Strategy as Practice

Richard Whittington

This article maps the development of strategic thinking since the 1960s and identifies an emerging perspective on strategy as 'practice'. The practice perspective on strategy focuses on strategists and strategizing, rather than organizations and strategies. Implications for practitioners, teachers and researchers are developed.

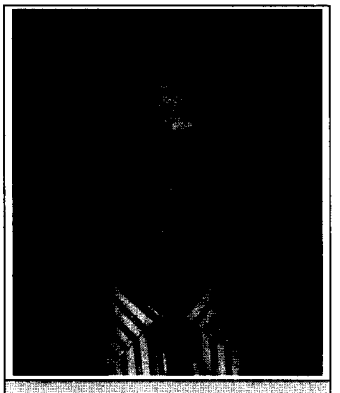
Mapping the Terrain

The field of strategy research has never been as richly diverse as today—nor so crowded with competing theories. Here, though, I shall try to claim some space for an emerging approach to strategy, one that draws on alternative approaches but which also stakes out new ground in joining academics and practitioners. The focus of this approach is on strategy as a social 'practice', on how the practitioners of strategy really act and interact. From the perspective of strategy as practice, the key question is: what does it take to be an effective strategy practitioner?

Figure 1 positions the emerging practice approach to strategy against more established streams. The figure distinguishes the various approaches to strategy according to their target levels and their dominant concerns. Thus the vertical axis contrasts the large body of strategic thought that is essentially directional, concerned for *where* strategies should go, with the equally important stream focused on the *how* issues of actually getting there. On the horizontal axis attention is divided between those who concentrate on organizational units as wholes and those who are more concerned for individual actors—the actual managers and consultants involved in strategy-making.

Thus Figure 1 maps four basic perspectives on strategy:

- Emerging in the 1960s, the 'planning' approach focuses on tools and techniques to help managers make decisions about business direction. Key analytical aids include the portfolio matrices, industry structure analysis and the concept of core competence.[1–3]
- From the 1970s onwards, 'policy' researchers have developed a new focus, analysing the organizational pay-offs to pursuing different strategic



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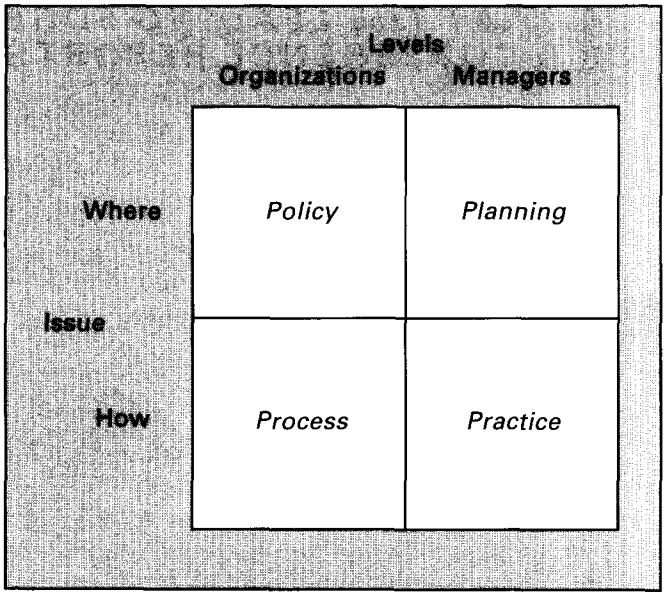

FIGURE 1. Four perspectives on strategy.

directions. The classic policy option considered has been diversification strategy, but recently much work has also been done on innovation, acquisitions, joint ventures and internationalization.[4,5]

- Since the 1980s, 'process' researchers have been exploring how organizations come first to recognize the need for strategic change and then actually to achieve it. The best-known process studies are those of Andrew Pettigrew and Gerry Johnson on the processes of change at ICI and Fosters respectively.[6,7]
- The 'practice' approach draws on many of the insights of the process school, but returns to the managerial level, concerned with how strategists 'strategize'. The nature and implications of this practice approach will be explored in the rest of the article.

Strategy as Practice

The thrust of the practice approach is to take seriously the work and talk of practitioners themselves.[8] In recent years social scientists have been scrutinizing the practices of scientists, accountants and architects.[9–11] Now it is the turn of strategists.

Treating strategy as a practice implies a new direction in strategy thinking. In terms of Figure 1, the practice perspective on strategy shifts concern from the core competence of the corporation to the practical competence of the manager as strategist. Like the older planning tradition, therefore, it too is aimed at the managerial level but now the focus is broader than the simple analysis of strategic direction: the issue is how managers and consultants act and interact in the whole strategy-making sequence.

Thus the practice perspective is concerned with managerial activity, how managers 'do strategy'.[12] There are inspirational parts to doing strategy—the getting of ideas, the spotting of opportunities, the grasping of situations. But there is also the perspiration—the routines of budgetting and planning as they unwind over the year, the sitting in expenditure and strategy committees, the writing of formal documents, the making of presentations. Practice is concerned with the work of strategizing—all the meeting, the talking, the form-filling and the number-crunching by which strategy actually gets formulated and implemented. Getting things done involves the nitty-gritty, often tiresome and repetitive routines of strategy. Here craft skill is as important as technical facility; essential knowledge is as much tacit as formal, local as general; and persistence and detail may win over brilliance and inspiration.

Strategy practice is not the same for everyone. The effective practitioner needs to understand both the local routines and the different roles involved in strategy-making. The ways of doing strategy in each firm harden into distinct and regular patterns, so that knowing the 'done thing' locally is essential to being able to get things done. Often, therefore, practical competence requires a readiness to work within existing structures and routines, rather than knowledge of some textbook ideal. Effectiveness also demands an acute understanding of the different roles of various kinds of strategy practitioners. The roles of corporate executives, subsidiary general managers, planning staff and strategy consultants are all different in the strategy-making task. Each has a distinct mix of activities—arbitrating, advocating, analysing and advising—and each needs different practical competences. As a consequence, the craft skills of strategizing are not general and success in one role is no guarantee of success in another.

Implications of the Practice Perspective

The strategy as practice perspective implies shifts in direction for practitioners, teachers and researchers alike. These new directions are summarized in Figure 2. As we shall see, the most radical challenge is for the academic community. The nitty-gritty, local routines of practice are not easily understood or influenced from a distance. If the full implications of strategy as practice are taken on board, researchers will need to do more than manipulate large statistical databases and teachers do more than merely lecture.

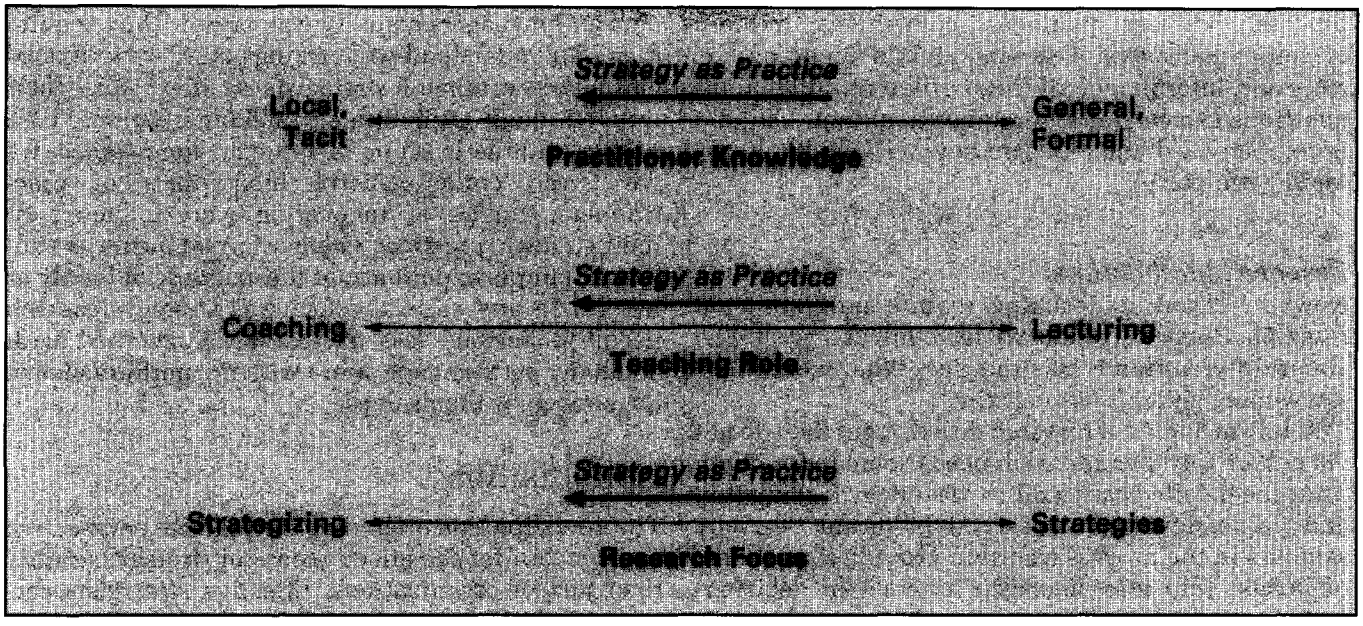

FIGURE 2. New directions from strategy as practice.

Practitioner Implications

Most managers and consultants already understand the implications of the practice perspective, tacitly at least. The emphasis on practical competence within local routines appeals directly to their experience. Companies typically promote their senior managers from inside, at least in part because insiders know how things work.[13] In other words, the value of a long 'strategy apprenticeship' within a particular company should not be underestimated, certainly by comparison with the formal knowledge embodied in the MBA.

But learning strategy by apprenticeship should also recognize the distinct skills required by different strategy practitioners. The roles of strategy consultant, strategic planner, business unit manager and top manager are all different, and each learns to strategize in different ways. The career tracks of the strategy consultant and the top corporate executive tend still to be distinct, and transition from one to another is rarely direct and easy. A key task for senior management, therefore, is to ensure that their strategy apprentices gain the right experiences for their developing roles.

Teaching Implications

Executive education will change the most. Teaching strategy as practical competence will always draw upon the techniques of planning, the strategy–performance relationships of policy and the sensitivities of process. These are important components of the strategists' tool-kit and can all be taught in the classroom as bodies of formal, generalizable knowledge. But there is a great deal more to doing strategy effectively. How strategists perform in all the various activities of strategizing depends also upon craft skills that are more or less tacit and local.

The executive educator needs therefore to understand not just strategy in the abstract, but also the strategist as individual practitioner within his or her particular arena of practice. To make a difference to performance, the role of executive teacher must extend beyond simple lecturer to counsellor and coach. Practical teaching requires the mutual exploration of difficulties, rather than the unidirectional imparting of knowledge; it demands reflection and experiment in the flow of practice, rather than just episodic prescription in the classroom.

Sometimes this role of strategy coach can best be played by fellow or senior managers, close observers of the practitioner's performance and highly sensitive to its success.[14] But in the hurly-burly, political realities of practice, the outsider does have the advantage of independence and breadth of vision. The good executive educator will combine independence with both intimate understanding of local practice and the utmost confidence of the client practitioner. The educator should become as natural a source of trusted practical advice during the week as the manager's own golf-coach during the weekend.

There are implications for strategy teaching more generally. In the undergraduate or postgraduate case study the issue is typically: what should company X do? But students need also an appreciation of the distinct skills, responsibilities and predicaments of the various participants involved in the strategy-making

process, whether planners, consultants, middle or senior managers. Teaching should focus on the roles and interplay of all these different actors. Case questions can be much more personal: not just how is company X doing, but also how well are Mr Y and Ms Z performing?

Research Implications

New directions in teaching require new kinds of research. Since the 1960s we have learnt a great deal about different kinds of strategies. What we need to know more about is 'strategizing'.

Relevant bodies of research do exist, but they do not yet cohere together and each needs some redirection. Thus the detailed case studies of strategy formulation and implementation developed in recent years by scholars in the process tradition provide a great deal of insight into how managers interact in decision-making, agenda-shaping and achieving cognitive change.[15,16] The main interest of process research remains, however, the fate of the whole organization, rather than the performance of the individual practitioner. The leadership tradition of research is also valuable in establishing the characteristics and behaviours of transformatory and charismatic business leaders.[17] Not enough is said, though, about the unheroic work of ordinary strategic practitioners in their day-to-day routines. Research on 'managerial work' is more focused on the unromantic realities of management activity, but its de-bunking tendencies sometimes lead to a marginalization of strategic activity.[18]

Thus the 'practice' label can give coherence to a range of existing streams of research, at the same time as highlighting areas for further development. The research agenda is large. We still have little systematic knowledge of what typically the various practitioners involved in strategy-making really do. We do not know the different skills strategy consultants, planners and managers actually use, or how they acquire them. To understand strategizing better, we will need close observation of strategists as they work their ways through their strategy-making routines.[19] To understand the learning of strategic competence, we will need comprehensive biographies of practitioners, capable of uncovering every influence on their strategic practice, whether formal business education, simple experience or the example of family or heroes. In any case, the focus of strategy research needs to become less exclusively concerned with company performance, more with the performance of the strategists themselves.

Conclusions

The new direction offered by the practice perspective is a concern for the effectiveness of strategists rather than just of organizations. Effective strategists certainly need to know about the analytical techniques of planning, the appropriate options of policy and the organizational processes of decision and implementation. But strategists draw on another domain of skills and knowledge, those mapped out in the bottom-right box of Figure 1—the domain of practice. Strategists use these practical skills routinely in the everyday world of strategy-making, but we know little formally about what they are or how they are acquired. The agenda for research is to find out more about the work of strategizing and how strategists learn to do it. The challenge for teaching is to discover new ways of making a difference to how strategy is actually performed.

RICHARD WHITTINGTON is Fellow and University Lecturer in Strategic Management at New College, Oxford.

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