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General Strategy Concepts and the Ecology of Strategy Discourses: A Systemic-Discursive Perspective
David Seidl

Abstract

Drawing on Wittgenstein, Lyotard and Luhmann the article develops a systemic-discursive perspective on the field of strategy and the respective role of general strategy concepts. The perspective suggests that the field of strategy should not be conceptualized as a unified field but rather as fragmented into a multitude of autonomous discourses. Owing to their autonomy, no transfer of strategy concepts across different discourses is possible. Instead, every single strategy discourse can merely construct its own discourse-specific concepts. Different discourses, however, draw on the same strategy labels, which leads to ‘productive misunderstandings’ (Teubner). On the basis of the particular perspective advanced here, the entire field of strategy is re-described as an ecology of strategy discourses.

Keywords: discourse, language game, social-systems theory, strategy as practice, strategy concepts

Introduction

Under the label ‘strategy as practice’ there have recently been increasing calls for closer attention to the ways in which strategizing in organizations is influenced by ‘macro-social’ structures (e.g. Whittington 2002a, 2002b, 2006; Johnson et al. 2003; Jarzabkowski 2004, 2005; Wilson and Jarzabkowski 2004). Organizations are perceived as part of a wider community made up of other organizations, consultants, business schools and business media, which bring forth and reproduce different strategic practices that influence the way in which the daily strategizing activities are carried out. These calls have been accompanied by a growing interest in applications of general social theory to the field of strategy.

In accordance with the ‘practice turn’ in contemporary social theory (Brown and Duguid 2001; Schatzki et al. 2001; Orlikowski 2002) this has raised significantly the attention given to the theory of social practices (so-called ‘praxiological’ approaches), above all to the works of Giddens, Bourdieu and De Certeau (e.g. Hendry 2000; Whittington 2002a, 2006; Jarzabkowski 2004, 2005). Consequently, a particular praxiological perspective on strategy has been advanced: it distinguishes conceptually between, on the one hand, an ‘organizational field of strategy’ (Whittington et al. 2003) at a macro-level, which holds different management
practices’ in store and, on the other hand, the concrete situated strategizing ‘praxis’
(sometimes also called ‘practice’ – in singular) at the micro-level, which draws on
the macro-social practices. Such strategizing practices are, for example, simple
tools, or techniques such as SWOT analyses, portfolio matrices, Porter’s five-
forces framework, or more complex concepts such as TQM (Total Quality
Management), lean management, or core competences (see e.g. Rigby 2003). In
his/her strategizing activities, the practitioner selects from this pool of practices
and applies them to his/her concrete situation. In its application, however, the
practice changes. Not only is the ‘practice-in-use’ (Jarzabkowski 2004) always a
context-specific interpretation of the abstract practice (cf. Orlikowski 2000;
Ortmann and Salzmann 2002), but the practices are also often intentionally used
in ways which ‘may not comply with the objective purpose of a practice’
(Jarzabkowski 2004: 544). In this perspective (with recourse particularly to
Giddens’s [1984] concept of structuration), micro and macro contexts are con-
ceptualized as mutually constitutive in the sense that the strategic practices are
both a medium for concrete strategizing activities and also their outcome.
Whittington writes in this sense: ‘As they follow, synthesise or interpret these
strategic practices, strategy practitioners reproduce, and occasionally amend the
stock of practices on which they will draw in their next round of strategising
praxis’ (Whittington 2002a: 2).

While the idea of recursivity between a macro-level stock of strategic prac-
tices and their micro-level usage appears very appealing because of its simplic-
ity, other currently prominent sociological approaches lead to very different
conceptualizations. There is, for example, a distinctive field of research based
on the social theory of Bruno Latour (1986), which tries to do away with the
distinction between macro and micro level and instead speaks of a network
of actors between which strategy concepts spread in the form of a
translation
process (cf. Czarniawska and Sevón 1996). Thus, it is not the case that practi-
tioners draw on a stock of given management concepts and apply them to their
specific situation. Instead, management concepts are actively translated from
actor to actor. Accordingly, one would not speak of the same strategy concept
being used in different strategizing situations, but rather of different translations
of the same concept.

There is another relevant field of research taking this line of reasoning a step fur-
ther (e.g. Astley and Zammuto 1992; Kieser 2002; Nicolai 2004; Kieser and
Nicolai 2005). According to this, one would not even speak of a ‘translation’ of the
same strategy concepts from one context to another. These works emphasize the
self-referential logic of discourses that make direct communication across differ-
ent contexts impossible. They draw on the one hand on the concept of ‘language
games’ by Wittgenstein (2001) and its further development by Lyotard (1986,
1988, 1993), and on the other hand on Luhmann’s concept of self-referentially
closed communication systems (Luhmann 1995, 2003, 2005b). While these con-
cepts have different theoretical underpinnings, they share a central idea: social
events (conceptualized as communications) are fundamentally bound up with the
specific social context (conceptualized as language game or communication
system) in which they are embedded; the social event is only defined through its
specific context. Because of that, a direct transfer of meaning from one context to
another is impossible. Thus, one cannot speak of different actors drawing on (as in the praxiological framework) or ‘translating’ (as in the Latourian framework) the same strategy concepts in their different social contexts. Instead, one has to treat the strategy concepts in different contexts as different concepts.

In this article we want to explore the potential of this third line of reasoning for advancing our understanding of the field of strategy. In particular, we expect to gain a different understanding of a common phenomenon, i.e. that the same things can mean different things in different contexts. While this phenomenon is usually attributed to imperfections in communication, in the sense that with enough time and patience one could transfer the meaning from one context to another, the proposed perspective suggests taking the different meanings within different contexts as a constitutive feature of communication that cannot be overcome. Acknowledging this fact leads to a different appreciation of the underlying processes of meaning creation. In particular, it focuses our attention on the creativity at the heart of any contact between different discourses. In order to demonstrate this we will show how the existing accounts of strategy can be re-described on the basis of this perspective.

This article is divided into five sections. In the first section the theoretical concepts of ‘language game’, ‘genre of discourse’ and ‘autopoietic communication system’, as developed by Wittgenstein, Lyotard and Luhmann respectively, are presented and explained. In the second section these concepts are applied to the strategy field. We describe the field of strategy as fragmented into a multitude of incommensurable discourses. In the third section we analyse the implications of this perspective for the way in which ‘general strategy concepts’ may influence an organization. The fourth section re-describes the concept of the ‘organizational field of strategy’ as an ecology of autonomous discourses that mutually stimulate each other. We conclude with a reflection on the implications of the proposed perspective for strategy research and practice.

Language Games, Genres of Discourse, Autopoietic Communication Systems: Towards a Systemic-Discursive Perspective

In this section we will briefly introduce the theoretical approaches by Wittgenstein, Lyotard and Luhmann. Despite their different theoretical underpinnings all three of them share a particular line of reasoning that we may call a ‘systemic-discursive perspective’. We refer to all three of them rather than focusing on just one particular theory, as we want to demonstrate that this perspective rests on a broad theoretical basis and not just on a single author’s work.

Wittgenstein’s concept of ‘language game’ has variously been drawn upon in the management literature over the past years (e.g. Astley and Zammuto 1992; Mauws and Phillips 1995; Zbaracki 1998). One of its central assumptions is that the way we experience and engage with the world is conditioned by the linguistic context in which we are embedded. Wittgenstein distinguishes between different linguistic contexts, which he calls ‘language games’, according to the particular conventions or rules that they contain, and which pertain to the way
that language is used. Depending on the particular language game that one takes part in, the world is experienced differently. In other words, our comprehension of the world is a result of a specific language game. Language games are not only about the way we communicate about the world but they are also intimately bound up with our behaviours and actions, or what Wittgenstein termed ‘life-forms’ (Wittgenstein 2001: 23).

A crucial point about the language-game concept, which is particularly relevant in the present context, is that different words or sentences are defined in their meaning through the set of rules of the particular language game in which they are used. Thus words, sentences, concepts, etc. cannot be understood independently of the particular language game in which they are used.

Lyotard (1986, 1988, 1993) took up Wittgenstein’s concept of language game and developed it further. Thereby he radicalized its basic idea. First of all, Lyotard modified the underlying understanding of language: where Wittgenstein speaks of intentional speech acts, Lyotard speaks of ‘phrases’ that ‘happen’ (1988), which means that phrases are not produced by a subject or speaker. The particular meaning of a phrase is not given through the intention of the speaker but rather through the context of other phrases in which it becomes embedded. The second modification has to do with the rules that govern the way in which such phrases are formed and linked. In this regard he distinguishes between so-called phrase regimens and genres (synonym for ‘language games’). A phrase regimen is a set of rules for linking different phrases. Examples are argumentation, recognition, description, narration. Depending on the particular phrase regimen in place, phrases are formed and linked differently. The genre, i.e. language game, is defined as a set of rules for linking phrases of different regimens. Every genre has a different set of rules.

The crucial point for the argument of this article is that genres are incommensurable and there are no further rules for linking phrases across different genres. Because of that, it is not possible to transfer a phrase from one genre to another. Lyotard describes this situation as one of different ‘islands of language’. Phrases belong either to one or another genre but never to several at the same time. As Lyotard writes, ‘There is no unity in language; there are islands of language, each of them ruled by different regimes, untranslatable into the others’ (Lyotard 1993: 20; emphasis added). Lyotard illustrates this ‘untranslatability’ by analogy with the relation between different games or sports:

‘A move in bridge cannot be “translated” into a move made in tennis. The same goes for phrases, which are moves in language games; one does not “translate” a mathematical proof into a narration. Translation is itself a language game.’ (Lyotard 1993: 21)

Thus, Lyotard emphasizes the incomensurability between different discourses. He makes it very clear that – in contrast to the Latourian translation model – inter-discursive translation is impossible.

Niklas Luhmann (1995, 2005b) – coming originally from a very different theoretical tradition – makes a similar point with his concept of autopoietic communication systems. In contrast to the language-game concept, however, his theory of autopoietic systems has only just started to be taken up in organization and management studies (e.g. Hendry and Seidl 2003; Hernes and
Similarly to Lyotard, Luhmann does away with the notion of the actor or subject producing (speech) acts. Instead he speaks of communicative events – which are analogous to Lyotard’s phrases. Communicative events (or, for short: communications) are conceptualized as the unity of utterance, information and understanding. This unity cannot be produced by a human being on its own; a single individual might produce an utterance containing a particular piece of information but he/she cannot contribute the understanding as well. This means that it always takes at least two individuals to co-produce this unity. Consequently, communication is conceptualized as an emergent phenomenon arising from the interaction of different individuals.

Luhmann goes on to explain that the ‘understanding’ of a communication can be retrospectively determined only from the reaction of ensuing communications. Or, more to the point, the meaning of a communication is the difference that it makes in following communications. However, whatever difference communications make with relation to other communications is not determined by the focal communication itself but by the other communications. In this sense, Luhmann speaks of communications as the product of (other) communications and not of individuals: ‘Humans cannot communicate ... Only communications can communicate’ (Luhmann, 2002: 169).

On the basis of this insight, Luhmann unfolds his theory of autopoietic (i.e. self-reproducing) communication systems: every communication belongs to a particular communication system (i.e. a network of communications) by which it has been produced and in whose reproduction it takes part. Examples of such communication systems are organizations or face-to-face interactions. Such communication systems are operatively closed. By this he means that communications are produced only by the particular networks of communications; they cannot be imported from outside those networks. Communication processes are stimulated or triggered from outside (in this sense the system can be said to be interactionally open), e.g. a thought in the mind of an individual might stimulate a communication, but it is the network of communication itself that, in reaction to it, produces – according to its own logic of reproduction – a particular communication. In other words, communication systems do refer to external phenomena but they refer to them according to their own internal logic.

Analogously to Lyotard’s language-game concept, Luhmann assumes multiple parallel communication systems, each with a different internal logic, between which no communication can be transferred. A communication in one system might trigger a communication in another system, but the two communications in the two different systems have different meanings and as such they are different communications (Luhmann 1989).

In this review of the theories by Wittgenstein, Lyotard and Luhmann we have tried to point out a particular line of reasoning that all three of them share: the social world is made up of incommensurable discourses (conceptualized as ‘language games’, ‘genres’ or ‘communication systems’), between which no direct exchange is possible. Elements of one discourse can neither be transferred nor translated into elements of another discourse. A communication in one discourse can merely cause (positive or negative) ‘perturbations’ in another discourse, but
it can never become a communication in the other discourse. This does not exclude the possibility that different discourses refer to elements of other discourses, but any such reference has to be treated as an internal construct of the particular discourse. Even if it is the same human beings that ‘participate’ in the different discourses, they cannot transfer meaning from one discourse to another. The meaning of ‘their’ communications is ultimately determined by the respective discourse. For the conceptualization of the field of strategy this has significant implications, as we will show in the following sections.

Before that, however, we want to clarify an important point that could be easily misunderstood. When we and the cited authors speak of ‘discourse’ here this is not to be misunderstood as ‘talk’ vs. ‘action’. The term ‘discourse’ is used in a more fundamental way. The concept of discourse (as used here) and the concept of action are directly connected: all actions are embedded in a discursive context which defines the meaning of the action. In this sense, Wittgenstein speaks of discourses being intimately bound up with particular types of activities or ‘life forms’. Lyotard and Luhmann even go a step further and treat ‘actions’ altogether discursively, suggesting that all actions have a discursive aspect to them. This leads Luhmann to go so far as to replace the concept of action with the concept of communication. To sum up, we are referring to a discourse-perspective, which allows us to understand social phenomena on the basis of their integration into particular discourses.

The Multitude of Autonomous Strategy Discourses

As pointed out by many scholars (e.g. Whittington et al. 2003) the organizational field of strategy spans many different areas of society. On the basis of Luhmann’s classification of societal function systems (1982, 1989), we can identify at least three systems in which strategy discourses take place: science, the economic system and the system of education. Each of these function systems possesses its individual code, according to which its communications are meaningful. Communications within the system of science, for example, carry the code true/false (Luhmann 1989, 1990). That is to say, in order to be considered part of a ‘scientific’ discourse, a communication has to refer to earlier scientific communications as either true or false; and it must also be possible for ensuing communications to link up to this communication as either true or false. In other words, the meaning of a communication within a scientific discourse is basically its particular truth or falsehood, to which further communications can refer in order to claim truth for themselves. This can be seen most explicitly in the way that scientific publications reference other scientific publications in order to claim truth-value for themselves (cf. Kieser 2002: 208; Nicolai 2004: 956). In this sense, Astley and Zammuto (1992: 443) describe (organization) science as a ‘self-contained, closed system’. Whether a scientific communication is classified as ‘true’ or ‘false’ is itself entirely determined by the criteria of the scientific discourse; a ‘true’ scientific communication, in this sense, is a communication that has been accepted by the other scientific communications as ‘true’ – it is a ‘coded truth’.
In contrast to the science system, the economic system is described by Luhmann as guided by the code revenue/expense – or simply payment/non-payment (Luhmann 1988, 1989). An economic communication is, for example, the placing of an order. In this case the meaning of the communication for further economic communications is not its truth or falsehood but its associated payment. Other economic communications connect to this communication with regard to its associated effects on payment. The order may be rejected by ensuing communications, if considered unprofitable, or, conversely, it may be accepted, if considered profitable. Again, what qualifies as profitable/unprofitable is determined entirely by the economic discourse itself.

For the system of education Luhmann has identified yet another coding, which can be described as positive/negative social selection (Luhmann 1989, 2002). Examples of educational communications are writing an exam or contributing to a discussion in the classroom. The ultimate meaning of such communications is their effect on the process by which individuals will be selected in the course of their educational, professional and social careers. Educational communications are not geared towards truth or towards the increase of revenue but towards social selection. Students are expected to communicate first and foremost in such a way as to increase their chances of getting good grades rather than to contribute to the advancement of the sciences or the increase of revenue.

Thus, according to Luhmann these three systems differ fundamentally in the way they process meaning. For each of the systems it is a different ‘difference which makes a difference’ (Bateson 1972: 315). Analogously to the way that computers can distinguish only between 0 and 1, scientific discourses distinguish only between true and false, economic discourses between payment/non-payment and educational discourses between positive and negative social selection. Communications that are not encoded in this form have no information value to them – they make no difference.

From this conceptualization of the scientific, economic and educational system as differently encoded discourses follows that also strategy discourses within these systems are fundamentally different. In the sciences, for example, strategy phenomena have to be treated in such a way as to allow statements that can be substantiated with earlier scientific research and that can be examined according to scientific criteria as either true or false. Because of that, the scientific discourse of strategy is very much conditioned: science can research only aspects or topics that can be connected to earlier research; and it can only present results in ways that satisfy the established scientific criteria. As such, strategy research, as all scientific research, is ‘path dependent’ on existing research and criteria (Kieser and Nicolai 2005: 276–77). As a consequence of this, scientific discourses on strategy are necessarily highly stylized (Astley and Zammuto 1992): they construct abstract variables that are only scientifically meaningful as they typically have very little to do with how the ‘same’ phenomena are treated elsewhere. See, for example, the way in which the concept of ‘performance’ and ‘success factors’ is constructed in the management sciences (cf. March and Sutton 1997, Kieser and Nicolai 2005). In addition to the construction of idiosyncratic variables, the scientific discourse forces the communication also into an idiosyncratic way of relating its variables to each other.
For example, one assumes explicitly counter-factual situations and works with unrealistic *ceteris paribus* clauses (Luhmann 1989: 81). Thus, strategy phenomena are structured in such a way as to render them subject to the scientific criteria for truth and falsehood.

In economic discourses, as defined by Luhmann, strategy communications are related to the payment code. A strategy either pays off or it does not. This is the only information value that is meaningful to the economic discourse. Whether any assumptions about correlations between variables are scientifically true or not is not a difference that makes a direct difference to the economic system. The economic system just calculates what costs and what revenues are associated with specific concrete strategies.

In the education system, as defined by Luhmann, strategy discourses are directly focused on the social-selection code. Strategy textbooks, for example, are written in such a way as to make it possible to teach them at school and to set exams on their content. One can even teach, as well as learn, things that in scientific discourses may not be considered ‘true’, or which in an economic discourse would be considered to lead to losses. According to the specific logic of the education system, in principle any strategy textbook will do, as long as it allows examining students on the basis of its contents. Luhmann would argue that in educational strategy-discourses whether the models of strategy are true or false, or whether strategy tools increase revenues or not, is of no direct information value. The only difference that directly makes a difference for the educational discourse is whether the student has properly studied the required reading and has the ability to discuss it ‘intelligently’ in class (Luhmann 2002). This does not exclude the possibility that teachers also evaluate contributions by their students according to whether those contributions are based on scientifically accepted knowledge. However, the reason for such evaluation is not that knowledge is considered true or false, but that it is taken as an indicator of the student’s abilities – i.e. it has a different meaning within the context of the educational system. One might also find that the educational discourse coexists with a scientific discourse; e.g. a PhD course might comprise teaching and research. However, from a systemic-discursive perspective these would have to be treated as two parallel discourses that function according to different logics, but which nevertheless might mutually stimulate each other (cf. Luhmann 1989).

Thus, on the basis of this conceptualization, strategy discourses in the scientific, economic and educational systems have to be treated as fundamentally different discourses, between which no transfer of meaning is possible. This counters in particular the commonly held assumptions on the relation between management science and management practice. Luhmann (2005a) writes that, in order to transfer a scientific communication into a discourse within a different function system, it would be necessary to transfer also the entire background of theories on which the particular communication is based – and the theories on which these theories themselves are based. In other words, it would be necessary to transfer more or less the entire scientific system into the other system. But even if this were possible, the meaning of the communication would be different, as the entire complex would be interpreted according to a different code. Hence, organization science is treated as an autonomous system that is clearly
separate from the economic discourses of consultants and business organizations (Astley and Zammuto 1992; Kieser 2002; Nicolai 2004). Even when it is the same individuals who 'participate' in the different discourses they cannot transfer meaning from one discourse to another: that would be like switching from the game of bridge to that of tennis, to use Lyotard's example. Instead, their communications and actions are determined by the logic of the particular discourse in which they momentarily take part (cf. Wittgenstein 2001: 23; Luhmann 2005b). Nicolai (2004) demonstrated this impressively in his study of Porter's work, which is widely considered a prime example for applied strategy research. Rather than crossing the boundaries of the scientific and the practical discourses, the economics-based scientific parts and the 'applied' parts of Porter's work stand unconnected side by side.

Several authors have suggested distinguishing also between the consulting discourse and the managerial discourse within business organizations as different types of discourses that follow different logics (e.g. Mauws and Phillips 1995; Kieser 2002). Although both systems may operate within the economic system they develop different 'languages' and different criteria of success that cannot be translated into each other. In this sense there is a 'communication barrier' between the consulting discourse and the discourse within business organizations, in the same way as there is a 'communication barrier' between other types of systems (Kieser 2002; Luhmann 2005a).

Mauws and Phillips (1995: 331) point out that, on the basis of the language-game concept, one could even conceptualize 'management science' and 'management practice' as consisting of multiple language games (Mauws and Phillips 1995: 331). With regard to the sciences, one may think of the many incommensurable paradigms in organization and management theory (Burrell and Morgan 1979). With regard to 'management practice', one may particularly distinguish between the different business organizations, each of which constitutes an autonomous, self-referential system that follows its own particular logic (Luhmann 1995, 2003; Kieser 2002). Every individual organization develops its own history, on the basis of which its communications are (re)produced, and the individual communications in particular are solely meaningful. Similarly, the consulting discourse can be understood as being fragmented into many different autonomous discourses – for example, the different consulting traditions (Kirsch and Eckert 2005: 371). Mauws and Phillips (1992) even go a step further, suggesting that we should conceptualize individual organizations and consulting discourses as sets of several autonomous language games. One could think here, for example, of different business units within a multinational firm or of different 'strategy episodes' (Hendry and Seidl 2003), such as away-days, which are differentiated from the ongoing processes within the organization. One could also think of a nesting of separate organizational discourses with different reach. A university, for example, might have, on the one hand, an administrative discourse specific to that university and, on the other hand, scientific discourses in which several universities take part.

To what extent, or under what circumstances, individual organizations may be viewed as unified discourses can be left open at this point. The point we are trying to make is that there is a multitude of different autonomous strategy discourses – in
contrast to the assumption that there is one unified discourse. This has important implications for the way in which an organization’s strategy can be influenced by general strategy concepts propagated by institutions in its environment. We will concentrate on this question in the following section.

The ‘Adoption’ of a General Strategy Concept as ‘Productive Misunderstanding’

On the basis of the systemic-discursive perspective advanced in this article, we have to re-conceptualize what we mean when we say that an organization ‘adopts’ a general strategy concept. Because of the incommensurability of the different strategy discourses, organizations cannot draw on any general strategy concepts – as implied, for example, by Abrahamson (1991, 1996), Whittington (2006) and Jarzabkowski (2004). There cannot be such an input. Instead, any strategy concept used within a particular organization has to be understood as the organization’s own construct. Strategy concepts developed and propagated in other discourses (e.g. in a consulting discourse or in a business school) can stimulate organizations to develop their own strategy concepts in response, but they can never enter the organization as such (Luhmann 2000; 2005a). Consequently, what appears as the adoption of a general strategy concept would have to be treated as an illusion based on the fact that organizations use the same labels, or sets of labels, for their own constructs. If one finds that an organization uses such labels, it is normally assumed that it has also adopted the associated concepts (Nicolai 2004: 960; Brunsson and Olsen 1993: 87). In other words, different organizations might use the same labels for their strategy concepts, but the concrete practices behind the labels could be different. It has been shown, for example, that the label ‘lean management’ has been used in different companies for very different practices (Benders and Bijsterveld 2000). As to the question of why organizations draw on such general strategy concepts/labels, explanations abound: internal and external legitimation (Meyer and Rowan 1977), complexity reduction (Kieser 2002) and ‘deparadoxization’ of the paradox of strategic decision-making (Ortmann and Salzman 2002) are some of the answers that have been offered to this question. Here, however, we will leave this question open. Instead, in the following we will concentrate on the ways in which organizations may construct their own strategy concepts on the basis of general strategy labels.

As we have argued above, the same words have different meanings in different contexts or discourses. Thus, the transfer of a set of labels from one discourse to another – e.g. from a consulting discourse to an organizational discourse – is associated with a (mostly unnoticed) re-interpretation, i.e. with a change of its meaning. In this sense, an organization might refer to the labels of a general strategy concept, but it will understand those in an organization-specific way that is different from the way they are used elsewhere. Teubner (2000) describes this phenomenon as ‘productive misunderstanding’:

‘In a precise sense, interdiscursive translation is impossible. Here lies the paradox of today’s babylonic language confusion. Between the discourses, the continuation of
meaning is impossible and at the same time necessary. The way out of this paradox is *misunderstanding*. One discourse cannot but reconstruct the meaning of the other in its own terms and context and at the same time can make use of the meaning material of the other discourse as an external provocation to create internally something new.’ (Teubner 2000: 408)

As Teubner explains, a discourse cannot receive an input of meaning from another discourse; it merely reconstructs elements of another discourse according to its own logic. This internal reconstruction is, however, its very own construct, which is different from the original one.

From this perspective, the introduction of general strategy labels from outside causes within the discourse an unspecific ‘provocation’ (Teubner) or ‘perturbation’ (Luhmann) that leads to discourse-specific reactions. In other words, the organization starts developing its own strategy concepts in trying to accommodate the new labels. Empirically, one finds that whenever organizations proclaim that they are applying new strategy concepts there are usually long discussions about the interpretation of the labels and how these can be related to existing practices (cf. Zbaracki 1998). The organization tries to make sense of the new labels on the basis of its existing discursive structures (cf. Von Krogh and Roos 1995) and in this way creates *new* sense, i.e. *new* meaning.

In the general management literature there are a few examples of studies that explicitly focus on the way in which general management concepts have different meanings in different organizational settings. A series of articles, for example, showed how Total Quality Management (TQM) was defined and used very differently in different organizations (Hackman and Wageman 1995; Westphal et al. 1997; Zbaracki 1998). Zbaracki (1998), in particular, pointed out how the adoption of TQM is associated with the collective construction of new social realities within the organizations. Other studies have analysed the use of the concept of Business Process Reengineering (Benders and Van Veen 2001) and Lean Management (Benders and Bijsterveld 2000) in different discourses. In their study of the German reception of the Lean Management fashion, Benders and Bijsterveld came to the conclusion that

‘the meaning of lean production was shaped and reshaped on a continuous basis. Different interpretations of what a fashion actually means, and probably also the tactic or even opportunistic use of a popular label, make that the actions undertaken in the name of the fashion are likely to become coupled loosely (or even completely decoupled) to the fashion’s original content, or the practices at organization(s) that stood model for the fashion. Judging from its original content, such actions may be disqualified as having little to do with the fashion itself’. (Benders and Bijsterveld 2000: 61)

Although these and similar studies come from very different perspectives from our own and try to make slightly different points, their empirical findings are nevertheless very much compatible with our argument. They demonstrate empirically how different those concepts are when they are ‘applied’ to different settings (discourses).

What new strategy concepts are ultimately created in reaction to the introduction of new labels is not completely random. Rather, the discursive context into which the new labels get embedded restricts the range of possible meanings that it may attach to them. This is particularly the case where there is a
whole set of labels to accommodate (see, for example, the set of labels contained in the TQM concept compiled by Hackman and Wageman 1995). In these cases the interpretation of every individual label has to fit with the interpretation of the other labels – unless, that is, one selectively draws on only single labels (Zbaracki 1998; Benders and Van Veen 2001).

It is impossible to determine from the outset what internal strategy concept will ultimately be created in response to the introduction of a general strategy label. Teubner writes in this sense: ‘There is of course, no built-in guarantee that such a misunderstanding will be productive. You cannot say in advance whether in the famous shell, the irritation of the sand-corn will at the end create the pearl’ (Teubner 2000: 409). In some cases, organizations might accomplish a fundamental strategic change. In other cases, the ongoing strategy discourses might hardly be affected: the organization might just use the new labels but without really changing the structure of the strategy discourse itself. There are many empirical accounts in the management literature of such instances of pure re-labelling (e.g. Brunsson and Olsen 1993; Ashforth and Gibbs 1990; Elsbach 1994; Zbaracki 1998). While this is often portrayed as intentional deception, there are many cases where the involved actors themselves believe that they have changed organizational practices: through the new labels they experience their social world differently, even if it has not changed in any ‘substantial’ way.

The discourse-specific reinvention of the strategy concept is, however, possible only if the organization finds some point of connection to the label. That is, the different labels and sub-labels in some way or other must be open to being interpreted according to the existing interpretational context: general strategy labels need ‘interpretive viability’ (Benders and Van Veen 2001), i.e. they have to leave scope for interpretation. Many authors have commented on the ambiguity and vagueness of general strategy concepts/labels (e.g. Astley and Zammuto 1992; Kieser 1997, 2002; Zbaracki 1998; Ortmann and Salzman 2002). While some authors see this ambiguity fairly critically, other authors have pointed out – in accordance with our own line of reasoning – that only by being ambiguous and vague is there a chance of ‘general’ strategy concepts/labels being able to be made to ‘fit’ the concrete organizational context. Astley and Zammuto write in this sense:

‘Linguistic ambiguity ... gives conceptual terminology great flexibility of application, allowing words to take on new meanings in the context of a different language game.’ (Astley and Zammuto 1992: 453; emphasis added)


In the last section we focused on the role of general strategy concepts for individual organizations. In the following we will move back to the organizational field of strategy – as a higher level of analysis – to study the reproduction of general strategy concepts. The question is: how do we interpret the ‘generality’ of general strategy concepts across different strategy discourses? If every organization
merely constructs its own strategy concept, what is it that gets reproduced? For this purpose we have to look in particular at the way in which the different discourses within the field of strategy relate to each other.

In our analysis so far we have stressed particularly the fragmentation and autonomy of the different strategy discourses: every discourse has its own logic and cannot be influenced directly by any other discourse. This does not mean that the different strategy discourses are unrelated. On empirical grounds alone one could not deny that different strategy discourses interact intensely – particularly if we think of the dynamics of management fashions (Abrahamson 1991, 1996; Kieser 1997). Whatever meanings might be processed within each strategy discourse, we can certainly observe that the use of specific new general strategy labels often leads to the use of the very same labels in other strategy discourses. To account for this we have to conceptualize strategy discourses as both autonomous and highly interdependent at the same time. In order to capture these two – seemingly contradictory – characteristics we suggest that the field of strategy be conceptualized as an ecology of strategy discourses (cf. Vickers 1968; Bateson 1972; Kirsch and Eckert 2005; Baecker 2006).

Conceptualizing a field as a kind of ecology places great emphasis on the interdependencies between its various components. As Geoffrey Vickers writes, ‘[The ecologist] develops first the idea of interdependence. In a field of variables so closely and mutually interrelated, any change anywhere will in some degree affect the whole’ (Vickers 1968: 34). Viewed as an ecology, the different strategy discourses cannot be studied independently of each other. Despite its autonomy, every discourse is affected by the processes in other discourses and vice versa. There is a co-evolution between the discourses.

The basic mechanism of this mutual stimulation between different discourses – despite their autonomy – can be described as ‘structural coupling’ (Luhmann 1995). By this we mean that the structures of the different discourses are in some way or other ‘adjusted’ with regard to each other. Although the different discourses process different units of meaning, their structures are nevertheless in some respects ‘parallelized’. Because of that, different discourses can be stimulated by the same external events (despite their different logics). The most general form of structural coupling between discourses is language. All discourses are structured in such a way as to be able to process language (Luhmann 1995). However, every discourse does so in a different way. Beyond this, there is a particularly close structural coupling between strategy discourses based on a shared strategy language; in all strategy discourses one finds that more or less the same strategy language is used. Every strategy discourse, for example, can make (its own) sense of the labels ‘strategic planning’, ‘strategy review’, ‘strategic forecasting’, etc. – phrases that might have no meaning at all in other types of discourse. Because of that fact, different strategy discourses possess particularly strong ‘resonance’ (Luhmann 1989) with regard to each other – where resonance means that a system reacts to external events in accordance with its own logic (Luhmann 1989: 145).

This shared language provides strategy discourses with a basis for communicating (internally) about each other – or better, for discursive observation (Luhmann 1995). Within a consulting discourse, for example, one might refer
to the strategy discourses that take place in science (e.g. scientific articles on a new strategy concept), or in the education system (e.g. MBA textbooks on strategy). Owing to their shared strategy language, these different strategy discourses are more likely to refer to each other’s communications than a strategy discourse and a physics discourse would, for example. Because strategy discourses share the same language, one is likely to assume that they also process the same meaning (cf. Brunsson and Olsen 1993: 87; Benders and Bijsterveld 2000; Nicolai 2004: 960). This, however, is just an illusion – a productive misunderstanding.

It is on the basis of this structural coupling that the ‘diffusion’ of general strategy concepts takes place. The sets of labels attached to the general strategy concepts serve as ‘signposts’ that help the various communications orient themselves with regard to each other. Whenever different strategy discourses find other strategy discourses using the same labels, they are likely to assume that they are dealing with the same general strategy concepts. In this sense the labels serve as a common point of reference for the different strategy discourses, when they communicate about each other internally.

In order to appreciate the dynamics of mutual observations between the different discourses, a second characteristic of ecologies has to be taken into account: ecologies of discourses have no super-system that coordinates them (Baeccker 2006: 118). Ecologies do not have a centre; the relations between their systems have to be treated as symmetrical (Luhmann 1989). In this sense, any strategy discourse might resonate with any other strategy discourse, depending on its very own discursive logic. By the same token, ‘general strategy concepts’ might originate in any of the different strategy discourses. Such a tendency to view the discourses as symmetrical can also be found in the relevant management literature. In contrast to the mainstream belief that strategy concepts typically are developed in the consulting discourse and from there disseminated to business organizations, researchers increasingly acknowledge the symmetry between the discourses (e.g. Kieser 1997; Whittington et al. 2003; Nicolai 2004). Similarly, the relation between business organizations and management science is seen more critically. Many strategy concepts discussed in scientific discourses were originally stimulated through management practice. Galbraith even reversed the relation between the two types of discourses when he famously wrote: ‘I know of no new form of organization that was invented by organization theorists while advancing theory. Instead, the researchers record what the inventive practitioner creates and give it labels like grids, systems 4, or matrix organization’ (Galbraith 1980: 162). Ultimately, however, the scientific discourses might ‘feed back’ into the organizational discourse leading to changes in the original strategy concept there – in this sense describing a circular relation between the discourses (cf. Astley and Zammuto 1992: 454).

The dynamics of the strategy field – particularly also of fashions (Abrahamson 1991; 1996; Kieser 1997) – can be explained on the basis of the mutual and sometimes recursive observations between the different discourses. The observation that other discourses seem to use the same general strategy
concept (whereas in fact they merely use the same labels) might serve as a confirmation of one’s own use of the concept, which again might lead to others using the (assumedly) same concept and so on. Some discourses might communicate about the ‘diffusion’ of a general management concept itself (e.g. in the form of surveys). This observation might in its turn be observed by other strategy discourses, and this could lead them to draw on the same strategy label. In this sense, ‘The more companies are reported as having achieved competitive advantages through the implementation of a management concept ... the higher the propensity of non-adopters to get on the band-wagon’ (Ernst and Kieser 2003: 14–15). It is these mutual observations between strategy discourses (despite their different logics) that build up the momentum in the ecology until the entire process finally slows down again (Abrahamson 1996; Benders and Van Veen 2001).

Conclusion: Implications for Research and Practice

The proposed perspective, if taken seriously, has important implications for strategy research and practice, which we want to outline in this concluding section. These implications can be discussed on three levels: on a first level we will show how the perspective changes the way we conceptualize strategizing. On a second level we discuss the consequences of this perspective for the way we conduct empirical research on strategy. On a third level we will analyse the consequences for strategy consulting, the practice of management science and strategic management itself.

Implications for the Conceptualization of Strategizing

In comparison with the praxiological approach that we referred to in the introduction, the proposed perspective leads to a different conceptualization of the role of general strategy concepts in the structuring of strategizing activity. In the praxiological approach, the general concepts are understood as a set of practices on the societal level that the organizational members draw upon in order to structure and guide their individual behaviours. In contrast to that, from the systemic-discursive perspective there are no such trans-discursive concepts. The processes within a particular discourse cannot receive any structuring or guidance from outside. All structures within a particular discourse ultimately have to be treated as the product of the particular discourse itself. Phenomena external to a specific discourse, in particular labels for strategy concepts, can merely stimulate the discourse-specific invention of a strategy concept. Thus, while the praxiological approach assumes that the strategic activities within an organization, consulting firm, etc. can be structured through practices external to that particular context, the systemic-discursive perspective treats any existing structures as the discourse’s own product. Consequently all strategy concepts ultimately need to be explained on the basis of the processes within the particular discourse.
Since the praxiological approach assumes that strategic practices can be shared across contexts, it tends to presume a natural tendency towards the homogenization of strategic practice. In other words, one expects to find some degree of isomorphism (Johnson et al. 2003: 7–8). The systemic-discursive approach, by contrast, emphasizes the differentiation of different discourses and thus presumes a natural tendency for heterogeneity. While the former approach needs to explain differentiation as a particular achievement, the latter approach would need to explain homogeneity as a particular achievement (e.g. as the result of a particular structural coupling between discourses).

Implications for Empirical Research on Strategy

On the level of empirical research on strategy, the systemic-discursive perspective refocuses the research process. The main emphasis of the research is placed on the way in which the meaning behind labels is created within the particular discourses. It is very much a focus on the micro-processes of meaning construction. Generally, the research on strategy concepts would be structured around the following four steps:

1. Identification of the relevant discourses and reconstruction of their respective logics:
   This first step is a crucial one as all ensuing steps depend on it. Discourses are generally defined by their specific logic. That is to say, the researcher can distinguish between different discourses if he/she can identify different logics according to which each of these discourses functions. For example, Luhmann distinguishes empirically between science and economics, treating them as two separate discourses, on the grounds that one operates on the basis of the distinction true/false while the other operates on the basis of payment/non-payment. The boundaries of these discourses are clearly defined by the particular distinctions. Only those communications that are based on the particular distinctions belong to the particular discourses. Within these discourses a researcher might distinguish sub-discourses that use such distinctions in particular ways. In science, for example, one might distinguish different scientific discourses if one can identify different principles according to which the distinction true/false is used. Again, within these sub-discourses one might distinguish a further level of sub-discourse, and so on.

   For the researcher who wants to use the systemic-discursive perspective empirically it is important to find the right level at which discourses should be differentiated. This ultimately depends on the particular question that concerns this particular researcher. For example, if the researcher wants to analyse how strategy research affects strategy practice, it might be enough to distinguish between the logic of the scientific discourse and that of strategy practice (e.g. Astley and Zammuto 1992; Nicolai 2004). However, if our researcher is interested in the effects of strategy research on a particular organization, then the particular organization might be treated as a discourse in itself. In that case the researcher would seek to identify a particular logic according to which that
organization operates – a particular sub-logic, that is, within the logic of strategy practice. Or, if one were interested in the diffusion of a particular strategy practice within an organization, one would consider decomposing the discourse ‘organization’ into different sub-discourses. This, however, would be possible only if one could identify different discursive logics within the organizational discourse, e.g. based on different professions or different departments. If one is not able to identify different logics, one has to treat the organization as a single discourse.

(2) Analysis of the modes of structural couplings between the identified discourses: The researcher needs to identify the particular means through which the discourses are coupled to each other. In particular he/she has to analyse what makes the different discourses resonate with processes in other discourses.

(3) Analysis of the discourse-specific construction of the strategy concept: This is the second crucial point in the study. The researcher needs to study the process by which the meaning behind a set of labels, i.e. the discourse-specific concept, is constructed in the particular discourses.

(4) Analysis of the function of the discourse-specific concept within the particular discourse: The researcher needs to study how the constructed concept is related to, and what effect it has on, the existing practices. A new concept might, for instance, become deeply embedded in the existing core practices or be kept distant from them; it might merely confirm existing practices or it might lead to fundamental changes.

Implications for Practice

With regard to the practical implications of the systemic-discursive perspective, we can distinguish between the practice of strategy research, the consulting practice and the management practice, each of which we will discuss in turn. In management science in general and in strategy research in particular there has been a long-standing debate on the practical irrelevance of strategy research (cf. Lowendahl and Revang, 1998; Rynes et al. 2001; Baldrige et al. 2004). From the systemic-discursive perspective this might be explained not as a deficiency of the particular research but as an inevitable consequence of the incommensurability between the various discourses. In a strict sense we might thus speak of the relevance or irrelevance of research to further research – but not to practice. The implication of this is twofold: on the one hand, management research has to acknowledge its self-referentiality as constitutive. That is to say, management science – like all science – progresses only by focusing on the scientific discourse (cf. Kieser 2002; Nicolai 2004). On the other hand, the scientific discourse could take into account that it might cause resonance in the practical management discourses (cf. Astley and Zammuto 1992).
In other words, the scientific discourse might reflect its potential for stimulating parallel processes in the practical discourse; for stimulating, that is, productive misunderstandings. This reflection can focus on the content or the process side of research. On the content side, one might try to develop labels that are likely to have resonance in the practical discourse. On the process side, one might try to ensure that the process of research comes into ‘contact’ with management practice. For example, this might take the form of the so-called ‘mode 2 management research’ (e.g. Gibbons et al. 1994). However, in contrast to the usual interpretation, mode 2 would have to be understood as a parallel processing of separate discourses: the scientific discourse and the practical discourse take place at the same time, with the ‘same’ communications meaning different things in the different discourses.

The proposed perspective has analogous implications for consulting practice. This, first of all, means that consulting has to acknowledge its self-referentiality. However, compared to science, consulting fundamentally depends on its ability to cause resonance in the discourses of practice (Luhmann 2005a). While the consulting discourse has so far operated mostly on the basis of the assumption that it could transfer its concepts into management practice, an awareness for the incommensurability of the discourses would result in a reorientation in consulting work (cf. Königswieser and Hillebrand 2005). Consultants would develop and value strategy concepts according to the potential of the labels to stimulate creative processes in their client organizations. In addition to that, the emphasis of a consulting project would be placed much more on the processes in the client organization than in the consulting firm, since it is the client who ultimately invents the new strategy concept.

For management practice, the new perspective has just as important implications: the management has to acknowledge its own, creative role in the invention of new strategy concepts. Thus, rather than ensure the accurate application of a strategy concept (which is not possible), the management would have to promote creativity in the ‘application’ (invention) of the concept. This, however, also means that the management (and the organization at large) has to take the responsibility for any new strategy concepts and their consequences, since they are ultimately its own inventions. The consequences of new strategy concepts cannot be blamed on the consultants or other external actors who provided the labels.

However, in what way consulting and management discourses will actually deal with the academic argument put forward in this article depends entirely on the logic of the discourses themselves. On the basis of our own argument, we are aware that consulting and management practices cannot but misunderstand it – even our thoughts on its implications. Let us at least hope that the misunderstanding will be productive!

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