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THE SEEKING OF STRATEGY WHERE IT IS NOT: TOWARDS A THEORY OF STRATEGY ABSENCE

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Strategy researchers are preoccupied with the study of existing strategy systems and processes, with the result that they do not question situations where a strategy is expected to exist but does not. The investigation of such voids is likely to enhance greatly the understanding of the nature of organizational strategy, both in its presence and in its absence. The perspective offered in this paper is that strategy absence is a legitimate phenomenon of interest to business management scholars.

Beginning with Hofer's (1975) contingency theory article, strategy researchers have devoted considerable attention to the identification and classification of competitive strategies. An underlying assumption of this work is that all organizations have a strategy. Porter, for example, stated, 'every firm competing in an industry has a strategy, whether explicit or implicit' (1980: xiii). From an empirical perspective, the notion of an implicit strategy raises many questions. Researchers in the strategy field tend to sidestep this issue by adopting classification schemes that presume explicit, measurable phenomena.

This paper takes the perspective that strategy in organizations is not all-pervasive. While theories of organizational strategy have become increasingly sophisticated, beginning with historical analyses (Chandler, 1962) and more recently involving a renewed focus on resource-based and firm capabilities approaches, limited attention has been directed towards cases of strategy

absence, that is, where strategy is expected but is not. Such a focus would seek to establish the conditions in which particular forms of strategy do not exist, and subsequently, the reasons why strategy does or does not make the transition from nonbeing to being. Rather than assuming that all firms must have a strategy, it may be necessary to ask: Why is there no strategy here? What are the characteristics of the strategy-less organization? The analysis involved in answering these two questions proceeds on three levels. The first level of analysis seeks to establish the conditions that preclude or do not encourage the presence of strategy. The second level of analysis concerns itself with the researcher's ideological framework that may interfere with the recognition of strategy voids. The third level evaluates organizational and environmental contextual factors associated with strategy absence.

THE SUBSTANCE AND ELUSIVENESS OF ABSENCE

Strategy researchers appear to be preoccupied with strategy presence. The literature is replete with 'discoveries' of strategy: normative discoveries of strategic solutions to problems, positive

†In the early stages of this paper's development, Nandan Choudhury passed away. This paper is dedicated to Nandan and his creative insights, which provided the foundation for this paper.

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discoveries of 'real-world' strategy phenomena. Witness the stream of research on typologies of strategy (e.g., Chrisman, Hofer, and Boulton, 1988; Hambrick, 1983; Miller and Friesen, 1978; Morrison and Roth, 1992; Segev, 1989). While these typologies have greatly enhanced our understanding of strategic behavior, the inherent inflexibility of these typologies is somewhat troubling. What about the firm that cannot be slotted into a strategic typology? A dedicated typologist would create a new category for the rogue firm. An alternative approach may be to step back and ask some fundamental questions about the reasons why a particular firm fails to exhibit the requisite characteristics for classification. Absence is often used as a cue for investigation and as a subject of study in many areas of research. For example, Fleming's discovery of penicillin was instigated by the absence of bacterial growth in some parts of the laboratory culture. The current economic problems in Eastern Europe are widely acknowledged to be the result of the absence of a market economy.

Within the field of organizational studies, there are some traditions of studying absences: the garbage can model was developed to explain the absence of rational decision processes (Cohen, March, and Olsen, 1972); inertia theory deals with the absence (and probability) of organizational change (Hannan and Freeman, 1989); and the absence (and avoidance) of transaction costs provides the rationale for the formation of hierarchies (Williamson, 1975).¹

Why, then, has the field of organizational strategy largely become a presence-oriented paradigm preoccupied with the identification and labeling of strategy? The primary reason is that the strategy field has been dominated by research with a strategy content orientation (Pettigrew, 1992). Strategy content researchers have been concerned with the content of decisions regarding the goals, scope, and competitive strategies of firms and the linkages between competitive positioning and performance (Chakravarthy and Doz, 1992; Fahey and Christensen, 1986). Strat-

egy is identified by examining organizational elements such as product lines, markets, channels of distribution, allocation of financial resources, operational goals and objectives, and plans and policies guiding organizational decision making. Because these elements are present in every firm (i.e. every firm has products, markets, and so on), by definition all going concerns have strategies.

As a result, a content researcher might argue that the notion of strategy absence is nonsense. However, strategy involves more than a static position in the marketplace. A firm's strategy is the result of a series of activities and managerial decisions that coalesce into a pattern and logic. A content researcher looking cross-sectionally at strategy outcomes may erroneously conclude that the outcomes are shaped by an underlying logic. What if there is no pattern or logic? For example, if no decisions have been made about organizational goals, scope, and competitive strategy—or those decisions exhibit no pattern or coherence—is there a strategy? While an organization may have a product line, this paper argues that the existence of product lines and markets is insufficient to support the argument that all firms have strategies.

A lack of absence, or even theoretical room for absence, can also be seen in strategy research driven by an industrial organization (IO) economics perspective. IO strategists define strategy in such terms as the 'continuing search for rent' (Mahoney and Pandian, 1992), with rent defined as excess return to the owners of resources. But from a practical perspective, this statement is meaningless. Could there be a situation where a firm does *not* seek a return for the use of its resources? A firm could be doing an exceptionally poor job at generating a return, and still have a thriving rent-seeking objective at all levels of the organization. A strategy researcher using rent seeking as the basis for strategy would not look at the poorly performing firm as strategy-less. Instead, the researcher with rent seeking as a definitional focus would look for evidence to explain why the firm's idiosyncratic resources failed to create a competitive advantage. Evidence might be found by examining mobility barriers, entry barriers, asset specificity, nonimitable resources, and so on.

Alternatively, the explanation for the firm without a competitive advantage could involve

¹ One of this paper's objectives is to acknowledge that theories of absence may be theories of substance in disguise. For example, inertia arguments for change can be viewed both as arguments about absence (no change or slow change) and about substance (resistance and order maintenance).

an absence of strategy. However, the researcher using the line of reasoning that all firms are rent seeking must conclude that all firms have strategies. The case of strategy absence is assumed out of the equation. Similarly, absence plays no role in the Harvard Business School strategy model (which first appeared in Learned *et al.*, 1965). In this model, every company has a unique strategy that results from a process of creative design driven by an omnipotent general manager (Mintzberg, 1990). Through a step-by-step approach of formulation followed by implementation, strategy involves a deliberate and deterministic process of rational thought and actions leading to a strategy outcome.

Based on the discussion in this section, it is clear that the possibility of strategy absence, or more accurately, the possibility of absence being of interest to researchers, is a function of the theoretical objectives of the research. Research that seeks to analyze the fit between competitive positioning and firm resources and its performance in different environments requires a presence orientation. Research that addresses strategy questions posed in the language of process and formation need not be as restrictive. This type of strategy research often involves a search for patterns in the strategy process that may or may not reveal a consistent interconnectedness.

In the previous sentence, the key word is pattern. Strategy is present when a sequence of top managerial decisions exhibits a consistency and pattern over time (Mintzberg, 1978).² Viewing strategy as a pattern in a stream of decisions provides a foundation for empirical examination of strategy absence because a firm that exhibits no pattern in decisions is strategy-less. Mintzberg introduced the concept of the emergent strategy to capture the strategy that although not intended by a firm's leaders, nevertheless evolved. It would appear that in the interim between the unrealized of an intended strategy and the appearance of the emergent strategy, a firm has

no strategy.³ Interestingly, Mintzberg stopped short of making explicit reference to strategy absence. His view was that every firm will have a strategy that is either realized or emergent. One can only speculate as to why Mintzberg chose not to have a strategy-less category.⁴

Referring back to the discussion of strategy and rent seeking, what if a firm has an explicit rent-seeking objective but is failing in its mission? Does this firm have an inadequate strategy or does it lack a strategy? The position in this paper is that both viewpoints can provide the basis for empirical study. If there is a pattern of poor decision making, a poor strategy may be the root cause of failure. On the other hand, a lack of a pattern in decision making may be evidence of strategy absence. This is not a trivial issue. It brings into play questions of leadership and managerial ability and their relationship with the coordination of organizational capabilities.

DISCONFIRMATION AND ABSENCE

The concern of the organizational researcher should be to understand and explain what is happening as well as what is not. However, only against a preconceived set of expectations (or cause maps, to use Weick's, 1979, term) can nonevents be recognized. As Kuhn has said, 'anomaly appears only against the background provided by the paradigm' (1970: 65). If there is not a paradigm comprising prior expectations to throw the novelty into sharp relief as an anomaly, none will be seen. Thus, the existence of the paradigm may stand in the way of discovery.

It has been well established that scientists systematically ignore disconfirmatory evidence. Kuhn (1970) suggested that scientists engaged in normal, as opposed to revolutionary, science are reluctant to reject established theories that are challenged by empirical data. For the absence of strategy to be recognized and conform with

² Note that the definition of strategy as pattern of decisions is not inconsistent with the strategy content perspective. The revealed pattern is the strategy outcome, or content. Thus, while the pattern definition has in the past been largely considered the domain of process scholars, the position in this paper is that the pattern definition provides a basis for viewing the strategy process as an integral part of content.

³ This raises several questions: one, how long does it take for an unrealized strategy to emerge? and two, how many decisions create a pattern that is recognizable as a strategy?

⁴ Mintzberg (1990: 184) came close to considering strategy absence when he suggested that 'sometimes organizations also need to function during periods of unpredictability, when they cannot possibly hope to articulate any viable strategy.'

theoretical expectations, the researcher must be sensitive to the absence. Researchers are vulnerable to a form of self-deception, particularly when simple classification schemes provide the conceptual underpinnings for empirical work.

A classification scheme that has been the subject of intense debate in the strategy field is Porter's (1980) model of generic strategies. Porter's work, which has proved to be intuitively appealing to both researchers and practitioners, has spawned a subfield of research seeking to deny, support, and modify the notion of generic strategies. However, there are risks in using simple models to explain a complex phenomenon like strategy. In particular, there is the risk that the model *becomes* the researcher's theory-based preconceptions. When the interpretation of observations is constrained by established beliefs, the researcher may not recognize inconsistencies when they occur. This type of cognitive omission, which occurs when the researcher mistakenly perceives no anomaly and fails to acknowledge that the theory has been challenged, is particularly disconcerting in a relatively new field like strategic management.

This investigation of strategy absence can proceed on three fronts: as a negative concept, with strategy absence evidence of managerial failure; as a transitional concept in an organization's life cycle; and as a positive concept where strategy absence is a phenomenon in its own right. These approaches are tentatively proposed and explored below.

ABSENCE AS FAILURE

One approach to the study of strategy absence is to view it as a failure counterpart to strategy presence. A researcher studying an organization would expect to find a strategy. The absence of a strategy would be explained as a failure on the part of management. The researcher would then look for reasons to explain management's failure.

For example, in a reference to strategy absence, Chrisman *et al.* (1988) referred to the strategy-less organization as one that is stuck-in-the-middle *vis-à-vis* Porter's generic strategies. In Porter's (1980) view, the stuck-in-the-middle firm is in an extremely poor strategic position and is almost guaranteed low profitability. Porter argued that the firm stuck in the middle 'probably suffers

from a blurred corporate culture and a conflicting set of organizational arrangements and motivation system ... such an approach is almost always doomed to failure' (1980: 42). These are strong words that certainly seem to equate the lack of a clear strategy with failure.

In the Miles and Snow (1978) typology, four types of organizations were identified including reactors, which were characterized as strategic failures because of a pattern of environmental adjustment that is both inconsistent and unstable. The reactor was distinguished from the three strategic types because sooner or later it must either move to one of the consistent and stable strategies of defender, analyzer, or prospector, or fail. This argument is highly suggestive of an absence of strategy. In a comparative analysis of the Porter and Miles and Snow typologies, Segev (1989: 499) termed both the reactor and stuck-in-the-middle organizations as 'ill-conceived strategies, producing incompatibility with their environments.' If a firm's strategy is incompatible with its environment, does it really have a strategy?

As the previous discussion suggests, evidence can be found in the literature for strategy absence as a transient state between either firm success or failure. While there may be prescriptive value in viewing absence as failure, the primary limitation of this approach is that it relies on the existing stock of strategy knowledge and, therefore, observations will be colored by the researcher's ideology. As indicated earlier, strategy ideology is largely grounded in theories and concepts that exclude absence. When strategy absence is discussed, it is generally equated with failure. Since most research involves firms that are nonfailures, it is not surprising that there are few references to strategy absence in the strategy literature.

Regardless of how strategy is conceptualized, a bad strategy will lead to poor firm performance. This paper argues that absence is the opposite of presence, and presence should not necessarily imply good or successful. Thus, the absence of strategy differs conceptually from the notion of a bad or inadequate strategy. If a firm has a strategy, it may be a good strategy that leads to sustainable competitive advantage, or it may be a bad strategy. A series of bad decisions may coalesce into a bad strategy that eventually leads to failure. A bad strategy may also force a firm

to reevaluate its strategic direction, leading to a transitional period of absence. This is the subject of the next section.

ABSENCE AS TRANSITION

A second approach to the study of strategy absence is to view absence as a transitional phase in a firm's life cycle. In particular, young firms will not have a history of decisions that have evolved into a coherent pattern, and, therefore, it may be appropriate to refer to strategy as absent in these firms. A strategy may be in the process of emerging; until it emerges there is no strategy. Hamel and Prahalad (1993) describe the case of the industry latecomer that has ambitions far greater than its limited resource base. While the latecomer may be ill equipped to act 'strategically' given the gap between its aspirations and its resources, as knowledge grows and top management execute their vision, a clear strategy may emerge. During the emergent period and prior to observable firm success, an absence of strategy in terms of both pattern and fit would characterize the latecomer.

An argument could be made that a transitional strategy absence is temporary and an accident of history, and of little interest to the strategy researcher. However, as unprecedented competitive forces continue to confound some of the largest and most successful firms, and as young companies such as Microsoft and Intel flourish in their wake, many of our ideas about stability and permanence are disappearing. Industries such as the microcomputer industry appear to be in a constant state of transition, which means that the individual firms, with their focus on creativity and skill building, may not have a coherent strategy that is identifiable by a strategy researcher.⁵ This is supported by a statement from the CEO of Intel, Andrew Grove:

Nobody in this business can have a sophisticated technological vision. This is a big-time fishing expedition. You cast a bunch of hooks in the water; some get nibbled on, some catch fish, some you reel in, some you let go.
(Miller and Hays, 1993: B1)

The notion of strategy absence as transitional need not apply only to young firms. Any firm undergoing a transition could be temporarily without a strategy. The period during which one coherent concept of strategy begins to be eroded and replaced by another often produces strategic decisions that are not congruent. During the often turbulent transition phase, inconsistent messages come from top management and standard operating procedures break down (Hedberg, 1981). In some organizations, a new strategy may emerge to succeed the discarded strategy. Other organizations may become so disoriented that momentum is never regained.

One could look at General Motors of the late 1980s and early 1990s and argue that this was a firm without strategy. The future of various product lines was uncertain, market share was declining, the top management team was changing, and there was no discernible pattern in decisions (other than bad!) that would provide evidence of a consistent General Motors strategy. In contrast, and as further evidence of the absence of a strategy at General Motors, Chrysler could be examined. In the 1980s when Chrysler faced bankruptcy, a researcher would have found a confusing mix of products and policies that defied categorization. In other words, Chrysler was strategy-less at this time. The Chrysler of 1994 is a much different firm. A consistency and coherency in top management decisions has created a firm that, while not guaranteed of long-term success, has a much firmer conviction of its strategic options.

ABSENCE AS VIRTUE

A third approach to the study of strategy absence, and the one that holds considerable research promise, is to seek out instances of absence that are the result of conscious decisions and action (inaction) by management. Management may deliberately build in strategic voids and apparent incoherency in decision making as part of its

⁵ It could be argued that firms in industries like the microcomputer industry are in a constant emergent strategy state that is driven by top management vision. Top management vision and goals constitute firm strategy. The problem with this argument is that it is inconsistent with accepted strategy paradigms and also that the use of the term emergent suggests that eventually something will emerge. By arguing that there is no strategy because there is no pattern in decisions opens new avenues for inquiry and eliminates the presumption that strategies must eventually emerge in all firms.

organizational design. Two examples of such 'virtuous' absence are explored below.

Absence as constructive ambiguity

Organizations facing a changing and increasingly competitive environment must be flexible and adaptive. The existence of formalized and long-standing systems, that have a history of contributing to firm success, contribute to rigidity and insularity (Hedberg, 1981). Unlearning 'hard-wired' systems and policies is a significant hurdle for the laggard firm attempting to compensate for past mistakes (Hamel, 1991). A certain level of ambiguity surrounding corporate objectives and policies may enable a firm to maintain an active and realistic set of strategic options.

A tolerance for ambiguity has long been viewed as a characteristic of Japanese management. The story of Honda's success (Pascale, 1984) in the U.S. motorcycle market in the 1960s represents what Mintzberg referred to as 'the only real fact I know in all the literature of strategic management' (1991: 464). Honda's success in the absence of a brilliantly rational strategy illustrates how the lack of a plan and realistic objectives can provide a platform for experimentation and learning. Honda had no strategy for its U.S. market entry; it had a product and some vague understanding of the U.S. market. Despite this, Honda experimented with its product mix and distribution and eventually became the dominant motorcycle firm in the U.S. market.

In retrospect, this was a well-executed strategy that began by creating demand for lightweight motorcycles and then progressed through a successful challenge of Harley-Davidson at the high end. The reality as Pascale described was very different. Honda's trial-and-error approach stimulated management to innovate and only in hindsight does a strategy unfold. While Honda's actions eventually coalesced into a pattern that represented an emergent strategy, Honda began its American experience with an absence of strategy.⁶ The lesson, from a sample of one, is

that strategy absence need not be associated with organizational failure.

The argument here is that the deliberate building in of strategy absence may promote flexibility in an organization. Unshackled from strategic objectives and multiyear planning cycles, managers will remain exposed to the environment and will be forced into proactive and innovative decision making. Along a similar vein, Hedberg, Nystrom, and Starbuck (1976) suggested that residents of changing environments need tents instead of palaces because tents place greater emphasis on flexibility, immediacy, and initiative than on authority, clarity, and decisiveness. A palace, like an entrenched strategy, is stable and may be unresponsive to change.

Many industries are facing unprecedented environmental turbulence. For managers operating in such environments, it may be more appropriate to admit ambivalence honestly in the face of uncertainty, in the hope that such an admission will stimulate employees to search and innovate. Organizations with tight controls, high reliance on formalized procedures, and a passion for consistency may lose the ability to experiment and innovate. Explicit strategies may act like blinders and block out a firm's peripheral vision. This can impede change because as a strategy becomes imbedded in the routines of an organization, it also may become imbedded in the minds of the strategists (Mintzberg, 1990).

Absence as symbol

In many organizations, the corporate mission is viewed as an important component of corporate strategy. The mission statement can fulfill a symbolic role in clarifying and defining a firm's overall strategic goals. The mission statement may be symbolic of top management's commitment to a chosen course of action. Lower-level employees may see the mission statement as evidence of forward thinking and systematic planning. The very act of creating and disseminating a mission statement may be symbolic of the much celebrated act of rationality. The mission statement may

⁶ Using the Miles and Snow (1978) typology, an argument could be made that Honda was a prospector, finding and exploiting new product and market opportunities. However, Honda's situation in the early 1960s hardly fits Miles and Snow's definition of the prospector as an effective, future-oriented firm with highly developed marketing skills and decentralized control. Also, Honda may have had an intended

strategy that focused on the large bike market. However, intended strategies that are unrealized are synonymous with strategic objectives and should not be equated with strategy itself.

legitimate the organization's competitive position in the eyes of organization members.

In Hamel and Prahalad's (1989) discussion of strategic intent, symbolism plays a powerful role. A firm's strategic intent is reflected in an obsession with the accomplishment of a desired leadership position. Komatsu's 'encircle Caterpillar' objective is an illustration of an expression of strategic intent. More generally, much of organizational structure (including strategy as part of structure) may be intended to play a ceremonial role (Meyer and Rowan, 1977). For example, profit centers may be symbolic of managerial autonomy and self-determination and control systems of managerial authority and power. In these two examples, and one can think of many others, symbolism is embedded in organizational presence.

There may also be symbolic content in absence. Not all organizations find it necessary to create a façade of rationality and not all organizations need an explicit statement of strategic intent. Consider the following statement by the Chairman of Chrysler, Robert Eaton: 'Internally, we don't use the word vision. I believe in quantifiable short term results—things we can all relate to—as opposed to some esoteric thing no one can quantify' (Lavin, 1993: A1).

Management may use the absence of strategy to send unequivocal signals to both internal and external stakeholders of its preference not to engage in resource-consuming ceremony. The intended message of the strategy absence is that 'rational' strategy and its associated policies and systems are unnecessary as a competitive weapon. By seeking to avoid the trappings and constraints imposed by the act of engaging in formal strategic decision making, firms may still be able to achieve competitive leadership. For example, various articles have described Nucor's disdain for formal planning systems and the firm's reliance instead on a consistency in action at all levels in the organization. Nucor has no written strategic plan, no written objectives, and no mission statement. For Nucor, an absence of many of the supposed elements of strategy is symbolic of the no-frills, non-bureaucratic organization Nucor has worked hard to become. A strategist in a firm like Nucor may be an interpretive strategist (Chafee, 1985), which is one who deals with the environment through symbolic actions and communication. By not

articulating strategy, a firm may increase its organizational flexibility. In turn, a flexible organization that bobs and weaves through its competitive battles may not display a pattern of strategic action.

A virtuous summary

Strategy presence is generally deemed to be functional when it contributes to competitive advantage and enables the firm to achieve viable organizational goals and dysfunctional when it leads to poor profitability and organizational decline. The value of strategy absence, however, is not often recognized. This paper argues that there can be virtue and utility in absence. An absence of strategy can have a liberating effect on management and possibly stimulate the innovation and creativity that generates winning products and ideas. It is possible for firms to 'implement' strategy absence positively so as to foster an atmosphere of strategic flexibility.

ABSENCE AND THE STUDY OF STRATEGY

The central argument of this paper is that the current presence-oriented strategy paradigm needs to be broadened to include the examination of absence. The strategy task has often been defined as maintaining a balance between a firm, its capabilities, and the environment. This balance is evident in a set of top management decisions that converges into an observable pattern. This paper argues that in some circumstances the balance, and consequently the pattern, may be absent. The cause for the absence may be failure on the part of management. Alternatively, and of greater empirical interest, strategy absence can be a constructive and positive phenomenon that contributes to firm effectiveness.

As discussed earlier, accepted definitions of strategy may account for the lack of insights into strategy absence.⁷ Viewing strategy as a search for rent will preclude the discovery of absence. Similarly, defining strategy as the match between

⁷ While existing ideologies may preclude the noticing of strategy absence, this paper has tried to show that generally accepted definitions (but not paradigms) of strategy can be compatible with the concept of strategy absence.

a firm and its environment may mean that absence as a legitimate phenomenon is ignored because 'goodness of fit' perspectives leave little room for managerial choice (Bourgeois, 1984). If strategy is the product of deterministic environmental forces, absence cannot exist because managers are constrained by industry and environmental effects.

A theoretical orientation grounded in concepts of consistency of decision making and managerial choice offers more avenues to 'discover' strategy absence. A struggling firm with an absent strategy may have no legitimate rationale for decision making and will lack guidance regarding the capabilities a firm needs to protect, enhance, or add in order to compete successfully (Nelson, 1991). The research challenge is to identify and understand firms that move in the opposite direction: successful firms that, while innovative and possessing higher-order organizational skills, exhibit no consistent pattern in decision procedures at *upper* levels of management (note that while there may be no imposed consistency or coherency in decision making at upper levels, lower levels of the organization will likely demonstrate a practiced set of routines).

To develop an understanding of absence will require a search for patterns in the strategy process that may or may not reveal a consistent interconnectedness. The research methods used must make it possible to study managerial decisions and actions taken and how those actions shape features of strategy outcomes. But, following Pettigrew (1992: 10), researchers must operate without the assumption that there are predetermined timetables, of ordered and inevitable sequences or stages. Temporal relationships are important but they must be studied with the objective of understanding why certain decisions are made and how those decisions are related to action taken by organizations. The environmental context that constrains and shapes organizational action must also be embedded in the study of absence. Various contextual factors that may be associated with strategy absence are considered in the following discussion.

The analysis of absence

This paper developed a view of strategy that counters accepted paradigms. Although the objective was not to offer a normative model of

strategy absence, some consideration of the circumstances surrounding absence should be useful. Specifically, if absence is treated as a dependent variable, what are the environmental and firm factors associated with its occurrence?

Using Mintzberg's (1979) munificence–hostility categories, an approach to the analysis of absence is shown in Table 1. Following the earlier discussion, an important assumption is that strategy absence can be either a deliberate action by top management or it can be unintentional. 'Lucky' absence may occur when absence is unintentional and environment is munificent.⁸ Because the munificent environment has an abundance of critical resources available, a firm with an unintentional strategic void is not necessarily on the road to failure. This lucky firm might be found in a monopolistic situation or perhaps in a heavily protected industry. These firms may be able to stumble along without a strategy because environmental demands are very modest. However, if the environment shifts towards hostility, the situation becomes very different. In a hostile environment resources become scarce and competition intensifies. A likely outcome of unintentional strategy absence in this environment is organizational failure.

Turning to the case of deliberate strategy absence, the firm that deliberately builds in strategy absence in a munificent environment is probably undergoing a strategic transition. In the young firm, a strategy may be in the process of emerging. Strategy absence is deliberate in the sense that top management are aware of the strategy absence and view this state as a transitional element in the firm's life cycle. A second type of transitional absence in a munificent environment is labeled experimental. This state primarily pertains to established organizations with a history of success. Experimenting firms can draw on internal slack resources and unexploited environmental capacity to test various courses of action.

On the assumption that few industry environments have lasting munificence, firms in a hostile environment that have a deliberate strategy

⁸ The environment-absence framework is designed to generate thinking about how absence might be explored. Castrogiovanni's (1991) concerns about overabstraction and conceptual ambiguity as problems plaguing research on environmental munificence are acknowledged.

Table 1. Absence and environmental demands

	Absence as strategic action	
	Unintentional	Deliberate
Munificent environment	Lucky firm	1. Young firm transition 2. Experimenting transition
Hostile environment	Failure	1. Young firm transition 2. Forced transition 3. Virtuous absence

absence should be the primary interest of strategy researchers. As in a munificent environment, strategy absence will be deliberately transitional in the young firm. Another type of absence occurs when there is a forced transition, a situation in which a firm must abandon an established strategy and exist in a strategy-less state for an indefinite period. The rejuvenation of Compaq Computer Corp. as a low-cost firm competing on both price and performance in all segments of the personal computer market involved a significant reorientation of strategic assets. Previously, Compaq competed on the basis of superior product performance with high end prices. While Compaq is in the process of executing its transition, getting a fix on Compaq's strategy will be difficult because a pattern of decisions will be absent. Although Compaq's top management would likely resist being referred to as strategy-less, until there is evidence that the product repositioning becomes sustainable and established as a pattern of action, strategy formation will remain in an emergent phase.

The final type of absence is labeled virtuous absence because it is in these firms that absence of strategy can have its liberating effect on management. By maintaining flexibility and avoiding the trappings of formalized systems, firms with enduring absence may survive and prosper. Referring again to the computer industry, with its falling prices, low margins, and increasingly short product cycles, those firms nimble enough not to become wedded to a strategy may become the industry's innovators. These firms will not be failures, nor will they be 'stuck-in-the-middle' or reactor organizations. Instead, the top management in the strategy-less firms will have the ability to create a strategic

intent that defies categorization using existing strategy models.

SOME CONCLUDING THOUGHTS ON ABSENCE

By examining examples of firms which are strategy-less, it may be possible to create a dialectic between the existing and nonexistent strategy worlds and thereby achieve a deeper understanding of the nature of strategy. By definition, nonevents can easily go unnoticed and, as Weick (1978) argued, nonevents often discourage attention and create a false sense of reliability and stability. However, researchers must be sensitive to nonevents, particularly in the strategy field where there has been a tendency to ascribe linearity and rationality to complex organizational phenomena. The Honda story is notable for its illumination of absence. Without understanding that Honda had no grand entry strategy for the U.S. market, Honda's success would continue to be attributed to the presence of rational objectives and planning processes. There is no doubt that it is easier to find that which is present than it is to explain why something is absent. However, the absence of rational strategy may provide important clues as to why some firms are able to survive in turbulent environments and others fail despite having a consistency and clarity of strategic purpose.

In any field of enquiry there is a continuing need to scope out the important questions and issues for empirical study. The perspective offered in this paper is that strategy absence is a legitimate phenomenon of interest to business management scholars. The phenomenon is also

under-researched. For the student of strategy that subscribes to the view that strategy and firm performance are not deterministic, absence of visible patterns in top management decision making should be of interest.

The issue of why firms succeed and fail, which Porter (1991) argued is the central question in strategy, does not preclude the strategy-less firm. Indeed, if Porter's (1991) article is closely studied, the notion of strategy absence would appear to be implicitly present. In this article, Porter takes a much more dynamic view of strategy than can be found in his earlier work. Porter (1991) indicated that a strategy enables management to ensure the consistency of individual actions and choices. The absence of consistency implies the absence of a strategy. Porter also argued that the task of strategy is to maintain a dynamic balance between a firm's strengths and weaknesses and industry opportunities and threats. Again, the lack of balance may mean strategy absence.

The strategy field seems less preoccupied with taxonomy and categorization, which has certainly not been wasted effort—simple strategy classification schemes such as Porter's are valuable in their ability to stimulate debate. The renewed interest in resource-based perspectives of strategy (e.g., Amit and Schoemaker, 1993; Barney, 1991; Mahoney and Pandian, 1992) may provide important insights on strategy absence. Because this perspective is internally focused, we can begin to understand the roots of competitive advantage rather than just a firm's industry position. An industry positioning perspective, inherent in Porter's earlier work, can attribute a brilliant strategy to what was in reality a stroke of luck (witness the Honda motorcycle story). The resource-based view seeks the answers behind industry and product-positioning success. In seeking those answers it may be discovered that articulated strategies and patterns of strategic action are not always present.

Thus, a firm without a strategy could have superior product positioning in the absence of an observable pattern in leadership decisions. For this reason, strategy absence should not be equated with an absence of core capabilities. Managers may seek a realignment in their firm's bundle of capabilities because of changes in the environment (Amit and Schoemaker, 1993). Firms may also reject stability because of

industry pressures for constant change and experimentation. The process of expanding, modifying, and redirecting core capabilities is congruent with the notion of strategy absence. An absence of a rigid pattern of strategic decision making may ensure that 'noise' is retained in organizational systems, without which strategy may become a specialized recipe that decreases flexibility and blocks learning and adaptation (Miller, 1993).

Understanding of the strategy absence phenomenon, this paper has suggested tentatively, may emerge out of the interplay between the planned and the improvised, the explicated and the obscure, the reasoned and the ritualized, the deliberate and the accidental. The strategy-less firm may therefore be seen as an area of interest and stimulation, rather than an area of abandonment for strategic management scholars.

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