. It also addresses issues such as the transferability and the immutability of resources.

Culture is about the organisation's internal environment. It includes the role of organisational culture, its importance and its influence on staff. It can also be about how culture is created or changed and how staff members perceive organisational culture.

Change concerns the types of change an organisation can implement and how change can take place or how change is constrained. It is concerned with the reasons for change, the change process and the possible outcomes of change programmes.

Control is about organisational structure, power relationships and the way managers control what is happening in their organisation. It is about the role of managers in the organisation, the extent to which managers can 'manage' what is happening inside organisations and the extent to which managers know what is happening around them.

At this stage it is worth remarking that if we consider these categories of strategic issues and apply these to six of the seminal teaching texts in the field of strategic management, we can account for most of the various chapters in this book (Table 1.1).

While these categories summarise the main issues, they are only one of many potential organising frames. As mentioned earlier, each perspective offers a distinctive view of strategic management and proposes a specific interpretation of what strategic issues are about and how they should be addressed.

Our argument therefore is that because strategic management is distinctive from other management fields in both its breadth and its complexity, it has to adopt a multiple-perspective approach in order to address the particular demands of the strategy agenda. This complexity is created by the need for questions that address different levels of analysis and different dynamics relating to organisations and their strategies. One of the real challenges in an undertaking of this kind is bringing differing and often irreconcilable perspectives together in ways which allow the reader to contrast and compare. We are therefore particularly grateful to those contributing to this book who have both endeavoured to restrict their creativity through, when possible, the use of a loose but common structure which covers the basic principles of the perspective, provides an illustrative case study designed to elaborate and illustrate the perspective, an overview of the perspective and how it links to strategy, finishing off with some reflections on the case study and a short summary. While we have this common format, the priorities of the differing perspectives often require different treatments, so there is some variability in the emphasis and even style of the different chapters. But all are intended to represent their perspective in a clear and effective manner.

We have attempted to structure the book in a way which makes it understandable and accessible to the reader. We have used, in part, the classification of the strategy literature suggested and described by Howard Thomas in his foreword. Parts I, II and III include chapters that essentially adopt an institutionalist, an economic and a behaviouralist perspective, respectively. Part IV covers emerging and integrative theories, those which have been attracting a lot of attention recently but which are yet to be considered mainstream and as a whole are not fully addressed in strategy textbooks. These theories by and large straddle many levels of analysis and offer a new perspective on the strategy issue. Naturally there are many different ways in which it could have been structured and we continue (probably at this very moment) to reflect on many more alternatives that we could have used. However, this is short of creating an interactive book in which you could design the sequence of chapters or indeed change the sequence of chapters to suit a particular agenda. We do not see these perspectives

Table 1.1 Strategic issues

	Exploring Corporate Strategy Johnson et al. (2005)	Strategic Management Hitt et al. (2005)	Strategy de Wit and Meyer (2004)	Strategic Management and Competitive Advantage Barney and Hesterly (2006)	Strategic Management Dess et al. (2005)	Contemporary Strategy Analysis Grant (2005)
Introduction to strategic management	What is strategy?	The nature of strategy	What is strategy?	What is strategic management?	What is strategic management?	Strategic intent and fit
	Strategic context	Strategic intent and fit	Strategic management processes	Strategic management processes	Strategic management process	Strategic intent and fit
	Strategic development	Strategic development processes	Organisational purpose Synergy	Strategic management processes	Organisational purpose	Strategic intent and fit
	Purpose of organisation	Mission	Industry context	External environment, industry structure	Environmental analysis, industry life cycle	Environmental analysis, industry analysis
External environment	PESTEL framework, Porter's diamond	External analysis, industry analysis, customer analysis	Porter's five forces	Porter's five forces	Porter's five forces, strategic groups SWOT	Porter's five forces
	Porter's five forces	Porter's five forces, strategic groups	Competitor analysis	Resource-based view	Resource-based view	Competitive analysis
	SWOT	Value chain	Value chain	Value chain	Value chain	Resource-based view
Internal environment	Resource-based view	Resource-based view	Resource-based approach	Resource-based view	Resource-based view	Value chain
	Value chain analysis	Value chain	Value chain	Value chain	Value chain	Value chain

Core competences	Core competences	Core competences	Core competences	Core competences	Capabilities
Organisational knowledge	Knowledge	Learning organisation	Internal capabilities evaluation Learning curve	Evaluation of firm performance Identifying, evaluating and managing intellectual capital and learning, creating a learning organisation	Knowledge and learning
Cultural context	Organisational culture	Culture	Cost leadership strategies, product differentiation strategies	Leadership	Organisational culture
Leadership	Leadership	Leadership	Entrepreneurship	Porter's three generic strategies	Modes of leadership
Competitive strategy	Types of competitive strategy	SBU and competitive strategy, Porter's generic strategies	Strategic and tactical decisions	Entrepreneurship, managing innovation, new venture opportunities	Sources of competitive advantage, cost advantage, differentiation advantage
Game theory	Game theory	Value innovation	Entrepreneurial strategies, innovation	Game theory	Game theory

Table 1.1 Continued

	Exploring Corporate Strategy Johnson et al. (2005)	Strategic Management Hitt et al. (2005)	Strategy de Wit and Meyer (2004)	Strategic Management and Competitive Advantage Barney and Hesterly (2006)	Strategic Management Dess et al. (2005)	Contemporary Strategy Analysis Grant (2005)
Corporate strategy	Merger and acquisition, alliances, diversification	Merger and acquisition, strategic alliances, diversification	Corporate strategy, business portfolio, alliances	Merger and acquisition, strategic alliances, vertical integration, diversification	Alliances and joint ventures, vertical integration, diversification	Diversification, managing diversified multi-business organisations
	International strategies Corporate governance	International strategies Corporate governance Ethics Stakeholders	International context Governance Stakeholders Kaizen		International strategies Corporate governance Ethics	Strategy in global industry
Others	Managing strategic change Structure	Organisational structure	Paths to change	Organising structure	Structure and structure for global markets	
	Organisational configuration	Control	Control		Strategic control E-business strategies	
			Networks			

as exhaustive, but indicative and hopefully reasonably complete. We are sure that there are many more contributions which could be included in a text on multiple perspectives on strategy, but this is our position at this point; we are sure that in potential future editions we will be able to introduce further perspectives to add to the breadth of this area.

This is not a book that can only be read from cover to cover in the sequence laid out. There are several ways of using it. The most straightforward approach is to use it as a source for understanding a particular perspective on strategy, but there are other routes around the material. You may be interested in exploring one strategic issue in particular and hence you might want to dip into several chapters and see how the various perspectives address it. Alternatively, you might take perspectives that appear to be contradictory and compare and contrast them. This tension between markedly different views of the world may provoke some new insights. Finally we would like to encourage you to explore the perspectives by using the integrative case study in the final chapter. By analysing Cosworth Engineering from the various contrasting perspectives contained in the book it will help you develop a deeper understanding of the context of Cosworth, but most importantly it will help to draw out the contrasting strengths and limitations of these differing perspectives and the real power of taking a multi-lens approach to a complex organisational situation.

We hope you find the book stimulating, and controversial! Strategy is an exciting domain of study dealing as it does with fundamental issues of organisation. We believe that by taking this advanced approach, by broadening the range of perspectives that can be brought to bear on strategy, we can generate stimulating thoughts and debates, but most importantly we can make real progress to answering some of the fundamental strategic questions about an organisation.

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