

**Studying Strategy Development in Government Organizations:  
Integrating Strategic Management and Theories of Social Practices**

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## **Studying Strategy Development in Government Organizations: Integrating Strategic Management and Theories of Social Practices**

How should scholarship about public management deal with the subject of strategy? How should new insights about strategy in public management be discovered? How should academic work in public management about strategy relate to the landscape of scholarship about strategic management and organization studies? These questions animate this paper. In other words, this paper is meta-theoretical rather than offering a substantive discussion of strategy development in government.<sup>1</sup>

The general answer I offer to this series of questions is the following. Public management scholars should collectively develop a clinical science of organizational practices for the public sector. Strategy development should be a major topic of this clinical science. In this linguistic context, strategy development is considered as a universally relevant function that needs to be carried out in appropriately situated ways on particular occasions in particular places. Scholarship should be useful to actors when they come to assess and design locally situated strategy development practices.

It's useful when scholarship discusses how the strategy development function should be conceived as well as identifying sources of difficulty in accomplishing this function, so conceived, in governmental settings. What can be studied empirically are organizational practices. Organizational practices are scenarios for strategy development activity. Scholarship should offer a causal understanding of strategy development scenarios. Comparative case studies are appropriate to this task, provided that the dynamics of scenarios are explained using suitable theoretical orientations. Analytical approaches should be processual (in examining the dynamic relations among action, micro-social relations, and locally resident practical knowledge) as well as contextual (in examining the effects of institutional arrangements, networks, and dynamics of the landscape of policy and practice). Such analysis will provide insight into how organizational practices potentially overcome (or exacerbate) some of the recurring difficulties in strategy development in government.

While this processual and contextual approach already has firm roots in organization studies and research on strategy process and governmental decision-making, some recent developments in learned publications about social practices, social theories of learning, and strategizing provide some new food for thought about how to improve this kind of analysis. Some of these ideas have entered the organization studies literature and their influence appears to be growing. Research on empirical strategy development scenarios should experiment with working in these innovative perspectives on situated action, learning, and practices. The larger challenge, barely perceived, is to interrelate such empirical work with intellectual

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<sup>1</sup> The proposal for this conference paper indicated that it would be about completed field research on the genesis of strategy development practices within the European Commission. I've elected to work out the ideas presented in this paper before finalizing the analytical framework for that case, hence the change in the content relative to the proposal.

traditions in the field of strategic management. If scholars move along these lines, we might have something true and useful to say about how to perform the function of strategy development in a governmental context.

The paper is organized as follows. Section 1 sets the scene by talking about the function of strategy development. Section 2 introduces theories of social practices, blending European and North American variants. Section 3 examines current efforts to elaborate this theoretical approach within organization studies, specifically with regard to strategizing (Jarzabkowski 2005). Section 4 examines how scholarship on strategy development in government should be located within larger discussions of strategic management and organizational practices. Section 5 concludes.

### **The Function of Strategy Development**

Practice theories of organizations have long been organized around the concept of organizational functions (Fayol 1930, Starbuck 2003:168). The genealogy of strategy development as a category lies in the concept of planning. To say that strategy development is a function is to claim that effort should be applied to carrying it out. The effort is justified on prudential grounds by its anticipated effects on organizational performance. Stated negatively, an organization's performance would presumably be harmed if the function were not effectively performed.

Within this frame, there remain varied ways to conceive the strategy development function. One might be called the argument from holism. A premise is that organizations are systems made up of innumerable parts. These parts can be thought of as units, people, assets, geographic locations, subcultures, and activities. A further premise is that an organization's level of performance depends on the actual interplay among these parts. More specifically, performance advantages can be contrived from unifying staff effort, integrating complementary assets, and coalescing the support of varied external stakeholders. From a holistic standpoint, such performance advantages are potentialities: they are not necessarily realized. Realizing those systemic potentialities is required: and this is what strategy development is for.

A second argument is the preparing for the future approach (Hamel and Prahalad 1995, Barzelay and Campbell 2003, van der Heijden 2005). Organizations' external contexts inevitably change, according to this argument, bringing about different pressures for achievement and altered circumstances of implementation. Another premise is that organizations tend to fall into competency traps, where their path of development is to get better and better at actions that are closely related to what has been previously done (Levitt and March 1988). This tendency, when combined with a changing external context, threatens unsatisfactory performance in the long-run. From this standpoint, the tendency to fall into a competency trap has to be counter-acted: and this is (approximately) what strategy development is for.

It might be noticed that the term *strategic planning* has not been used above. This term refers to a particular – perhaps historically specific -- view of the practice of strategy development (Mintzberg 1994). Some exponents of this view tended to suggest that certain process designs – indeed, specific cognitive techniques and activities -- are inherently worthy. They did not emphasize that adapting activities to

chosen functions is a matter requiring critical thought and design ingenuity. Indeed, the term “planning” avoided a distinction between the activity design and its function. The term strategic planning also implied that the outcome of a planning effort should be a strategic plan. This view is notoriously controversial today. Some argue that the outcome might well be a different sort of product that brings about different kinds of responses than might an authoritative plan. For instance, some advocate generating well considered strategic visions including commitments to cultivate certain kinds of organizational competencies (Hamel and Prahalad 1995). Because the outputs do not need to be plans and because the process need not involve techniques that have been considered inherently worthy, it is better to talk about practices of strategy development than strategic planning.

The strategy development function is performed successively through cycles or iterations. Any cycle is made up of a process and end-state. Generically and abstractly, the end-state is an affirmed, revised, or created organizational volition. The word *volition* suggests an aspiration and intention. The volition has to be collective to qualify as an aspect of strategy. Such volitions can be very abstract (such as a mission statement or core competencies) or relatively granular (such as a defined scope of the business or performance measures); they can be expressed in various media and represented by various artefacts (like vision statements or plans). Exactly what matters the volitions ought to be concerned with depends on the practice approach: the specific issues will be different as between the holism and preparing-for-the future approaches, for example.

The process (as distinct from end-state) of a cycle of strategy development is significant. Everyone would agree that the process of strategy development should include strategic thinking. We might say that ideation – unfolding episodes of collective thinking – is an important aspect of strategy development. Processually, ideation is influenced by who is present, what steps they follow, and how they discuss. It is also influenced by the locally adopted approach to strategy development, which can influence the form if not the specific content of strategy volitions.

Strategy scholars in the organizational studies field have begun to engage in meta-theoretical discussion, to draw heavily on (micro-sociological) theories of social practices, and to research cases with these discussions close to the foreground. I am persuaded that research on strategy development in organizations – including public bureaucracies -- would be helped along by following a similar path. The source literature contains theoretical insights about organizational life related to, but still different from, the ones on offer in Weick and March’s work. Paula Jarzabkowski (1995) recent book makes a valiant and largely successful effort to incorporate those newer insights within the existing organizational studies literature on strategizing. I’m prepared to wager that the approach will help to develop better reality theories of strategy development in government.

The next section contains my current attempt to come to grips with theories of social practices as they pertain to organizational life. This task was greatly aided by a few synthetic statements in the recent published literature. Still, I encountered several difficulties in doing this. One is that syntheses display considerably different emphases. While all make reference to structuration theory, not all make much of

Latour's emphasis on the role of artefacts in the activity of meaning negotiation and leveraging (and constraining) human effort. While all see collectively-held and – exercised practical knowledge as a source of orderliness and coordination, not all give emphasis to embodied knowledge or to neo-Aristotelian conceptions of action. Another difficulty is that the texts refer to vast and intricate discussions in social theory. In this sense, theories of social practices are high-context languages. A third difficulty is that the European and North American literatures are not entirely integrated, despite the good intentions and efforts of some writers.

### **Theories of Social Practices: A Synopsis**

Social practices are collective activities (Schatzki 1996). All such activities involve interdependent action among multiple individuals (Feldman and Pentland 2003). Each *kind* of activity can be conceived as a *scenario*. A scenario is a scheme in terms of which anticipated, ongoing, or completed flows of action are made intelligible. Each performance of a given scenario can be unique. Thus, social practices are socially standardized scenarios or types of activities that are performed in potentially unique ways.<sup>2</sup>

Theories of social practices (hereafter, TSP) offer a novel picture of social structure and process. According to Reckwitz (2002a, b), TSP derive from cultural theories, which theorize social structure in terms of collective symbolic codes and schemes. Like other cultural theories, TSP take meaning systems seriously, but they do not place so much emphasis on collective symbolic codes and schemes. Much more emphasis is placed on the meanings produced and reproduced in the course of collective activity.

TSP are consistent with the profound idea that social structure does not stand apart from social process. This thought has graced the organization studies literature since the time of Mary Parker Follett. It has been characteristic of North American social theory for much of the 20<sup>th</sup> century (Joas 1996). The most influential statement of this position is Anthony Giddens's structuration theory (Giddens 1984). TSP can be seen as developing structuration theory in a number of interesting directions.

One direction is to consider the nature and role of shared practical knowledge in collective activities. The nature of practical knowledge has concerned scholars since the time of Aristotle. Lindblom (1990) conceives of the relation between practical knowledge and action as "probing volitions." An actor is continuously forming action volitions; in the background of the actor's probing is a constellation of standing volitions. In Aristotelian terms, some standing volitions are enthymemes, or suppressed presumptions. A more influential concept than Lindblom's is that people follow rules or recipes. March and Olsen (1989), for instance, argue that people often

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<sup>2</sup> According to Schatzki (quoted in Reckwitz 2002a); "A social practice of x-ing (cooking, researching, working, arguing, etc.) is 'a temporally unfolding and spatially dispersed nexus of doings and sayings, organized by a socially typical understanding of x-ing, above all including practical knowledge.'" According to Reckwitz, "A practice is a routinized way in which bodies are moved, objects are handled, subjects are treated, things are described and the world is understood." Reckwitz indicated that his idealized model of practice theory leans partly on largely common elements of Bourdieu, Giddens, late Foucault, Garfinkel, Latour, Taylor, and Schatzki.

invoke rules or recipes to respond to the situation at hand. Another familiar idea is that people follow scripts in their social interactions (Schank and Abelson 1977). Other authors emphasize the importance of how frames influence calculative activities and practices (Beunza and Garud 2005). There is thus a diversity of frameworks in terms of which to understand the form and status of practical knowledge. TSP appears largely compatible with all of them.<sup>3</sup>

TSP offer a challenging view of where practical knowledge resides. Against the background of saying that practical knowledge resides in networks of people participating in the same socially standardized scenarios, TSP assert that practical knowledge is literally embodied. A principal form of this insight is that individuals exercise know-how, which is an inarticulate or tacit (as opposed to explicit) form of knowledge. The tacit form of knowing suggests that the mind should not be conceptually divorced from the body (as in much Western philosophy) when we think about the location of practical understanding at the individual level. Practical knowledge is thus considered embodied in bodies/minds (Reckwitz 2002b).

The issue of where practical knowledge resides comes up in a second context. Social practice theorists recognize that activities involve the handling of material artefacts in addition to interaction among people.<sup>4</sup> The system of features and other qualities of material artefacts are designs, in the sense that they are meant to be used in some spectrum of ways to contribute to some range of effects. They provide leverage to human efforts if used in certain ways; in other words they carry constraints and affordances (Norman 1988). Practical knowledge might be said to reside in the use of artefacts in activity. It is nonetheless sensible to regard an artefact's design as a congealed form of practical knowledge. Thus, practical knowledge resides within social practices (i.e. socially stabilized scenarios of activity performed in unique ways in any given cycle of activity), while being embodied in individuals and congealed in artefacts.

As late as 2002, Andreas Reckwitz – a professor of cultural social theory in Hamburg – claimed that no single text had brought together all of these directions of theoretical elaboration. He wrote, “The lack of theoretically systematic analysis displayed by some of the practice theorists should not lead to their hasty dismissal. There are good reasons to argue that there is something new in the social-theoretical vocabulary the practice theorists offer. They do form a family of theories which, in certain basic ways, differs from other, classical types of social theory” (Reckwitz 2002a: 243).

It could be argued that something moving in the direction of “theoretically systematic analysis” of social practices theory appeared within organization studies

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<sup>3</sup>My own one-line definition would be that practical knowledge refers to granular understandings (not unlike rules of thumb – Schauer 1991) about how intentions would sensibly be pursued, taking into account the potentialities of social nature (Bardach 2004), the affordances of available artefacts (Norman 1988), and familiar kinds of situations.

<sup>4</sup> Indeed, the performance of a scenario does not actually require social interaction to take place, though the actions of the participants would have to be coordinated by how objects flowed in the course of the performance, as in assembly line production (Nelson and Winter 1982).

almost a quarter century ago. I am referring to parts of Nelson and Winter (1982). The authors outlined a “realist” (as against Friedman f-twist) theory of the firm on the basis of many of the elements of what today is recognized as TSP. A fundamental argument was that practical knowledge resides in organizational routines. The form of some of that knowledge is explicit programs; notwithstanding this interpretation, organizations know how to do some things very well even when no one knows or at least no one can articulate how they are actually done so well. They further pointed out that the flow of objects within a situation of routine operation can be a coordinative mechanism. Nelson and Winter’s realist account of the firm thus reflected emerging themes in what is now understood to be TSP. Quite recently, theories of organizational routines have been reformulated to more fully reflect the self-conscious development of TSP (Feldman and Pentland 2003).

Perhaps the closest analogue to a theoretically systematic analysis of TSP currently available is Etienne Wenger’s *Communities of Practice* (1998).<sup>5</sup> This book grew out of research on learning processes, involving ethnographic research. Indeed, the book is a social theory of learning practices rather than a theory of social practices generally. Wenger did not claim to offer a theoretical synthesis. Nonetheless, he did take pains to locate his theory of social practices within a matrix of social theories, including theories of situated action and theories of social structure.

Like other theorists of social practices, Wenger conceives of practices as activities. In his words:

The concept of practice connotes doing, but not just doing in and of itself. It is doing in a historical and social context that gives structure and meaning to what we do. Such a concept includes both the explicit and the tacit. It includes the language, tools, documents, images, symbols, well-defined roles, specified criteria, codified procedures, regulations and contracts that various practices make explicit for a variety of purposes. It also includes all the implicit relations, tacit conventions, subtle cues, untold rules of thumb, recognizable intuitions, specific perceptions, well-tuned sensitivities, embodied understandings, underlying assumptions, and shared world views. Most of these may never be articulated, yet they are unmistakable signs of membership in communities of practice and are crucial to the success of their enterprises (Wenger 1996: 45).

Wenger’s idea of practices includes the idea of communities engaged in their performance. “Practice,” he cogently states, “resides in a community of people” (p. 73). His basic picture of any given local community of practice is an ongoing social undertaking in which individuals are collectively inventive, pragmatic, and resourceful in dealing with the conditions, resources, and demands that shape their situation (p. 79). The word, *community* implies a certain degree of shared purpose, interdependent action, mutual reliance, and habits of accountability. Speaking of the subjects of the ethnography presented early in the book, Wenger writes, “Claims processors are quite aware of their interdependence in making the job possible and the atmosphere pleasant. They act as resources to each other, exchanging information,

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<sup>5</sup> Other useful references include Joas (1996) and Emirbayer and Miche (1998).

making sense of situations, sharing new tricks and new ideas, as well as keeping each other company and spicing up each other's work days" (p. 47). A community of practice is thus the unit of analysis on Wenger's social theory of learning.

Perhaps more than other theorists of social practice, Wenger stresses how intentionality and practical knowledge are caught up in individual's sense of belonging to communities of practice. Reflecting his earlier studies of apprenticeship with Jean Lave, Wenger mentions that people do not so much learn a practice as they become someone who belongs to the community of practice. He calls the participation engendered by this kind of belonging, "engagement."

A central idea in this theory is that practice involves two analytically distinct but wholly intertwined activities. One is participation, which "combines doing, talking, thinking, feeling, and belonging. It involves our whole person and social relations" (p. 55). Participation is the experienced effort of doing work and getting along with others engaged in the same community of practice. The precise way in which a practice scenario is performed is highly influenced by those efforts. Subtleties of how members of a community respond to their situation and to each other will naturally affect how a given cycle of activity turns out. Due to participation, particular cycles of effort are impossible for anyone to control in every measure.

The other activity is reification:

I will use the concept of reification very generally to refer to the process of giving form to our experience by producing objects that congeal this experience into "thingness"....The process of reification is central to every practice. Any community of practice produces abstractions, tools, symbols, stories, terms, and concepts that reify something of that practice in a congealed form.... With the term reification I mean to cover a wide range of processes that include making, designing, representing, naming, encoding, and describing....Reification shapes our experience. Having tools to perform an activity changes the nature of that activity....The power of reification [lies in] its succinctness, its portability, its potential physical persistence, and its focusing effect (pp. 56-61).

According to Wenger, participation and reification are a duality in the sense that they both require and enable each other:

On the one hand, it takes our participation to produce, interpret, and use reification; so there is no reification without participation. On the other hand, our participation requires interaction and thus generates short-cuts to coordinated meanings that reflect our enterprises and our takes on the world; so there is no participation without reification (p. 66)....To be effective, the politics of reification requires participation because reification does not itself ensure any effect. [Conversely,] [r]eification has to be adopted by a community before it can shape practice in significant ways (p. 92).

While communities of practice are a unit of analysis for Wenger, he does not conflate this concept with all of social organization and life. Communities of practice are locations within a wider landscape of practice. How different communities of practice relate to one another is an important issue for his theory. One mode of connection is (peripheral) participation, as when someone from one practice comes to be familiar with the activity and people in another practice through some kind of experiential encounter. A variant of this inter-community interplay involves brokering between practices, a complex kind of interactive work that he characterizes in terms of several abstract kinds of effort: translation, coordination, and alignment between perspectives (p. 109). Another mode of connection does not involve participation or engagement as such: communities are connected in this mode by artefacts, which can travel with various degrees of ease across boundaries within the landscape of practice. In this sense, reification is important because it is that which creates the artefacts. How one community responds to the reifications that emanate from some other community's practice is an intriguing issue within Wenger's theory.

In the later stages of his argument, Wenger addresses specifically the interrelated issues of design and the dynamics of situated practice in the context of organizations. Organizations are defined as "social designs directed at practice" (p. 241). The premise is that any cycle of activity involves an irreducible spontaneity thanks to the dynamics of participation (including displays of pragmatic inventiveness). Rules can be written, but these artefacts, like others, act only as constraints and affordances but do not deterministically affect effort. In his terms, "Institutions provide a repertoire of procedures, contracts, rules, procedures and policies – but communities must incorporate these institutional artefacts into their own practices in order to decide in specific situations what they mean in practice, when to comply with them, and when to ignore them" (p. 245). He puts the same general point elsewhere in somewhat different terms: "The relation of design to practice is always indirect....There is an inherent uncertainty between design and its realization in practice, since practice is not the result of design but rather a response to it" (p. 233). In a way this point restates the commonplace distinction between the formal and informal organization, but does so within a theory of social practice rather than another social theory tradition.

### **Strategizing as Practice**

In a recent book, Paula Jarzabkowski (2005) constructed a corpus of social and organizational theorizing based on "activity theory" and challenged scholars to work this approach into the study of strategizing. This term refers to goal-directed effort through which organizationally significant choices come to be made – ones that are thought of as significantly affecting an organization's nature and overall achievements. *Strategy as Practice* opens up a vista where the work of strategizing is systematically theorized along lines pre-figured by social practices theory.

Chapter 1, "Core Social Theory Themes in Strategy as Practice," provides a satisfactory introduction to the burgeoning multi-disciplinary literature on activity and practice theory. According to Jarzabkowski:

Fundamentally, practice is concerned with those structural and interpretive practices that render activity "mutually intelligible" for

distributed actors, producing a social structure that is sufficiently cohesive, stable and binding for collective activity to occur. The role of such practices in mediating mutually intelligible activity between actors is at the heart of practice theory. Strategy as practice, therefore, focuses upon situated activity as the common thread holding actors together, and seeks to understand the shared practices and interactions through which that activity is constructed (p. 28).

The idea that strategizing is a situated activity is taken in several directions. The basic idea is that action occurs within an activity system that includes not only other actors but artifacts of practice, some of which – like organizational routines – are structurally embedded. How top managers affect strategic thinking and choices is not just a matter of their ideas and will power, but also a matter of other aspects of the activity system. The strategy process and its artifacts – such as committees, planning guidelines, and decision procedures -- are aspects of the activity system. The artifacts of the strategy process “mediate” the efforts of participants, including top managers, in the negotiation of ideas about the organization’s strategy. Some of these artifacts may be structurally embedded or normalized within the activity system. How they are used by top managers -- who may not have created them -- is an interesting issue for the practice and study of strategizing. The observation that such historically situated practices of strategizing are potentially relevant for strategizing activity is consistent with a major theme of this book: to paraphrase Marx, top managers may make strategy, but not exactly as they would choose to do so.

The author uses practice theory to improve the strategy process literature. Jarzabkowski complains that, “The strategy literature is populated with polarized categories such as content/process, intended/emergent, thinking/acting, formulation/implementation, and foresight/uncertainty. Many of these divides are academic conveniences, based in theoretical traditions that have little relevance in practice” (p. 7). Practice theory is offered as a way forward because these dualisms are bridged. “In practice research, the ‘practice’ under investigation is strategy as a flow of organizational activity that incorporates content and process, intent and emergence, thinking and acting as reciprocal, intertwined and frequently indistinguishable parts of a whole when they are observed at close range. The content of a firm’s strategy is shaped by its process, which feeds back into the content in ongoing mutual construction” (p. 7). This discussion picks up nicely where Mintzberg’s classic discussions of strategic planning leave off.

Jarzabkowski sees strategizing as the making of organizationally significant choices, whether or not the choices are made in an activity reified as the strategy process. For instance, she points out that an organization’s strategy is significantly influenced by resource allocation (budgeting) activities. Such activities are conducted in a distributed way, and top managers do not necessarily participate in all of the venues and events where decisions are actually made. Those who do participate are often pursuing lines of action that are in conflict with top managers’ intentions. Therefore, the choices are likely to be different from what top managers would want to see occur. Structurally embedded practices, such as those mediating the activity of resource allocation, tend to limit the influence of top managers.

A focal point of the author's overall account of strategizing is a four-fold taxonomy. The categories are pre-active strategizing, procedural strategizing, interactive strategizing, and integrative strategizing. *Pre-active strategizing* concerns activities that lie outside both the organization's current strategic conversation and its range of structurally embedded activities. These activities might be located well out of view of top managers or they might be quietly sponsored by them. *Procedural strategizing* is the activity mediated by structurally embedded decisional processes, like budgeting. *Interactive strategizing* is what one might associate with an orchestrated strategic conversation. The analytic focus is placed on the interaction of top managers and other actors, including subordinate officials. When engaging in interactive strategizing, top managers act directly upon how others think about the organization's strategy issues and strategic direction. Jarzabkowski does not see top managers dictating these thoughts and beliefs, but she depicts top managers as well placed to be persuasive, especially if they engage in face-to-face discourse and discussion. *Integrative strategizing* is a combination of interactive strategizing and top managers' efforts to rework the structurally embedded practices through which strategically significant decisions come to be made. A given situation can actually involve multiple kinds of strategizing at the same time.

In addition to creating bridges between the strategy and organizational routines literatures, Jarzabkowski offers freshly posed insights. One is that the potential effectiveness of interactive strategizing is inherently limited by the power of organizational routines, as well as by sources of contention over the very interpretations that top managers wish other actors to share. Routine decisional activity communicates powerful messages about what the organization's strategy actually is, even without anyone having to develop a counter-narrative to top managers' view of strategy. Sources of contention include employees' attachments to historically embedded core strategies, which are tied to professional or occupational identities (and vice versa). Contention over new strategic directions means that top managers' preferred strategy "interpretations" will be subject to continual renegotiation – for example, as the strategy discussion becomes more detailed or moves from issue to issue and forum to forum. The upshot is that, "Dissemination of top managers' frameworks through interactive strategizing is neither durable nor inevitable" (p. 58). Referring to some of the originators of TSP (Garfinkel and Suchman), the author contends that: "Because activity is continuously being reconstructed over time by a number of distributed actors with potentially divergent interests, shared meanings are not durable but at a temporary state needing to be continuously reconstructed" (p. 56). The practical implication is that, "top managers must work continuously at interactive strategizing in order to convey their own meanings and renegotiate those meanings in light of others' responses" (p. 58).

*Strategy as Practice* demonstrates that activity or social practices theory is applicable to study organizations, not just in routine operation but also in strategizing. It can serve as a point of departure for more theoretical and empirical work along similar lines. Indeed, it seems to me that it can be enriched theoretically by incorporating and elaborating Wenger's ideas to a significant extent. For instance, one could contemplate how the work of strategizing involves thinking and doing within communities of practice (e.g., where the actors are located within the strategic apex and technostucture) as well as brokering among such communities (e.g., where some of the actors are located within the middle line or operating core). One could

examine how reifications such as formalized strategizing roles and stages within planning cycles affect participation within communities of practice and brokering among them. One could examine how different forms of participation and brokering affect how networks in organizations make sense of (ascribe meaning to) visions, plans, or other reified ideas that emerge from performances of strategizing scenarios.

### **Bringing Strategic Management Back In**

The field of public management should include scholarship (specifically, research, synthesis, and pedagogy – Ghoshal 2005) on strategy development. Such scholarship should be located, in part, within learned discussions of strategic management (Moore 1995). A distinctive field of discussion about strategic *public* management is merited for numerous reasons that do not require specification here. To remain vibrant, however, strategic public management scholarship needs to pay attention to scholarly developments in the wider strategic management field. These developments include – but are not limited to -- the recent ‘practice turn’ in the writings where strategic management and organization studies have converged.

Perhaps the most attractive aspect of strategic management scholarship is its engagement with what-to-do questions of an encompassing kind about organizational action. This scholarly undertaking recognizes that most of us live in societies made up of organizations whose actions as producers, employers, and investors (among other roles) have enormous repercussions. A further starting point is that top authority figures of these organizations bear responsibility for organizational performance, however construed and however well accountability practices actually operate (Rumelt, Schendel, and Teece 1994, Saloner, Shepard and Podolny 2001).

Mintzberg has argued persuasively that strategic management scholarship historically worked within a body of presumptions about intentionality and action, which he called the “design school” (Mintzberg et. al.1998). The basic idea was that an organization’s strategy could and should be chosen. Within the design school, the strategy process was characterized as strategic thinking leading to the choice of strategy, itself prior to intervention in the organization’s internal context or action within the external context. The design school was manifested in the early Harvard Business School approach to strategic management scholarship (Andrews 1987).

In works of synthesis and pedagogy, early strategic management scholarship displayed a neo-Aristotelian quality. Executives were depicted as exercising the faculty of judgment to decide important practical questions. These questions included, but were not limited to, the scope of the organization’s undertakings and its formal administrative structure and systems. Synthesis works, influenced by Selznick (1957), even suggested that top executives were obliged to choose the values of the institutions they led. Case based pedagogy reinforced the idea that strategic management was a neo-Aristotelian enterprise: practical arguments had to be worked out and presented persuasively to audiences within same professional community. Its discussion of strategy process was indistinct from its discussion of strategic thinking.

Strategic management scholarship lost its neo-Aristotelian tone and style with adoption of Porter’s (1985) competitive strategy approach. The goals of a business were stipulated as earning sustained above-average returns. Porter’s book focused

strategic thinking on satisfying the conditions required to achieve this goal. While there's no doubt that Porter changed the face of strategic management scholarship, important continuities however remained. For instance, Porter worked with the grain of the design school's outlook; indeed he refined it. Porter took the design school's presumptions out of the background and elaborated their implications. A competitive strategy was something to be designed, on a case-by-case basis. What was to be designed was a highly functional "competitive position" in an industry. Porter thus offered his readers (and students) ready access to a new science of design (Simon 1969) for competitive positions. This science of design was predicated on the goal of earning sustained above average returns in an industry as well as on knowledge about the causal structure of the competitive process.

For all the changes wrought by Porter's scholarship on competitive strategy, it tended to reinforce the general idea that strategy choices were essentially practical arguments that needed to satisfy one's professional community. The striking difference was that strategies were presented as competitive positions to be designed rather than simply a set of issues to be considered and resolved. Strategic thinking became styled along the lines of design rather than the exercise of judgment and wisdom. But design is undoubtedly the exercise of practical reason.

Strategic management scholarship sustains traditions of practical reasoning about encompassing questions about organizational action. Doing so is relevant for offering "professional assistance to lay probing" (Lindblom 1990). Public management scholarship should also do so, even while some of the templates for practical reasoning need to be different from those in the business literature, due to the distinctive causal structures of the external context of government organizations, among other reasons. A key point to take away from developments within strategic management scholarship is that the design sciences offer relevant templates for shaping the exercise of practical reason about encompassing issues of organizational action, even though that which is being designed is not a material artefact.

### **Conclusion: Towards a Clinical Science of Strategy Practices in the Public Sector**

My own disposition is to stipulate – within the spirit of strategic management scholarship -- that strategy development for public organizations is a function that needs to be performed. Public managers have a responsibility for seeing to it that this function is performed. Performing the function involves the exercise of practical reasoning about encompassing issues of organizational action. Public management scholarship should provide well justified arguments and associated knowledge relevant to such reasoning. Some of those arguments should borrow from thought structures prevalent in the design sciences. The associated knowledge should include learned interpretations of the causal structure of the processes that condition the internal and external contexts of governmental organizations.<sup>6</sup>

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<sup>6</sup> In my view, Moore (1995) made this argument very effectively. The only caveat I would add here is that he did not focus on the notion that the thought structures should borrow from those prevalent in design sciences. His book harkened back to the early Harvard Business School approach, with its strong neo-Aristotelian character. This is particularly evident in the emphasis on weighing considerations of value, support, and capacity. Moore's book also did not dwell on providing learned interpretations of the causal structure of the processes that condition the internal and external contexts

While maintaining these bearings, we should keep in mind thoughtful efforts to improve on strategic management scholarship. Three can be mentioned, telegraphically, here.

One direction is to develop clinical knowledge about strategy development. Porter's approach recognized that the granular details of any particular competitive strategy would be unique. While Porter's analysis was decidedly deductive in its main thrust, this pattern of reasoning was mainly used to define the functional requirements of effective competitive strategies. In other words, design issues were posed in ways that were clearly stated within the semantic context of his design theory of competitive strategy. The text provided illustrative solutions to these functional requirements on the basis of accounts of clinical practice (case studies). In this sense, Porter's design science was in essence clinical in nature, irrespective of the heavy emphasis on the importance of understanding the causal structure of industry contexts of business activities.

A second direction is to recognize that strategic thinking is an organizational (and institutional<sup>7</sup>) phenomenon. Neither the early Harvard Business School neo-Aristotelian approach nor Porter's design theory of competitive positions adopted this perspective. Perhaps the most well-worked out efforts to consider strategic thinking as an organizational phenomenon are found within the small literature on scenario based planning (e.g., van der Heijden 2005). Other work within the soft-systems tradition of operational research falls approximately into this category. Within design-oriented public management scholarship, the most elaborate and best known work of this kind is Bryson (2004). A common theme of this scholarship is that strategic thinking is and should be a collective activity, often referred to as a strategic conversation. Strategic management is as much about designing strategic conversations as it is about pre-figuring the strategy content resulting from such conversations.

A third direction is to recognize that businesses cannot devise a sustainable competitive position by configuring existing resources, but must also develop capabilities that will constitute the resources for future operational activities. Strategy content therefore needs to reflect intentions for developing capabilities. The further argument is that such strategy content, while made to measure for particular organizations at particular times, should be informed by plausible understandings of the causal structure of the innovation process. This process, in turn, involves dynamics of the internal context of organizations, such as subtle feedback relations between action, learning, and organizational routines under conditions of "distributed action." Some of the better writings on dynamic capabilities and the resource-based view of strategy are thoughtfully concerned with these matters.

What might we imagine the future of public management scholarship to be like if we contemplate these trends in strategic management scholarship? Porter prompts the thought that public management scholarship could consider becoming a

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of governmental organizations, but these were referenced in endnotes and were mentioned in case commentaries.

<sup>7</sup> An analysis of strategy reasoning as an institutional phenomenon can be found in Guillén (1994).

clinical science of (encompassing issues of) organizational action. The strategic conversation approach indicates that what requires design is not just intentions for organizational action (i.e., strategy content), but also the strategy process, i.e. interdependent ideational and decisional effort on the part of multiple individuals inhabiting diverse roles. In designing strategy processes (or specific efforts), account should be taken of learned interpretations of the causal structure of collective ideation and decision processes inside and outside governmental organizations. The dynamic capabilities approach suggests strategy content includes the crafting of practices to create resources that can be deployed in the future.

Pulling these imaginative thoughts together, one might reasonably conclude that public management scholars should seek to evolve a clinical science of organizational practices for the public sector, one that displays a certain consistency of scholarship in addressing the functions of strategy development and innovation. My possibly myopic view is that we have relatively few works that as yet embody this imaginative idea, but perhaps a few works can anachronistically be said to do so (e.g., Moore 1995, Barzelay and Campbell 2003, Bryson 2004). This idea can nonetheless be worked out in some detail.

This clinical science of organizational practices should reflect the historical roots of strategy management scholarship, with its Aristotelian approach to probing the answers to encompassing issues of organizational action. In this respect, Moore (1995) provides a good model. The clinical science of organizational practices should consider the design of strategic conversations within the varied organizational and institutional settings of government. In this respect, several chapters of Barzelay and Campbell (2003) provide a model as does Bryson (2004). The clinical science of organizational practices should also consider the specific encompassing issue of creating the capabilities and resources needed to deliver uncertain public policies and services in uncertain future conditions.

A number of questions of intellectual strategy remain open even if one happens to accept the position just outlined. By way of conclusion, I simply list three issues that I believe deserve further meta-theoretical reflection and imagination:

1. How to draw on insights from theories of social practices, while preserving a strong interest in design as reflected in strategic management scholarship.
2. How to draw on Wenger's social theory of learning to understand the causal structure of ideation and decision making – i.e. the strategy process.
3. How to do instrumental case studies (Stake 1995) within the frame of comparative historical analysis in the social sciences (Mahoney and Rueschemeyer 2003) that contribute measurably to the clinical science of organizational practices.

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