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## **Strategy as practice: Recursiveness, adaptation and practices-in-use**

### **Abstract**

In this paper, a social theory framework is developed to explain the common themes of recursive and adaptive practice underpinning existing strategic management literatures. In practice, there is a co-existent tension between recursive and adaptive forms of strategic action that spans multiple levels from the macro institutional and competitive contexts to within-firm levels of analysis to individual cognition. This tension may be better understood by examining how management practices are used to put strategy into practice. Such practices span multiple levels of context and are adaptable to their circumstances of use, serving to highlight both general characteristics and localised idiosyncrasies of strategy as practice. The paper develops the concept of management practices-in-use into a research agenda and nine broad research questions that may be used to empirically investigate strategy as practice.

## **Strategy as practice: Recursiveness, adaptation and strategic practices-in-use**

### **Introduction**

Recently, concern over the gap between the theory of what people do and what people actually do has given rise to the 'practice' approach in the management literatures. For example, there are literatures on knowing in practice, formal analysis in practice and technology in practice, each of which share a common focus upon the way that actors interact with the social and physical features of context in the everyday activities that constitute practice. Most recently, the practice approach has entered the strategy literature, recommending that we focus upon strategists engaged in the real work of strategising (Hendry 2000; Whittington 1996; 2002; 2003). That is, just as the literatures on knowing in practice suggest that knowledge is not something that a firm *has* but knowing in action, something that a firm and its actors *do* (Cook and Brown 1999), so we should examine strategy not as something a firm has but something a firm does. The call for a practice approach is timely since studies of how strategy is socially constructed have been increasing over the past 15 years. In this paper we develop a social theory framework for strategy as practice that makes links to these and other strategic management literatures, and provides a platform for the empirical investigation of strategy as practice.

The paper is in three sections. The first section of the paper draws upon social theory to address two key practice themes, recursiveness and adaptation. These two core elements of practice implicitly underpin much of the current strategic management literature and constitute one of the key tensions for strategy practitioners (cf. Garud and Karnoe, 2001). 'The strategists' fundamental dilemma [is] having to reconcile the concurrent but conflicting needs for change and stability. On one hand, the world is always changing – more or less – and so organisations must adapt. On the other hand, most organisations need a basic stability in order to function efficiently' (Mintzberg 1994:184). Our theoretical discussion of this dilemma is illustrated with examples of coexistent tensions between the recursive and adaptive properties of organisational and environmental contexts. In the second section we derive a theoretical explanation for management practices-in-use as a means of investigating these two practice themes. The third section develops a research agenda for the empirical study of practices-in-use, which we posit as a unit of analysis that may enhance understanding of recursive and

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adaptive forms of strategy as practice across multiple levels of analysis. In conclusion, the paper proposes that strategy as practice is a topic for serious academic endeavour, being both theoretically robust and practically relevant.

### **Section one: Recursiveness and adaptation in practice**

In this section, a theoretical foundation for two key practice themes, recursiveness and adaptation, is built upon four main areas of social theory; structuration (Giddens 1984), habitus (Bourdieu 1990), social becoming (Sztompka 1991), and communities of practice (Brown and Duguid 1991; 2001). These largely constructivist contributions to practice are elaborated and then linked to concepts in existing strategic management literature. In so doing, the paper builds upon the constructivist paradigm that underpins but has been largely unacknowledged in mainstream strategy research (Mir and Watson 2000). While the diversity of social theory approaches might be criticised for eclecticism, practice is posited as the point of interaction between pluralist epistemologies (Cook and Brown 1999). Our intention is to develop a more holistic understanding of the nature of strategy as practice through the integration of diverse theoretical perspectives (Spender 1998).

First this section examines the reciprocity inherent in strategy as practice, termed the problem of recursiveness because it obscures the means by which practice adapts. The problem of recursiveness penetrates the strategic management literature at multiple levels from individual cognition to organisational structures and industry environments (see Table 1). To address this problem, the paper turns to the second theme, that of the social context in which practice occurs. Practice occurs in macro contexts that provide broad commonalities of action but also in micro contexts in which action is highly localised. The interaction between contexts provides an opportunity for adaptive practice, a theme that is also present in the strategic management literature (see Table 2). Discussion of these two themes furnishes a theoretical orientation for recursiveness and adaptation as coexistent attributes of strategy as practice.

**INSERT TABLE 1 ABOUT HERE**

### **Reciprocal practice: the problem of recursiveness**

The term 'practice' implies repetitive performance in order to become 'practised'; that is, to attain recurrent, habitual or routinized accomplishment of particular actions. For example, in sport or music practice develops competence and improves performance. Practice is thus a particular type of self-reinforcing learning akin to single loop or exploitative learning theories (cf. Argote 1999). The routinized nature of practice may be explained by theories of social order, such as structuration (Giddens 1984), in which the interaction between agents and socially-produced structures occurs through recursively situated practices that form part of daily routines. Structures are the collective systems within which human actors carry out their daily activities. Structures constrain and enable human action and are also created and re-created by actors who draw upon social structure in order to act. This reciprocity between agent and structure enables the persistence of social order, embedding it in social institutions that endure across time and space. Lest this appear excessively deterministic, social order may serve agency, being drawn upon purposively by knowledgeable actors. However, knowledge is not necessarily explicit. Rather, action may occur as a function of practical consciousness, in which tacit, experience-based knowledge is 'incorporated in the practices which make up the bulk of daily life' (*ibid*:90). Structuration makes three main contributions to the routinized nature of practice. First, practice is institutionalised in social structures that persist across time and space. Secondly, institutional social structures are incorporated in the daily practices that constitute action. Thirdly, structures persist through the tacit knowledge and practical consciousness of actors who choose familiar patterns because it provides them with 'ontological security' (*ibid*:64).

Bourdieu (1990) further elaborates reciprocity as the dialectic of social structures and structuring dispositions within which every practical action occurs. This dialectic is the 'habitus', which is socially constructed but transcends the individual, being 'constituted in practice and ... always oriented towards practical functions' (*ibid*:52). Practice comprises social order residing both in people's minds and in the habitus, which functions as a form of collective memory. Bourdieu imbues the latter with properties akin to genetics 'reproducing the acquisitions of the predecessors in the successors' (*ibid*: 291). The temporal persistence of habitus shapes the aspirations of those who enact it in daily practice. Habitus assumes causality by structuring new information in accordance with the information already accumulated. This ensures its constancy and

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resistance to change. Agents' choices will be influenced by their consideration of what is possible, this belief being shaped by 'concrete indices of the accessible and inaccessible' (*ibid*: 64). For Bourdieu, agents are 'accomplices in the processes that tend to make the probable a reality' (*ibid*: 65).

Both Bourdieu and Giddens provide a rationale for the stable and institutional characteristics of practice, albeit that structuration predicates this stability on the ontological security of the actor while habitus is more structurally oriented. This focus on stability obscures the adaptive nature of practice (cf. Orlikowski 2000) and will be termed here the problem of recursiveness.

Recursiveness means the socially accomplished reproduction of sequences of activity and action because the actors involved possess a negotiated sense that one template from their repertoire will address a new situation. [While] recursiveness is always improvised ... equally, there can be a durability about recursiveness that constrains attempts to transform the sequences. (Clark 2000:67)

This durability may be considered a 'code-of-practice' or even 'best practice', being sedimented rules and resources that govern how to act. Recursiveness underpins much of the strategic management literature and is present at three levels, the actor, the organisation and the social institution. At the level of the actor, the problem is largely a psychological one arising from individual cognition. The mental models of actors are subject to structural influences such as formal operating procedures (Cyert and March 1963), heuristic devices (Newell, Shaw and Simon 1962), and stored cognitive recipes (Weick 1969). The relationship between thought and action arises from procedural memory, the skill-base associated with cognition. Procedural memory predisposes those familiar routinized actions developed from experience that actors undertake without conscious thought (Cohen and Bacdayan 1994). Individual cognition is related to social structure through its manifestation as collective phenomena shared by groups of actors. Similar to the notion of habitus, collective memory structures boundarize cognition (Cyert and March 1963) and create perceptual filters (Pralhad and Bettis 1986) that direct choice-making behaviour towards the known. The reinforcement of routinized and stable structures through collective cognition is found in literatures on groupthink (Janis 1972), top team homogeneity (Wiersema and Bantel 1992), and restricted learning capabilities (Tripsas and Gavetti 2000). The recursiveness arising

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from actors' needs for ontological security (Giddens 1984) is thus present in much of the literature on cognition, interpretation and collective cognition.

At the organisational level, the problem of recursiveness is illustrated in path dependence, persistent organisational routines, and organisational memory. The strategic and operational routines of an organisation have genetic properties that predispose it to act in certain ways and, more importantly, define the *possible* options that it may take (Nelson and Winter 1982). Routines are socially complex, embedded, and interlocked. They comprise a social architecture that penetrates a firm's communication channels, information filters and problem-solving strategies making it difficult for the firm to absorb new technologies (Henderson and Clark 1990). The normative influences of routines may be understood as organisational memory (Walsh and Ungson 1991) or cultural web (Johnson 1987), providing embedded repertoires, rites and rituals for action that are persistent sources of firm identity. These characteristics may be considered firm resources, building distinctive traits that are a non-transferrable source of competitive advantage. However, path dependence means that resources are difficult to shed or reconfigure quickly. Strategically a firm is liable to exploit and build upon existing resources (Grant 1991), exhibiting resource deepening behaviour that channels evolution along familiar lines (Karim and Mitchell 2000), even where these are no longer viable. The distinctive social structures of a firm may thus be seen as its core rigidities (Leonard-Barton 1992), predisposing recurrent action patterns (Cohen et al 1996) and leading to organisational inertia (Hannan and Freeman 1984; Rumelt 1995). These concepts of organisational stability are implicitly underpinned by the social theory of habitus; that social structure assimilates information that is self-reinforcing and resistant to change.

The problem of recursiveness arising from embedded social institutions is present in institutional theory, particularly the notion of isomorphism, in which organisations, particularly those in the same sector or industry, come to resemble each other because of the common social structures upon which they draw (DiMaggio and Powell 1983). Similar to the self-reinforcing structural notions of habitus, social institutions may be predisposed to particular organisational forms (Hannan and Freeman 1977). These institutional forces are also linked to agency through their influence on managerial cognition (Elenkov 1997), with isomorphic tendencies evidenced in the choice-making



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behaviour of actors who draw upon similar social structures. For example, firms in the same industry display similar recipes for action (Spender 1989). This is because strategic actors are embedded within industry networks, which constitute collective cognitive structures that influence conformity of choice in different firms (Geletkanycz and Hambrick 1997; Porac et al 1989).

Undoubtedly, social practice is characterised by recursiveness that is evident in the choices arising from interaction between social institutions, organisations, and actors (cf. Table 1). This is not necessarily a weakness for firms. Indeed, the literature extols the competitive advantages of an experience curve (Argote 1999), successful companies 'stick to the knitting' (Peters and Waterman 1982), and resource-deepening behaviour builds distinctive competences and capabilities (Karim and Mitchell 2000). From this perspective, recursiveness equates with learned efficiencies, suggesting that 'practice makes perfect'. Since firms display similar choice-making behaviour, recursiveness may even be associated with best practice. However, the convergence that underpins best practice may also be associated with inertial organisational forms and the destruction of strategic differentiation between competitors (Eisenhardt and Martin 2000). This duality of recursive practice is articulated as a paradox for successful firms. The managerial, cultural, structural and processual factors associated with a firm's success have a tendency to become over-practised, placing the firm on a trajectory of increasingly recursive behaviours that predispose failure due to inability to adapt (Miller 1990; 1993; Miller and Friesen 1984). The seductive danger of recursive practice is that it is also associated with success.

As differentiation and change are important factors of competitive advantage in even moderately dynamic environments, recursive practice is a problem in strategic management. This is a complex, socially constructed problem that spans levels of analysis from the ontology of the actor to the social institutions that provide structures for action. As such, the different strategy literatures dealing with recursive practice each display some component of a larger constructivist whole that is complex to disentangle at any single level of analysis. However, for each of the arguments above, there are counter arguments that suggest practice also has adaptive characteristics (see Table 2). In order to understand practice as an ongoing social process, capable of

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encompassing both stability and change, we now turn to social theories of co-existent and dynamic interaction between agent and structure.

## INSERT TABLE 2 ABOUT HERE

### **Adaptive practice: social movement within macro and micro contexts**

Adaptation, meaning varying degrees of change from incremental adjustment to radical reorientation, may be explained using the theory of social becoming (Pettigrew 1990; Sztompka 1991). Sztompka (1991) exposes three false dichotomies in social theory. First, he criticises the dichotomy between agent and social structure, proposing that there is a third ontological dimension; 'the unified socio-individual field' (*ibid*:94). Secondly he shows the false separation of static and dynamic processes of social reality. This is because 'life' or 'living' are constantly undergoing change and self-transformation. Finally, he posits that potential and actuality are not separable since potential reality and actual reality are in a continual state of oscillation and feedback in the process of social becoming. Sztompka's theory is one of 'a living, socio-individual field in the process of becoming' (*ibid*:95). The interaction between agent and structure does not sustain sedimented behaviours; it is 'becoming', not became.

Sztompka (1991) identifies practice as the unit of analysis for observing 'becoming', which is the chain of social events 'where operation and action meet, a dialectic synthesis of what is going on in a society and what people are doing' (*ibid*:96). This dialectic is important since it constitutes the interaction between macro and micro contexts in which practice is constructed. Macro or wider societal contexts constitute a current of social movement; 'what is going on in a society' (*ibid*:96). Micro contexts comprise any given group engaged in their own local construction of practice, 'what people are doing' (*ibid*:96). Changing practice is carried out within micro contexts in interaction with macro contexts. There is thus an ongoing process of social becoming that is realised through a chain of social events, or practice.

These assumptions about changing social order underpin the strategy process field, which 'describes how things change over time' (Van de Ven 1992:169) through the study of sequences of events (for example, Abbott 1990; Glick et al 1990; Van de Ven and Poole 1990). In strategy process studies, change arises from the interaction

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between embedded levels of context from the socio-economic to the industry to the firm (Pettigrew 1987; Pettigrew and Whipp 1991). Child (1997) incorporates the actor into this change process through strategic choice, which is 'a *consciously-sought adaptation to, and manipulation of*, existing internal structures and environmental conditions' (*ibid*:67, emphasis in original). Agency is thus important in the adaptive processes of building internal or within-firm social contexts in relation to external or environmental social contexts.

The interplay between levels of social context may be better understood with reference to plurality. Modern society has plural social institutions, such as political, economic, ethnic, and religious institutions that may be regarded as co-existing forms of macro-social context (Giddens 1991; Whittington 1992). Actors make choices in drawing upon these institutions, so constructing contextually specific and potentially divergent strategic action. For example, divergent firm level strategies in the Taiwanese computer industry are found to result from the varied use that skilled strategic actors make of the different rules and resources present in three social institutions; political, technological and business systems (Hung and Whittington 1997). Strategic behaviour may thus be divergent or isomorphic depending upon the particular institutions that are invoked, with modern society characterised by plural social institutions.

This theoretical framing suggests that there are macro and micro contexts in which strategy as practice occurs (Whittington 2001). Interaction between contexts provides opportunities for adaptive practice because the macro level is characterised by multiple social institutions, while the micro level is heterogeneous due to the localised social movement occasioned by 'what people are doing' (Sztompka 1991:96). We now theorise the social movement in micro contexts through the literature on communities of practice.

#### *Micro-context: Communities of practice*

In a 'community of practice' individual thought is essentially social and is developed in interaction with the practical activities of a community, through living and participating in its experiences over time (Cook and Brown 1999; Lave and Wenger 1991). The literature on communities of practice provides two important components of a theory of

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practice; that practice is locally idiosyncratic and that local contexts provide opportunities for adaptive practice. We shall explore these in turn.

While communities may have some broad similarities, each community has specific social interactions that constitute a unique interpretative context (Brown and Duguid 1991). Practice is local and situated, arising from the 'moment-by-moment interactions between actors, and between actors and the environments of their action' (Suchman 1987:179). Rather than looking for structural invariants, normative rules of conduct, or preconceived cognitive schema, therefore, practice scholars should investigate 'the processes whereby particular, uniquely constituted circumstances are systematically interpreted so as to render meaning shared' (*ibid*:67). For example, Orlikowski (2000) draws our attention to the localised use of technology that results in contextual specificity of technology-in-practice, even where the use of these technologies is widely pervasive and normatively structured in wider contexts. Since practice is situated, experiential knowing-in-doing, and particular to the participants in a community (Brown and Duguid 2001; Cook and Brown 1999), it is important to move beyond institutional similarities to penetrate the situated and localised nature of practice in micro contexts.

The micro context provides an opportunity for adaptive practice. New knowledge about specific situations may arise from the social activities of dialogue and interaction (Brown and Duguid 1991; Cook and Brown 1999; Wenger 1998), often about a problem or failure (cf. Pisano 1994; Sitkin 1992). For example, when the formal code-of-practice for mending a faulty photocopier is inadequate to the task Orr's (1996) technicians engage in adaptive social interaction. They tell stories about the problem that generate new methods for its solution. New practice does not come from external sources but from participating in the social process of problem-solving within that community. In this process, existing frameworks take on new meanings that are highly contextual. Local practice may thus be generative as opposed to driven by institutionally established practice.

However, a problem is not essential to the learning inherent in a community of practice. The social nature of communities constitutes an adaptive learning opportunity. Through the entry and exit of their members, communities are exposed to generative practice.

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New participants learn from continuing members how to interpret the social infrastructure of a particular community, in the process resocialising the continuing players and reinforcing existing practice. However, due to their low socialisation to the community, new members also question the infrastructure, so creating the potential for its re-evaluation and adaptation (Lave and Wenger 1991; March 1991). Even stable communities may be exposed to adaptation where their members are also members of wider 'networks of communities' (Brown and Duguid 2001:205), for example, with professionals in other organisations or in non-work communities. Communities that have largely stable membership, with limited external networks, and few crises or problems are liable to engage in recursive practice while the converse situation promotes adaptive practice.

While these examples tend to look at particular subsets of organisations, such as engineers (Orr 1996) or insurance clerks (Wenger 1998), it is probable that such concepts also hold true for strategic practitioners. For example, it is important to 'know the 'done thing' locally' (Whittington 1996:732) in order to enact strategy in particular contexts. Strategy as practice is found to be particular to the organisation that constitutes its community of interpretation (Jarzabkowski and Wilson 2002) and to be situated within a 'taken-for-granted and highly contextualised rationality' (Spender and Grinyer 1996:30). A firm may thus be conceptualised as a strategic community of practice that displays localised and heterogeneous social interactions that may vary from institutional pressures for convergence (cf. Oliver 1991).

The concept of localised practice is present in the resource-based view (RBV), which posits that localised and hence distinctive strategic contexts are value-creating. RBV proposes that firms are heterogeneous with competitive advantage arising from their unique and idiosyncratic bundling of firm resources (Barney 1991). In addition to physical resources, RBV includes intangible assets such as social complexity as a source of advantage. However, RBV has been criticised for its market-based assumptions that commodify socially embedded processes (Cook and Brown 1999; Scarbrough 1998) and ignore the dynamism inherent in strategic action (Spender 1996). Resources may provide competitive advantage at a moment in time but their adaptation and, thus, the sustainability of competitive advantage in changing environments, is less

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apparent suggesting the rigidities and routines of the previous section (cf. Cockburn et al 2000).

A more adaptive form of localised heterogeneity may be found in theories of competitive advantage based upon knowledge resources (Grant 1996; Spender 1996) and dynamic capabilities (Helfat 2000; Teece et al 1997). While continuing to emphasise the idiosyncratic and localised nature of practice, the knowledge-based and dynamic capabilities literatures focus more upon the learning and adaptation involved in competitive advantage. Dynamic capabilities are 'processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change' (Teece et al 1997). New resource configurations, that is, adaptive practice, may be generated from the use of existing resources. Importantly, dynamic capabilities are perceived to generate change inside the firm and also to lead to market change, suggesting interaction between micro and macro contexts.

#### **Adaptive or recursive practice? Characteristics of contexts**

Thus far we have shown that the recursiveness inherent in practice is constructed at multiple levels of social interaction from the actor to the institution. However, our discussion also illustrates how adaptive practice arises from the interactions between these levels, particularly in the interactions within micro contexts and between micro and macro contexts. To better explain these interactions, we now highlight characteristics of micro and macro contexts that might be indicators of recursive or adaptive practice. These characteristics are, of course, neither definitive nor prescriptive. Nonetheless, in Table 3 they are grouped according to their recursive or adaptive tendencies, acknowledging that actual practice occurs somewhere between these polarities.

#### **INSERT TABLE 3 ABOUT HERE**

There is considerable firm-level information on the cultural, structural and political factors that may predispose recursive or adaptive practice. For example, strategy process theorists have alerted us to the problem of highly stable organisational paradigms embedded in the cultural web, with their potential consequences of inertia

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and strategic drift (Johnson 1987). Culture is related to identity, which is the enduring central characteristic of the organisation (Albert and Whetten 1985). Where there is a strong identity, more coherent or unitary cultures are likely to emerge that are prey to dominant logic and are resistant to change (Prahalad and Bettis 1986). This is particularly likely where singular cultural traits have been associated with success (Miller 1990; 1993).

While cultural diversity is important to more adaptive forms of practice, firms that have highly fragmented and discrete sub-cultures may also be prone to recursive forms of practice because they lack common forms of discourse about the strategy process and have difficulty building consensus and commitment to change (Knights and McCabe 1998; Martin 1992). Knowledge creating cultures or learning organisations are characterised by the ability not only to hold multiple interpretations simultaneously but to incorporate them into the strategy process (Huber 1991). In this situation the firm is viewed as a knowledge distribution system (Tsoukas 1996) comprising a collection of more or less loosely coupled diverse micro communities (cf. Brown and Duguid 2001), which undertake localised activities that are important to the strategy process. Micro communities of activity inside the firm act as generative strategy motors (Regner, 2003) contributing to adaptation through innovation at the peripheries (Johnson and Huff 1998) and internal venturing (Burgelman 1983). Culturally adaptive organisations are characterised by decentralisation, with the role of senior management being to support and align strategic initiatives arising at other levels of the firm (Bartlett and Ghoshal 1993). When strategy participation is more widespread, with decentralised decision-making, cultures are more predisposed to creativity (Garud and Karnoe 2001; Shaw et al 1998) and broader, learning attitudes to risk-taking (Easterby-Smith 1991; Eisenhardt and Sull 2001). Firms are, therefore, more prone to adaptive practice when they are populated by diverse and heterogeneous communities. However, there are structural and processual considerations if these communities are to be integrated into the strategy process (Van Looy et al 2001).

Structurally, bureaucratic and divisionalised forms, particularly where these have clearly demarcated specialisation of labour and multiple layers of hierarchy, are more prone to recursive forms of practice. In such hierarchical organisational forms, renewal is assumed to be the function of top down managerial processes, concentrating strategy

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in the hands of a central core, which limits the diversity in conceptualising strategy and constrains the distribution of strategy across levels and functions (Miles et al 1998; Mintzberg 1979). Firms with strong operating routines are also prone to recursive practice because such routines are geared towards generating rents from existing assets and markets but are low in flexibility and adaptation to new resources and markets (Miles et al 1998; Nelson and Winter 1982).

By contrast, research on new forms of organising suggests that organisational structuring can help to realise innovating and adaptive capacity (Pettigrew and Fenton 2000; Whittington et al 1999). Literatures on organisational structure in the last decade introduce the concept of the network organisation (Volberda and Baden-Fuller 1998), the cellular form (Miles et al 1998), and the heterarchy (Hedlund 1994). Structurally, such firms are decentralised with shifting strategic apexes (Hedlund 1994) in order to cope with more dynamic or complex competitive environments, particularly where firms are operating on a global scale (Bartlett and Ghoshal 1993; Volberda 1996). Lower levels of hierarchy and greater processual mechanisms for cross-firm integration permit increased use of middle managers (Floyd and Wooldridge 1997), shared knowledge and practice (Johnson and Huff 1998), intra-firm knowledge networks, transfers, and combinations (Nahapiet and Ghoshal 1998), middle-up-down management, and intrapreneuring (Nonaka 1994) as ways of realising the adaptive capacity of the firm and so, improving its competitive advantage in changing environments. It appears that important structural, cultural, and processual characteristics for adaptive capacity are sufficient diversity of firm capabilities combined with sufficient slack to permit social integration and development and exploitation of these capabilities.

There are, of course, considerations of power and politics in any configuration of the firm. For example, power balances and dependencies are evident in structural arrangements, such as hierarchical, operational, functional and processual infrastructure that represent sunk costs and routinised patterns of resource allocation, which might inhibit adaptive practice (Hannan and Freeman 1984). Existing power dependencies are prone to recursive practice whilst new configurations of power, particularly those invested in changing leadership and skilled political behaviours, provide opportunities for change (Hardy 1996; Pettigrew 1973; 1985; Pfeffer 1994). Indeed, path creation or



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change may be viewed as an essentially political process since it involves the mobilisation of goals, authority structures, technology and stakeholders (Rao and Singh 2001). While such processual theories assume that power and politics, when recognised, can be managed to effect organisational change, critical studies of strategic management suggest that power is a systemic feature of organisations that cannot be managed or controlled. From this perspective, the micro technologies, infrastructure and discourses that are part of the daily practices of strategy have inherent powers that create truth, identity and security effects for organisational actors, so constraining adaptation without consciously organised resistance (Knights and McCabe 1998; Knights and Morgan 1991; Willmott 1995). Firm context thus represents a diverse set of political interests, interpretations and identities that impact upon adaptive practice.

Recently, studies have attempted to grasp the adaptive capacity of the firm in relation to dynamic markets. In these literatures the firm is a complex adaptive system (Pascale 1999) that is able to restructure rapidly through patching on of new divisions, discarding obsolete ones and merging or splitting structural configurations in accordance with market changes (Eisenhardt and Brown 1998). Such firms grasp strategic opportunity through low formalisation of strategy processes and simple rules (Eisenhardt and Sull 2001) that hasten strategic responses permitting the firm to meet and create market conditions (Brown and Eisenhardt 1997). While these are somewhat extreme examples they are helpful for understanding the interplay between micro and macro contexts in the pursuit of adaptive strategy because they deal with firms in dynamic and high velocity markets. In such markets, adaptive practice is assumed to be value creating whereas in lower velocity markets repetitive and resource deepening capabilities may be value-creating (Eisenhardt and Martin 2000).

It is, therefore, pertinent to explain some of the characteristics of macro contexts, particularly in terms of the potential for recursive or adaptive influences from different institutional and competitive perspectives. Institutional theory suggests that the external environment that organisational actors construct and subscribe to consists of regulative, cognitive and normative institutions that predispose, respectively, coercive, mimetic and normative isomorphic behaviour. We may also understand these institutional responses in terms of competitive behaviour. Since competition is associated with imitative behaviour, lesser performers will move to adopt the practices of successful

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performers (Cockburn et al 2000; Eisenhardt and Martin 2000). For example, first mover' strategic initiatives in the UK insurance industry were imitated by followers (Webb and Pettigrew 1999). Particular strategic practices will be perceived as efficacious in addressing the performance needs of a range of industries, and so will become institutionalised, reinforcing mimetic and normative isomorphism in the wider business environment. Thus both competitive and institutional perspectives on environments explain the spread of best practice.

However, recent studies of institutional theory increasingly focus on the plural and contested nature of institutions and their change (Dacin et al 2002). For example, broad institutional influences may be broken down into further subsets such as economic, gender, ethnic, business, religious and national social systems that have differential effects upon the degree of institutional adoption of particular strategic practices (Hung and Whittington 1997; Kostova and Roth 2002; Whittington 1992). This concept of pluralism may be seen in divergent firm responses to competitive markets. Strategy textbooks abound with cases of firms, such as Honda, Southwest Airlines and Ikea, which developed divergent strategies and targeted new markets in seemingly saturated and normatively structured competitive conditions. If competitive behaviour is considered in relation to life cycle theory, two main stages of market conditions may predispose divergent, adaptive practice. Conditions of growth and resource munificence, such as are experienced at the outset of a life cycle, encourage divergent and adaptive behaviour as firms learn about the marketplace and seek to develop first mover advantages. Similarly, conditions of resource scarcity, such as those experienced in the mature phases, confer advantage on those firms that develop new technologies and practices which lead to a 'de-maturing' or renewal phase (Dowdy and Nikolchev 1986; Rizello 1997). Therefore, as Rizello (1997) suggests, interaction between organisations and institutions in competitive conditions are key to institutional change.

A further examination of competitive environments highlights the different adaptive responses needed in conditions ranging from stable competition to hyper-competition. While recursive forms of practice may be appropriate under stable competition, hyper-competitive markets characterised by disruptive technologies and high product obsolescence require continuous adaptation in order to create new markets (D'Aveni 1994). Under such competitive conditions, flexible organisational structures (Volberda

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1996) and greater interaction between managerial levels (Floyd and Lane 2000) enhance the capacity for strategic renewal. To some extent these adaptive interactions between organisation and environment are important to most firms, since few, if any, markets are stable and environments are increasingly perceived as complex because of globalisation, deregulation and technological change (Hamel and Prahalad 1994).

*Practice as interplay within and between contexts*

Our focus upon the interplay between contexts is not as simplistic as opposing tensions for recursive or adaptive practice between micro and macro contexts. Rather we suggest that practice occurs within a co-existent and fluid interplay between contexts. Our earlier discussion of social becoming (Sztompka 1991) illustrated how social movement occurs both within and between social levels as a process of internal and external structure building. These broad concepts from social theory may be further understood at the firm level through absorptive capacity and at the individual level through Piaget's (1952) accommodation-assimilation paradigm.

At the firm level a concurrent tension between recursive and adaptive practice is necessary in order to capitalise on routines of success as well as developing the capacity for reinvention (Garud and Karnoe 2001). This tension may be best understood through the notion of absorptive capacity (Cohen and Levinthal 1990), in which a firm recognises and assimilates knowledge that is similar to its existing knowledge structures, so deepening resources and building distinctive competences and capabilities (Karim and Mitchell 2000). Therefore, external forces are selected, perceived and understood in accordance with the existing structures of the firm. Where a firm has a narrow set of assimilative structures based on narrow experiences, it is likely to perceive and learn from the environment only in existing areas of competence, so predisposing competency traps and over exploitation of internal resources (Levitt and March 1988; Szulanski 1996). However, where the experience base of the firm is diverse, experimenting with a broad set of assimilative structures that are not based only in existing competencies, the firm has greater capacity to learn from and respond to the environment. As the firm holds both internally and externally gleaned sets of potentially contradictory knowledge it engages in a generative process of bisociation that expands its absorptive capacity. Greater absorptive capacity confers more sustainable competitive advantage because the firm has developed its ability to adapt

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(Zahra and George 2002). We may thus understand the productive tensions arising from co-existing path dependent and adaptive firm practice.

These co-existing tensions at the firm level are mirrored in the cognitive development of actors. In Piaget's (1952) accommodation-assimilation paradigm actors have a cognitive 'absorptive capacity' that explains their tendencies towards both recursive and adaptive modes of thought and action. Piaget conceptualises the intelligence or knowledge capacity of the actor as comprising assimilative and accommodative cognitive processes (Richmond 1970). Assimilative structures are the internal schema that an actor develops, based upon organisation of their experiences of the outside world. Such assimilative structures are inwardly focussed and concerned with internal sensemaking. Accommodative behaviour deals with the actor's relationship to the environment. Accommodation occurs when assimilative structures or schema are adjusted to accommodate external events or stimuli that are proximal to but outside their existing experience (Inhelder 1969). That is, accommodation is a form of reflexivity through which assimilative schema and repertoire are expanded so developing the skill, competence and knowledge base of the actor (cf. Schon 1983). Narrow experiences result in narrow assimilative structures that are less able to accommodate unfamiliar external events. However, as intelligence develops through a broader experience base, so the external zone of interest for accommodation is expanded, resulting in greater knowledge capacity (Furth 1969). Assimilative and accommodative processes are held in a continuously co-evolving process of equilibration. Equilibration means that outwardly focussed accommodative behaviour highlights the gaps in internal assimilative structures, which, when expanded, broaden the capacity for accommodative behaviour (Piaget 1952). In this way there is an ongoing and developmental tension between recursive and adaptive behaviours.

While there are dangers in assuming congruence between phenomena found at the individual and the collective social system levels of analysis (Klein et al, 1994; 1999), there are some clear linkages between Piaget's accommodation-assimilation paradigm, firm-level theories of absorptive capacity and broader societal theories of social becoming. At the level of the firm, learning about the external environment is generated from internal structures, with greater breadth in assimilative structures generating more renewable or continuous adaptive capacity. At the broader level of social movement,

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ongoing social becoming is generated by the interaction within and between internal and external structure building (Sztompka 1991). Such thematic linkages between actors' cognition, firm level adaptation and social becoming are instructive in indicating how coexistent recursive and adaptive tendencies provide social movement at multiple levels of analysis. As indicated by the bi-directional arrows in Table 3, strategy as practice occurs as the interplay within and between levels and categories of analysis.

### **Section two: Management practices-in-use**

In order to investigate strategy as practice empirically it is necessary to find a unit of analysis that may span these multiple levels of context. Multiple level research presents a number of challenges. In a multi-level approach a phenomena may be investigated at one level of analysis and then examined for veracity at subsequent levels, or alternately, using a cross-level approach, the phenomena may be examined for its relationships and interactions across levels, for example, between individual behaviour, social norms and contextual influences (Klein et al, 1994; cf. Woodman et al, 1993). The latter method is more applicable to the practice approach outlined in this paper, since it permits analysis of the interplay between actors, organisations and wider social contexts. However, it is still necessary to identify a unit of analysis, an empirically researchable aspect of doing strategy, that spans these levels and that has the potential to illuminate more recursive or adaptive interplay between levels. In this section, drawing upon institutional theory we propose that management practices are an extant cross-level unit of analysis present in the interaction within and between levels of analysis (Klein et al, 1999). Consistent with the practice approach, management practices are framed conceptually as practices-in-use.

#### *Management practices-in-use*

Whittington (2003) draws our attention to the tools and techniques involved in strategizing, emphasising that these are creative and improvisatory practices that gain meaning through their use in particular contexts. The concept of 'use' arises from de Certeau's (1984) study of ordinary actors engaged in using the artefacts of everyday practice to their own ends. Practice is the art of combination; 'A way of thinking invested in a way of acting ... which cannot be dissociated from an art of *using*' (*ibid*:xv, emphasis added). Social structure contains the established practices and

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artefacts to use for action. These practices were developed with a particular purpose or intent. However, actors also are intentful in their use of these practices and the intent of the actor may not comply with the objective purpose of a particular practice. Thus the properties of a practice are open to interpretation according to the use to which they are put. Where the intent implied in a practice complies largely with the intent of actors, habitual, routinized use may be expected, leading to recursiveness. However, the appropriation of practices for particular, unanticipated outcomes may well involve their adaptation. This is referred to as bricolage, the making do and 'artisan-like inventiveness' (*ibid*:xviii), by which actors produce their own intentful activities from the practices that structure everyday activity. Bricolage is incorporated into mainstream management literatures as a means of improvisation with the materials at hand, particularly under conditions of resource scarcity (Moorman and Miner 1998). It is associated with the evolutionary interplay between organisations and institutions through instrumentality and appropriation of existing practices (Campbell, 1997). That is, existing practices are drawn upon and adapted to serve a particular set of ends. Such practices are used because they have established technical and cultural legitimacy. However, through bricolage they may be significantly altered, generating hybrid practices that offer new modes of acting whilst retaining some traces of the past.

The use of practices involved in social structuring provides a point of interaction between actors, levels of context and activity. It is, therefore, particularly apposite to our concept of practice as interplay and may be used to better conceptualise how management practices are used and adapted in the construction of strategy. There are many institutional influences on such practices that predispose recursiveness but also localised contextual factors and idiosyncrasies of use that may be involved in adaptation. Practices-in-use may thus provide a unit of analysis that spans multiple levels of analysis and permits us to examine the characteristics of use involved in recursive and adaptive practice

There is a distinction between practice and practices. Practice is the actual activity, events or work of strategy, while practices are those traditions, norms, rules and routines through which the work of strategy is constructed (Turner 1994; Whittington 2002). Much of the literature on strategy as practice actually deals with practices, those socio-cultural artefacts through which strategy is instantiated. For example, we are

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advised to study the form filling and number crunching (Whittington 1996), strategy documents (Hendry 2000), board meetings and away days (Hendry and Seidl 2003) and formal operating procedures (Jarzabkowski 2003) that are implicitly involved in the subjective construction of strategy. While these authors focus upon the more explicit practices that structure strategy, there is also increasing research into tacit and symbolic practices, such as rhetoric, narrative and discourse, through which strategy is constructed (for example, Barry and Elmes 1997; Heracleous and Barrett 2001; Knights and Morgan 1991; 1995). In these literatures the focus is upon the use that actors make of the different practices that structure their environments to attain various personal and strategic ends.

In this paper we focus upon a specific subset of practices; those management tools and techniques present in macro institutional and competitive contexts, arising from co-production within different communities of practice; industry, academia, consultants, and the press, each with some common points of discourse. They are diffused through the teachings and research of business schools, their use by consultancy firms, and through management fashion (Abrahamson 1996) in which the popular press plays a part (Mazza and Alvarez 2000). Particular types of practices may become institutionalised during different periods of social evolution. For example, the ideologies underlying management practices have been associated with wider economic expansions and contractions and broad cultural shifts (Barley and Kunda 1992). During an economic upswing when profitability is related to management of capital, rational practices that focus upon efficient structures and technologies are prevalent. Conversely, during economic downswings there is emphasis on normative practices related to the management of labour. This perspective relates management practices to wider social events and explains their rapid diffusion, or 'fashion' during particular periods, illustrating how 'best practice' spreads from macro to multiple micro contexts.

This definition of practices, while partial, has resonance with what strategists do since firms and their actors are found to use, adapt and discard management tools and practices in the work of strategizing and organizing (Malone et al 1999; Rigby 2001). While such practices may seem ostensibly 'rational', in practice their use is social, interpretative and subjective (Hendry 2000; Knights and Morgan 1991). That is, management practices have a technical, analytic component that is oriented towards the

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arrangement and coordination of material resources. However, such practices are also conceptual schemata that assist strategists to generate meaning from and impose meaning upon their surroundings. These practices may, therefore, be subject to the inventiveness and bricolage of 'use' through which practitioners construct strategic activity. Furthermore, there is already a strong literature, particularly in institutional theory, which focuses on the transmission of these practices from macro to micro contexts. That is, there is an empirical precedent in studying management practices as a cross-level unit of analysis, particularly in isomorphic models (Klein et al 1999) but also, increasingly in terms of firm level differentiation (Kostova 1999; Kostova and Roth 2002; Oliver 1991) and the effects of agency (Dacin et al 2002; Garud et al 2002). The presence of management practices in macro and micro contexts may therefore be considered an interaction between what people are doing in different communities and the zeitgeist of what is happening in society, that is, the dominant ideologies of a particular era (Barley and Kunda 1992).

While there is always an urge to converge, evident in terms such as best practice and benchmarking, there is also continual evolution of new practices within particular communities. As Mintzberg (1994) notes, every turn in strategic management from the design school onwards has evolved new practices on the premise that their era is characterised by greater complexity in which the old rules are no longer relevant. Adaptation appears chronic, with communities continuously seeking new practices or ways of doing strategy in order to evolve better practice. Strategy is not beset by the stasis of attainment implied in best practice, but by the ongoing teleology of 'becoming' involved in co-existing recursive and adaptive practice. For example, many of the adaptive, within-firm characteristics in Table 3, such as organisational forms, are management practices designed to induce adaptive behaviour. Such managerial practices meet the more recursive within firm characteristics in the left hand column, that are the existing situated or positioned practices of power, structural and cultural relationships (Reed, 2001; Lave and Wenger, 1991). The ensuing activity may result in polar patterns of practice, from transformation, in which the firm and its actors adapt to the new practices, to corruption, in which the firm and its actors retain their integral character and the practices are co-opted to fit the existing characteristics of the firm (Lozeau et al 2002). More often, given the socially dynamic nature of practice, over time hybridised forms are constructed, characterised by adaptive behaviour in the



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language, routines and rituals of the firm and its actors, while the practices also are altered to reflect the context in which they are used (Campbell 1997; Cooper et al 1996). We may therefore study how management practices are used and adapted, why they persist or become obsolete, and when new practices are developed, as a means of penetrating the recursive and adaptive modes of strategy as practice.

### **Section three: Towards a research agenda for management practices-in-use**

In this section we draw upon studies of management practices in order to highlight their potential contributions to an understanding of recursive and adaptive modes of strategy as practice at the different levels identified in Table 3. From this discussion we generate nine broad research questions that might frame a research agenda for the study of strategy as practice through management practices-in-use. The discussion is largely generated from practices that have been extensively studied such as strategic planning (e.g. Langlely 1988; Lozeau et al 2002; Mintzberg 1994) and total quality management (TQM) (e.g. Dean and Bowen 1994; Westphal et al 1997; Zbaracki 1998). However, the questions are generic and may be used to examine the recursive or adaptive use of other management practices, about which less may be known.

At a macro level, from both a competitive and institutional perspective, the lifecycle of a management practice presents reasons for recursive or adaptive adoption. Early adopters may see a new practice as a means of conferring competitive advantage through differentiation. That is, the practice is presumed to have some technical merit or to provide superior performance outcomes that may give the firm early mover advantages (Webb and Pettigrew 1999). Later adopters, on the other hand may use the same practice to confer legitimacy with little actual impact on firm operations (DiMaggio and Powell 1983; Meyer and Rowan 1977; Westphal et al 1997). Adoption of a management practice in relation to its lifecycle may, therefore, indicate whether it is likely to be used in adaptive or recursive ways. Early adopters are less constrained by mimetic and normative forces and so are likely to display adaptive uses of the practice whereas later adopters are more likely to show ceremonial use with greater tendencies for recursion (Abrahamson and Fairchild 1999; Tolbert and Zucker 1996). This suggests a question about the relationship between stage of lifecycle and recursive or adaptive adoption of a practice.

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1. *Is the adoption of a practice in the early stages of its lifecycle associated with more adaptive modes of doing strategy compared to more recursive modes under adoption in later stages of the lifecycle?*

However, in high velocity environments, characterised by discontinuity, dynamism and continuous change, the lifecycle of useful management practices should be accelerated, since firms should both adopt and discard practices more rapidly, with less time for recursive modes of response. That is, for firms in such environments chronic adaptation is a survival mechanism (Brown and Eisenhardt, 1997; D'Aveni, 1994; Pascale, 1990). Hence any examination of the relationship between lifecycle of a practice and recursive or adaptive firm responses should incorporate the relative stability or velocity of the competitive environment.

2. *Do firms in high velocity environments display more adaptive use of management practices and discard them more rapidly than firms in relatively stable environments?*

From an institutional isomorphism perspective, firms adopt practices for coercive, normative and mimetic reasons. For example, coercive economic pressures and regulative institutions influenced the adoption of business planning models in Canadian museums (Oakes et al 1998) and hospitals (Lozeau et al 2002). Coercive adoption is likely to meet with initial resistance and recursive practice at the firm level. However both these studies also show that, over time, hybridised uses occurred in which adaptive practice by organisation and actors were evident. Similarly, studies of normative and mimetic isomorphism, for example in the adoption of TQM, find symbolic and legitimacy rationales for using management practices, particularly by later adopters (Westphal et al 1997; Zbaracki 1998). Such rationales are associated with recursive initial adoption, followed by progressive firm-level adaptation, often involving corruption of the practice itself. Hence, isomorphic assumptions about the adoption of practices across levels of analysis (Klein et al 1999:246), when confronted with the differentiation of practice within firms, may initially be associated with recursive responses but tend to result in adaptation of both practice and practices over time (Lozeau et al 2002). The increasingly adaptive interplay between firm and practice over time, suggests the following question.

3. *What are the consequences of temporal progression from recursive to adaptive firm-level responses to institutionalised practices upon the construction of strategy within the firm?*

In order to investigate this question, it is necessary to focus on the use of specific practices at a within-firm level of analysis. The localised communities and contexts within a firm are extremely important in the recursive or adaptive adoption of a practice. For example, a practice may meet a resistant localised context in which it can gain only ceremonial adoption. Kostova and Roth's (2002) study of the adoption of quality management by the subsidiaries of a multi national corporation illustrate the potential contradictions between global integration forces and locally appropriate practices, with the receptivity of localised national contexts affecting the degree to which subsidiaries adopted the practice. At even more micro levels inside the firm, different communities may be bound by existing power relationships and subjective constructions of the work process that inhibit adoption of a practice. Thus, as Knights and McCabe (1998) found in a study of the implementation of business process reengineering (BPR) in a UK bank, adoption was frustrated by sub-pockets of resistance in, for example, the back office and the branches. These were not organised communities of resistance so much as divergent interpretations and adoption arising from the systemic effects of power, politics and identity. In this case study, the rational intentions inherent in the practice could not be reconciled with the subjectivities present in the workplace, so that it was adopted without generating change. Contextual factors in Table 3 may thus be associated with more recursive or adaptive uses of management practices, prompting questions about the comparative characteristics of within firm context.

4. *What characteristics of within-firm context, such as power, structure, culture, and diversity, might be associated with more adaptive or more recursive uses of particular management practices?*
5. *How are these characteristics associated with different uses of the same practice in different firms?*

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New practices may also be used in ways that have profound adaptive effects at the within-firm level. For example, in the Oakes et al (1998) study, the business planning model in Canadian museums had powerful change effects in moving museums from cultural to economic forms of capital and legitimating performance-driven behaviours and discourses. Thus, the new practice was instrumental in radical change of the subjective construction of strategy within a museum context. Indeed, management practices may be used purposively to stimulate adaptive behaviour. Thus, at 3M, a popular teaching case for innovative practice, strategic planning has been adapted to 'story-telling' in order to stimulate strategic dialogue and increase strategy participation (Shaw et al 1998). Similarly, in Chesney and Wenger's study (1999), balanced scorecard was adapted from its technical basis in order to promote changing strategic conversations within the National Reconnaissance Office. Both of these uses of a practice are examples of the instrumental bricolage by which a practice may be used to stimulate adaptive interaction within the firm, in the process creating hybridised forms of the practice (cf. Campbell 1997). A management practice may, therefore, be used deliberately to generate adaptive behaviour, in so doing adapting the practice itself to the local circumstances.

6. *How are practices appropriated in order to meet the goals and needs of actors within a given firm and what are the consequences of such uses upon recursive or adaptive behaviour of the firm?*

This last question emphasises the importance of agency. Recently, the agency perspective has gained increasing attention in studies of institutional change and de-institutionalisation, particularly in terms of the creation of new practices (Dacin et al, 2002). For example, Garud et al's (2002) study of institutional entrepreneurship at Sun Microsystems shows how skilled actors may destroy existing rules and generate new rules that predispose ongoing adaptive capacity. Similarly, Nahapiet's (2001) study of the institutionalisation of renewal at Skandia shows how the initial activities of particular actors and communities led to the development of firm-wide practices for managing intellectual capital that continue to be a source of adaptive capacity. The role of actors in adapting existing practices or developing new practices is, therefore, clearly important, not only for within-firm adaptation but also for the types of creative adaptation that we noted earlier as important for de-maturing markets and generating

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renewal in the lifecycle. However, while “knowledge entrepreneurs”, such as key practitioners, gurus, journalists, consultants and business schools are important to the development and diffusion of new management practices, the role of these actors in generating new practices is under explored (Abrahamson and Fairchild 1999). There is more evidence about how “what is going on in a society” impacts upon “what people are doing” (Sztompka 1991: 96) than the counter position. Our levels of analysis are characterised more, although not exclusively, by a downward flow of influence from macro to micro context than by dynamic interplay between the levels. There are, therefore, at least three more important questions that might better illuminate our understanding of the role of actors in the recursive and adaptive use of practices.

7. *Who uses the new practices within a firm and at what stages of the strategy process?*

This would help to define the degree to which usage of a practice is distributed throughout a firm and the input that different levels of actors have into the interpretation and adaptation of that practice. We assume that wider distribution and greater input will be associated with more adaptive strategy as practice.

8. *Under what circumstances do actors find that existing practices are obsolete or need to be adapted for use?*

This might display the contextualised skill, competence, and knowledge of the actor in using and extending practices as well as the limitations of specific practices to be stretched to meet the needs of a particular situation, generating links between micro use and macro context. Under more turbulent or competitive environmental conditions that require more adaptive strategic action, fully institutionalised practices are less likely to meet the needs of actors within a marketplace, resulting in either greater change in the practices themselves or discarding of the practice for a new means of doing strategy.

9. *How do new practices emerge and become diffused?*

New practices are likely to emerge from the interaction within micro communities of actors as they endeavour to attain various strategic ends. Since actors will work with

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the materials at hand to fashion new methods of doing strategy, some path dependent traces are expected in the new practices. However, further research may show the development of truly innovative practices that make a radical departure from the past. Where these practices are found to be associated with a successful business model, they are likely to become the source of business awards, media attention, business school teaching cases, consultancy models and guru recipes, thus being diffused into wider contexts from which they may be adopted and adapted by other firms.

The nine broad research questions about management practices-in-use developed in this section provide a platform for a multiple level empirical investigation of strategy as practice. These questions are not a blueprint for analysis, serving more to identify and partially define the field of strategy as practice and provide a unit of analysis as a focus for that field. While integrated by a common focus, the different levels lend themselves to different methodologies from large scale quantitative techniques at the macro levels to in-depth case studies at the micro levels (Klein et al 1994; Whittington 2002). Further development and empirical investigation of these research questions may illuminate the relative influences of macro and micro contexts and actors' knowledge, skill and competence in the use of management practices and relate this use to recursive or adaptive modes of strategy as practice.

Studies of management practices-in-use would provide the basis for robust multiple-site comparison of the practice of strategy. By contrast, an attempt to study strategy as practice in different contexts without such a focus is beset by methodological problems in defining a unit of analysis or comparative criteria on which to examine the doing of strategy. It is of little benefit to find that 'strategy is done differently' since we wish to know what is done differently, how it is done differently, why it is done differently and, most importantly, what is the point of generic similarity from which difference may be understood. Practices provide the generic similarity of identifiable artefacts that are present across multiple levels of analysis. Through examination of these practices-in-use we may illuminate contextual influences upon practice, how individual practitioners deploy practice, and provide a basis for relating these specific micro-findings to dominant and changing institutional and competitive conditions. Therefore, we propose that the study of strategy as practice is well served by beginning with management practices-in-use as the primary unit of analysis.

## **Conclusion**

A research agenda into strategy as practice responds to recent calls by the academic community and the research funding bodies for management research that is both academically challenging and intimately connected with and relevant to the concerns of practice (cf. Pettigrew 1996; Rynes et al 2001; Starkey and Madan 2001). In focussing upon management practices-in-use, we move the study of strategy as practice from richly detailed single case studies of doing strategy, that, while fascinating, are hard to relate to wider circumstances other than at the conceptual level. Instead, we have a means of developing equally rich but also methodologically robust comparisons of doing strategy in multiple case studies that may be practically as well as conceptually related to wider issues. While the former allows us to take strategists and their work seriously, the latter also permits us to come closer to the concerns of these strategists to develop better practice. Comparative analysis may highlight more or less effective uses of practices, differential skill levels, and the applicability, adaptation, or obsolescence of practices within particular activities or contexts. In particular we may develop a link between practice and firm behaviour by analysing tendencies towards recursive or adaptive use of practices and the impact that this has upon strategic action over time under different institutional and competitive conditions. Such analyses are both theoretically important and have practical implications for cross firm and cross sector learning about the nature and uses of strategy as practice.

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**MS: OS 2002/015A**

**Current Title:**

**Strategy as practice: Recursiveness, adaptation and strategic practices-in-use**

**Table 1: Recursive practice in social theory and strategic management literature**

<b>Social theories</b>	<b>Contributions to strategy as practice</b>	<b>Examples in strategy literature</b>
Structuration (Giddens, 1984). Habitus (Bourdieu, 1990).	<p>Practice is durable because of:</p> <ul style="list-style-type: none"> <li>• Ontological security of actors;</li> <li>• Reciprocal interaction between agent and structure are embedded within the daily routines of practice;</li> <li>• Sedimented structures are self-reinforcing;</li> <li>• Social institutions persist across time and space.</li> </ul> <p>Therefore, strategy as practice is recursive, routinised and prone to inertia.</p>	<p>Individual:</p> <ul style="list-style-type: none"> <li>• Bounded cognition</li> <li>• Heuristics</li> <li>• Cognitive recipes</li> <li>• Procedural memory</li> </ul> <p>Organisational</p> <ul style="list-style-type: none"> <li>• Strategic routines</li> <li>• Organisational memory</li> <li>• Resource deepening</li> <li>• Core rigidities</li> <li>• Path dependence</li> <li>• Competency traps</li> <li>• Icarus paradox</li> </ul> <p>Social Institutions</p> <ul style="list-style-type: none"> <li>• Institutional isomorphism</li> <li>• Industry recipes</li> <li>• Cognitive groups</li> </ul>



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**Table 2: Adaptive practice in social theory and strategic management literature**

<b>Social theories</b>	<b>Contributions to strategy as practice</b>	<b>Examples in strategy literature</b>
Social becoming (Sztompka, 1991). Modernity, pluralism (Giddens, 1991). Communities of practice (Brown and Duguid, 1991; 2001; Lave and Wenger, 1991; Wenger, 1998).	<ul style="list-style-type: none"> <li>• Social movement occurs through interaction between macro and micro contexts.</li> <li>• There are many macro-contexts, thus social institutions are divergent.</li> <li>• Micro contexts are prone to adaptation and learning through internal tensions generated from problems or the displacement and renewal of members.</li> </ul> <p>Therefore, strategy as practice is adaptive, flexible and prone to learning and becoming.</p>	<ul style="list-style-type: none"> <li>• Strategy process</li> <li>• Strategic choice</li> <li>• Knowledge-based view</li> <li>• Dynamic capabilities</li> <li>• Organisational learning</li> <li>• New forms of organizing</li> <li>• Time-pacing in dynamic markets</li> <li>• Patching</li> </ul>

**Table 3: Recursive or adaptive characteristics of micro and macro contexts**

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<b>Level of analysis</b>	<b>Recursive tendencies</b>	<b>Adaptive tendencies</b>
Macro context: competitive and institutional forces	<ul style="list-style-type: none"> <li>• Fully institutionalised social structures</li> <li>• Dominant social institutions</li> <li>• Stable regulatory, economic, and social conditions</li> <li>• Stable competition</li> </ul>	<ul style="list-style-type: none"> <li>• Early. growth stage of market</li> <li>• Mature, saturated stage of market</li> <li>• Pre-institutional social structures</li> <li>• Plural social institutions</li> <li>• Changing regulatory, economic and social conditions</li> <li>• Hyper-competition</li> </ul>
Within-firm, micro context	<ul style="list-style-type: none"> <li>• Highly political</li> <li>• Discrete, fragmented sub-cultures</li> <li>• Homogenous communities</li> <li>• Low links between communities</li> <li>• Strong, singular culture</li> <li>• Dominant logic</li> <li>• Bureaucratic, hierarchical and divisionalised structures</li> <li>• Top down strategy making</li> <li>• Strong operating routines</li> <li>• Low absorptive capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse communities of practice</li> <li>• Social integration between communities</li> <li>• Intrapreneuring</li> <li>• Internal venturing</li> <li>• Peripheral involvement in strategy</li> <li>• Knowledge distribution and transfer</li> <li>• Cellular, network and heterarchical structures</li> <li>• Flexible, patching approach to structure</li> </ul>
Actor cognition	<ul style="list-style-type: none"> <li>• Narrow assimilative structures</li> <li>• Lower reflexivity</li> <li>• Restricted accommodative zone of interest</li> <li>• Narrow skill, competence and knowledge base</li> </ul>	<ul style="list-style-type: none"> <li>• Broad assimilative structures</li> <li>• Higher reflexivity</li> <li>• Wider accommodative zone of interest</li> <li>• Broad skill, competence and knowledge base</li> </ul>

Tensions Between Recursive And Adaptive Characteristics