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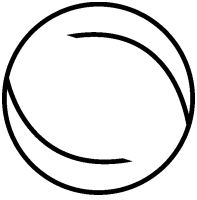
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Strategy as Discourse in a Global Retailer: A Supplement to Rationalist and Interpretive Accounts

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Abstract

The paper contributes to a developing interest in discourse in management and organization studies. Strategizing activity is studied as an example of organizing conceived as a discursive practice. Material drawn from an intensive case study of ‘StitchCo’, a global retailing and manufacturing company, is deployed to analyse how strategy activity was articulated, mobilized and enacted; and, in particular, to explore how accounting practices became discursively imbued with strategic significance in ways that contributed to what the strategy discourse contrived to invoke and prescribe. Grounded in a Foucauldian power/knowledge framework, this approach is seen to offer an innovative and challenging supplement to established analyses of (strategic) management.

Keywords: corporate strategy, strategizing, discourse, power/knowledge, restructuring, resistance

How are we to represent, and account for, organizing activity denoted as strategic management — that is, the doing of strategy as a process of organizing? One seasoned response, which is also broadly consistent with our representation of strategizing at StitchCo¹ (a pseudonym for a global retailer), characterizes strategic management as ‘a process that deals with the entrepreneurial work of the organization, with organizational renewal and growth, and more particularly, with developing and utilizing the strategy which is to guide the organization’s operations’ (Schendel and Hofer 1979: 11). With an important proviso, ‘strategizing’ is, for us, about the doing — ‘developing and utilizing’ — of strategy, which, in Schendel and Hofer’s terms, encompasses ‘entrepreneurial work’ (cf. Lawrence and Suddaby 2006) concerned with survival as well as with ‘renewal and growth’. The proviso is that what counts as strategizing is not restricted to practices most closely associated with those usually deemed responsible for its formation and architecture (i.e. top managers or ‘strategists’).

What counts as ‘strategy’ and what ‘strategic management’ means depends upon the intersubjective sense or ‘translation’ of these terms (Seidl 2007). Differences of sense articulate more or less acknowledged divergences of ontological and epistemological commitment regarding the status of social objects (e.g. strategy) and the possibilities of knowledge(s) of them [see, for example, Mir and Watson (2000, 2001) as well as the exchange between Powell (2002, 2003) and Arend (2003) about ‘strategy without ontology’]. In general, what

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we will term 'mainstream' literatures on strategy are underpinned by an assumption that such philosophical or metatheoretical issues are effectively settled or can be safely ignored for all practical purposes. It is assumed that strategy exists 'out there', either in the variables that comprise or govern it (Porter 1980; Barney 1991), or in the meanings of organizational members and others (e.g. consultants) who formulate and implement it (Pettigrew 1987; Mintzberg et al. 1995). Debate is confined to the question of which approach and methodology best captures key — 'objective' and 'subjective' — features of strategic management. Excluded from analysis is consideration of the constitutive effects of the use of strategy as a discourse even though, arguably, it is through discourse(s) that the plurality of conceptions and accounts of 'strategy' and 'strategic management' are articulated. It is not (just) that 'authors of traditional strategy frameworks virtually ignore the role of language in strategic decision making' (Barry and Elmes 1997: 432; see also Vaara et al. 2005) but (also) that the conceptions of strategy developed by mainstream frameworks exclude recognition and exploration of how discourse 'works to *create* some sense of stability, order and predictability and thereby *produce* a sustainable, functioning and liveable world' (Chia 2000: 514) [emphasis added]. Discourse is here understood to give *social* existence to the objects (e.g. 'opportunities', 'markets', 'competencies') that researchers are urged to study; that students are expected to know about; and which managers are urged to act upon. Understood in this way, the neglect of strategy as a discourse is a glaring omission from the study of strategy.

By advancing an approach guided by Foucauldian analysis (see Knights and Morgan 1991; Knights 1992), the paper explicates the theoretical basis for generating an alternative corpus of knowledge of the world of management and organization in which recognition of its discursive constitution is placed at the centre of analysis. It advances and illustrates an alternative to (empirical) realist analyses of strategy in which the objects of analysis — variables and meanings — are assumed to be self-evident and accessible by applying an appropriate method.² Foucauldian analysis, in contrast, conceives of knowledge in relation to power, where relations of power depend upon, and operate to maintain and transform, particular 'discourses of truth' (Foucault 1986: 229). The field of organization studies, and of strategy more specifically, is understood to comprise diverse 'discourses of truth', including those we characterize as 'rationalism' and 'interpretivism'. The discourse of truth to which our analysis contributes conceives of knowledge (whether articulated by practitioners or academics) as performative, rather than as providing a more or less adequate or 'realist(ic)' representation of reality. Crucially, this discourse of truth does not aspire to replace other (e.g. 'realist') forms of analysis but, rather, to enrich our knowledge (e.g. of strategy) by offering an alternative to them. Our focus is upon 'strategizing' but the approach has broad relevance across the field of management studies. The first half of the paper sets out the distinctiveness of Foucauldian analysis and compares it to alternative productions of knowledge of strategy. The second half illustrates this approach through a study of StitchCo.

Elements of a Foucauldian Approach

Mainstream analyses of strategy and strategic management are dominated by a commitment to empirical realism where ‘environments’, for example, are viewed as ‘independent, external and tangible entities’ (Smircich and Stubbart 1985: 724). Its objects of investigation such as ‘competitive advantage’ are assumed to ‘reside somewhere in time and space, findable in the same way that we find a misplaced fountain pen’ (Powell 2001: 885) — regardless of whether ‘competitive advantage’ is associated with the effective control of some key variable(s) or with the views or meanings attributed to entrepreneurs and/or executives. A discourse-attentive alternative is to study ‘competitive advantage’ as part of an evolving ‘language game through which strategy researchers and managers presently solve their problems’ (Powell 2001: 886); or, to take a Foucauldian step, as a game in which such ‘problems’ are constituted as ‘problems’ through the discursive practices of strategizing (Knights and Morgan 1991). For Foucault, discourse consists of ‘*practices that systematically form the objects of which they speak*’ (Foucault 1972: 47) [emphasis added]. From this standpoint, responses to the question of how to represent, or account for, ‘strategies’ and ‘strategic management’ are understood to depend, as with all organizing practices, upon the discourse that informs, guides and rationalizes their definition, scope and significance. We now summarize the main elements of the Foucauldian approach before providing a more detailed comparison with mainstream analysis and with previous work that has proposed a Foucauldian approach to strategy.

Power/Knowledge and Resistance

Foucault understands discourses (e.g. of strategy) to be indexically tied to the phenomena that they aspire to construct. Emphasizing the performative power invested in language in producing ‘objects’ and ‘strategies’, and the intimacy of the relationship between knowledge and power, Foucault contends that:

‘there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations ... it is not the activity of the subject of knowledge that produces a corpus of knowledge, useful or resistant to power, but power/knowledge, the processes and struggles that traverse it and of which it is made up, that determines the forms and possible domains of knowledge.’ Foucault (1997: 27–28)

Discourses are inscribed in power-knowledge relations where power is understood to operate through a plurality of relationships to form and institutionalize knowledge claims — claims, for example, about ‘organization’, ‘strategy’, ‘knowledge’ and ‘power’. Power is neither exclusively repressive nor zero-sum; it is also productive:

‘... power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and the knowledge that may be gained of him belong to this production.’ (Foucault 1984: 204–205)

For Foucault, the operation of power is not monopolized by elites since it is the very medium of social organization. Analysis of power is not restricted to its episodic deployment by actors who impose an obligation, or a prohibition, upon others. Rather, power is primarily a medium of social relations that operates 'systematically' through forms of knowledge which simultaneously may empower and impede those who are disciplined by them. For example, in its formation of discourses of 'self-knowledge' — such as a manager's sense of herself as a 'strategist' — power exercises a disciplining effect. It is not possible to cleanse knowledge of power, for example by endeavouring to remove bias from methodology with the ambition of creating a mirror image of our objects of study. Power operates upon populations in ways that ostensibly 'powerful' human beings can never successfully 'stand above' or immunize themselves against; and the effect of power is never totalizing since it operates upon recalcitrant material (humans) as, for example, when the 'objects' of disciplinary technologies respond by 'gaming the system'. Accordingly, Foucault's (1990: 100–101) conception of discourse incorporates an appreciation of its ambivalent formation and use: discourse 'can be both an instrument and an effect of power, but also a hindrance, a stumbling-block, a point of resistance and a starting point for an opposing strategy'. Exercises of power are endemically vulnerable to both overt and covert resistance that questions, and may ultimately displace, its 'truth' (Ezzamel 1994). Efforts to mobilize discourses of 'conscience or self-knowledge' to discipline subjectivity are doomed to degrees of failure as they arbitrarily partition the world in ways that produce the conditions of possibility of their breach.

Discourse in Foucauldian Analysis

It follows that a Foucauldian approach departs radically from forms of discourse analysis that aspire to unlock the meaning of texts through detailed analysis of their contents. Foucault (1972: 47) urges that we dispense with "things" as objects of study and, instead consider how such objects are formed and stabilized — or 'fixed' — within discourses. Reacting to such claims, 'realist' critics have sometimes been inclined to equate all forms of discourse analysis with a 'postmodern' move in social science which is dismissed as irrational, subjectivist and ultimately solipsistic — on the grounds that emphasizing the importance of language necessarily denies or overlooks the rootedness of language in the materiality of the world (Reed 2002) and/or commits the 'epistemic fallacy' of conflating the properties of phenomena with our conceptions of them. In our view, this criticism is inapplicable to Foucault's work as he makes no claim that the reality of social objectivities such as 'strategy' or 'organization' is equivalent, or reducible, to the 'regimes of truth' that have been established to represent them. Rather, reality is understood to be do-able-and-knowable only through the development of diverse, partial and ultimately *politically conditioned* discourses. Foucauldian analysis does not claim that the practices comprising the *social world* are reducible to discourse. Rather, *knowledge* of 'strategy' or 'experts' is understood to be constituted through discursive practices. It is in these

practices that the seeming self-evidence of objects, such as 'strategy', is routinely affirmed (e.g. in textbooks and corporate presentations). A potent effect of this affirmation is a tendency for senior executives and strategists as well as strategy researchers to become entranced by the alluring authority of such 'positive knowledge'.³

Discursive practices are understood to function both socially and within the self (Ezzamel and Hoskin 2002). They 'delimit fields of objects', define a 'legitimate perspective' for agents of knowledge, and establish norms for 'the elaboration of concepts and theories' (Foucault 1997: 199), such as what counts as a credible theory, or contribution to the field, of strategy. This (necessary) delimitation is simultaneously an exercise of power and a provocation to resistance.⁴ Power is conceived by Foucault to operate in a systemic and capillary manner, for example by attributing sovereignty to human agency as a 'natural entity' to which interests are ascribed. This discursive practice is productive of a sense of self, as well as associated beliefs about the location of power, either as a possession of subjects (agency) or as an enabling/disabling condition of agency (structure). Such forms of knowledge, when connected to the operation of power relations, are provocative of challenges to their seemingly self-evident authority — as exemplified by radical feminist analysis where the politics of this dualism has been most persistently explicated, notably in the Foucauldian-inspired work of Judith Butler (1990). Discursive identification of such forces and imperatives may also stimulate reflection upon, and re-cognition of, what is excluded by such hegemonic forms of discourse. Excluded is an awareness that precedes, and unpredictably intrudes upon, the politico-cultural construction of subject-object separation; such a construction is exemplified in objectivist enquiry by the supposition that (inter)subjectivity can be removed from the representation of the object (Rorty 1979).

In sum, for Foucault, discourse is not a more or less imperfect means of representing objects but, rather, is performative in, for example, producing the widely taken-for-granted truth that 'organization' is separate from 'environment' which informs strategic management thinking. By highlighting the interdependence of knowledge and power, Foucault cautions against complacency about forms of knowledge that appear to be neutral and authoritative (i.e. cleansed of power) but which are necessarily implicated in the formation and reproduction of power as a social relation.

Schools of Analysis and the Study of Strategy

Now, we elaborate briefly the differences between Foucauldian analysis and two mainstream schools of management studies that we label 'rationalist' and 'interpretivist', but focusing upon the field of strategy. Our intention is not to offer an exhaustive review of perspectives developed by students of strategy⁵ but, rather, to explicate the distinctiveness of Foucauldian analysis in relation to mainstream literature.

Rationalist Analysis

In rationalist analysis, we include economic and behaviourist approaches that construct their object of study as something that is examinable independently of the social process and practices through which studies of 'strategy' and its 'management', for example, are accomplished by their practitioners. In rationalist analysis, strategy is conceived as something that is an outcome of impersonal forces, available resources and/or the calculations of rational decision-makers. We include within this broad approach the design, planning, positioning, environmental and configuration schools identified by Mintzberg et al. (1998).

This understanding of rationalist analysis is affirmed by Smircich and Stubbart who argue that 'nearly all strategic management research and writing incorporates the assumption that "organization" and "environment" are real, material, and separate' (Smircich and Stubbart 1985: 725); and that its objective is to develop a rational model of the key variables, including the values and schema of decision-makers (e.g. Child 1972), so as to achieve the best fit between the organization and its environment by 'meet(ing) the *real* demands and *real* constraints that are presupposed to exist 'out there' (Smircich and Stubbart 1985: 726). We do not, however, share Smircich and Stubbart's rather negative assessment of this research tradition. Instead of challenging the *adequacy* of the assumptions upon which it is founded, our emphasis is upon their *particularity*. In our view, these assumptions provide a necessary basis for developing the kind of (empirical-analytic, prescriptive) knowledge that its proponents strive to produce (see Willmott 2003). The focus of our attention, then, is not upon the issue of the correctness, or otherwise, of its ontology or epistemology but rather upon its (performative) effects: the politico-ethical conditions and implications (i.e. what are the likely consequences of believing these to be truths?). We have no objection *in principle* to analyses where, for example, strategy is conceived to involve rational calculations in which organizational capabilities and structural forms are aligned to environmental conditions in order to achieve competitive advantage. We do not aspire to *replace* rationalist analysis with some alternative, such as interpretivism, but, rather, to develop an explication of its particularity and limits. What, from our perspective, is most problematic about rationalist analysis is not its methodology per se but, rather, its hegemonic tendency to dismiss other (e.g. interpretivist and Foucauldian) regimes of truth and related forms of analysis. At best, the value of other approaches is restricted to their provision of possible insights that may be selectively translated and incorporated into the rationalist project.

Interpretivist Analysis

Interpretivist analysis peers into what, in rationalist analysis, is the black box of strategizing as it examines its day-to-day process of (re)production. Interpretivist analysis studies how, for example, decision-makers' cognitive frameworks yield their sense of the context; and how these frameworks inform their actions in ways that, for example, act to impede and/or legitimize ostensibly 'rational' calculations about strategy. Notably, Mintzberg et al. (1995: xi) commend interpretivism's 'sophisticated understanding of exactly what the

context is and how it functions', a statement which demonstrates a subscription to a realism that is shared with rationalist analysis. There is no appreciation of how interpretivist analysis is inescapably constitutive of what it claims to capture or reflect. The objects of analysis change — from variables to meanings — and so may the methods of enquiry (e.g. use of ethnography), but the realist ontology is retained. Thus, Pettigrew (1992: 9) conceives of 'the outer context' of strategic activity as something that can be captured by applying an appropriate methodology. Most interpretivist researchers assume that they are in possession of a methodology capable of *mirroring* 'the processes and mechanisms through which strategic changes are legitimated and delegitimated' (Pettigrew 1992: 9); and, in this regard, interpretivism aspires to attain credibility by appealing to the tenets of a positivist tradition.

The strategy-as-practice (SAP) approach shares with other forms of interpretivism an appreciation of the situated nature of strategizing activities.⁶ Additionally, it takes a closer interest in 'tools and artefacts', such as accounting measures, 'that people use in doing strategy work' (Jarzabkowski 2005: 8) and also to the 'language that strategists use' (p. 9). However, in the SAP literature, the significance of the turn to language in social theory is pushed to the margins, even though the work of those *claimed* as 'seminal theorists' (Whittington 2006: 614) of the practice turn (notably, Foucault) are leading contributors. As Chia and Holt (2006: 638 et seq.) incisively comment, SAP researchers have not conceptualized 'practice the way it is understood in the social theory literature' as they do not adequately appreciate or embrace the latter's relational ontology. SAP analysis incorporates little consideration of how, for example, engaging in practices is constitutive of practitioners as subjects (Whittington 2006: 620). Foucauldian analysis, in contrast, addresses how, as a discourse, elements of strategy are mobilized to construct practices and actors as strategic (Knights and Morgan 1991). Foucauldian analysis does not aspire to capture and catalogue 'the detailed aspects of strategizing; how strategists think, talk, reflect, act, interact, emote, embellish, politicize' (Jarzabkowski 2005: 3). Rather, it is concerned with appreciating how strategy, as a discursive practice, operates to construct the (instrumentalized) world of work organization that realist forms of analysis, governed by an objectivist epistemology, aspire to capture.

Previous Foucauldian Studies of Strategy

Our approach has strong affinities with previous Foucault-inspired research which, in the study of strategy, includes a number of substantial contributions (e.g. Rose and Miller 1992; Miller and O'Leary 1993, 1994; Knights 1992; Knights and Morgan 1991, 1995) but we extend this body of work in a number of ways. Rose and Miller (1992) emphasize the importance of language and discourse, connecting rationalities ('the changing discursive fields within which the exercise of power is conceptualized': p. 175), and technologies ('mundane programmes, calculations, techniques, apparatuses, documents, and procedures', p. 175) through which ambitions are embodied and given effect. The depth and breadth of the material drawn from our case study enables us to

explore interconnections between managerial strategic discourse, as a form of rationality, and accounting as a calculative technology mobilized by management to embody and give effect to strategic discourse. Miller and O'Leary (1993, 1994) also emphasize the value of taking a genealogical approach to the study of strategic discourse. A limitation of their study, to which we attend here, is that it privileges managerial discourses without giving voice to other organizational participants, notably the shop floor.

A Foucauldian 'genealogical approach', as Knights and Morgan (1995: 197–198) note, is distinguished by the idea that any attempt to identify the conditions that account for the existence of new discourses and practices is itself provisional and can never be exhaustive. However, when they identify in their own study of the financial services industry the key features of what they term 'the industry context' and the specific 'organizational settings' in which strategy discourse was taken up and developed, there is some avoidable slippage into rationalist and interpretivist forms of analysis. Notably, 'the regulatory conditions of financial services' are said to have 'placed a strategic imperative on the demand for flexible and highly responsive information systems' (Knights and Morgan 1995: 206). In such passages, the identification of 'conditions' and associated 'imperatives' is not connected to mobilizing a particular strategic discourse. This tendency, we acknowledge, is a problem(atic) endemic to post-realist analysis which repeatedly encounters, and endeavours to grapple with, the paradox of representation: in order to study a social object, such as 'strategy', as a discursive practice, it is necessary to proceed as if our knowledge of this object exists independently of the discourses that enable us to identify and explore it. In our account of the development of strategy at StitchCo, we note the impossibility of providing an authoritative narrative while simultaneously claiming the value of presenting a possible historical context, albeit an inescapably partial and contestable one, to our study.

Research Design and Data Analysis

Our empirical material draws on an in-depth case study of StitchCo that was longitudinal, extensive and exploratory in design. Our focus was upon broad changes in the organization and direction of StitchCo. Here we attend to a strategic initiative called 'Simplify, Focus, Act' (SFA) and, more specifically, its relation to changes in aspects of the make-up and influence of the use of management accounting knowledge as an outcome, but also as a facilitator, of SFA. Semi-structured, open-ended interviews with staff were conducted over a period of three years (1992–95), with further interviews undertaken subsequently to gain additional material on what emerged, through an analysis of the earlier transcripts, as key events and issues. It was anticipated that a study of this type would enable us to develop an understanding of StitchCo strategy that was not limited to a snapshot based exclusively upon the recollections of the company's most senior managers. The nature of the data generated turned out to be highly suitable for a study of the emergence and disciplinary effects of strategic discourse, and specifically how a detailed calculative accounting technology was mobilized to embody and give effect to practices promoted and rationalized by it.

The empirical material was collected from three main sources: secondary data drawn from StitchCo's annual reports for ten years (1987–96); internal documents, press articles and published case studies of StitchCo; and semi-structured interviews. The diversity of sources comprised a variety of discourses on strategy and accounting technologies drawn from informants' accounts provided in the interviews, formal pronouncements intended for both internal and external purposes, and the work of people (e.g. regulators, creditors) external to StitchCo. The interviews, 37 in total, were conducted during visits to the company's major administrative and production sites and a number of its retailing outlets. Each interview lasted between an hour and an hour and a half and was tape-recorded and transcribed. Interviewees included most senior managers, many middle managers, supervisors, team leaders and shop-floor operators, and they were drawn from the functions of finance and accounting, marketing, strategy, manufacturing, buying, retailing, merchandising, HRM, information systems, time and motion, and sales.

During the research period, a strong background interest in the relevance of Foucault's thinking for extending studies of organization (e.g. McKinlay and Starkey 1998) led us to explore issues consonant with a number of interconnected themes in his work, among which were the following: discourse as a manifestation of power/knowledge relations; discourse as constitutive of strategy, strategists and strategizing; discourse as indexical; and resistance to discourse. The indexicality theme is most prominent in our account of a history of strategizing at StitchCo and in our concluding reflections. The themes of power/knowledge in relation to discourse as constitutive of strategy and the organization of resistance within power/knowledge relations are explored in our analysis of the SFA.

Our interviews were broadly oriented by these themes as we explored questions relating to aspects of strategic management and accounting. Substantively, our interview questions focused upon: the informant's understanding of StitchCo's history and standing in the industry; the discourses on current strategy and their operation on his/her level; how current strategizing discourses compared with those under the previous strategy; the impact of strategic discourse on the informant's job, work practices and reward structure; the informant's understanding of key management and accounting discourses related to strategy; and how strategizing was understood to have developed and changed — for example, in relation to the conceptualization of accounting, measures of key success factors, product costing, and pricing. Informed by a guiding interest in the constitutive role of discourse, our interviews probed the disciplinary and power effects of strategic and accounting discourses and yielded material relating to the production and dissemination of strategic discourse as articulated, for example, in the use of new accounting technologies and the introduction of teamworking.

At the end of each interviewing day, the authors compared their understandings of the interviews and reviewed emerging topics and areas for further exploration. Subsequently, the transcript of each interview was read independently with a view to identifying material that related to key themes. The authors then discussed the significance of the content in relation to these

themes and the research questions. Our emergent understandings of the data were revisited, elaborated and revised through successive drafts of this paper in a way that has enabled us to connect the ‘telling’ of theory with the ‘showing’ of data (Golden-Biddle and Locke 1997).⁷

Our account of strategizing at StitchCo has emerged from a process of struggling to interrogate (but not ‘test’) our theoretical themes in relation to the empirical data. This approach is informed by the understanding that there is no sharp or coherent distinction to be drawn between ‘theoretical’ and ‘empirical’ scholarship. ‘Theory’ is inescapably embedded in the empirical contingencies of history and culture as these are articulated in the particularity and limits of available discourses. And ‘empirics’ are motivated, articulated and interpreted through the media of particular theories that give data meaning and value. Accordingly, we do not regard our account of strategizing at StitchCo as ‘simply’ grounded in, or emergent from, the data as if it is only the interpretation, and not the generation, of data that is theory-laden. In this respect, we broadly concur with Suddaby, who conceives of ‘empirical “reality” as the ongoing interpretation of meaning’ (Suddaby 2006: 633), and who identifies a purpose of research as ‘elicit(ing) fresh understandings about patterned relationships between social actors and how these relationships and interactions actively construct reality’ (p. 636). Through the illustrative example of strategizing as an organizing practice, our application of Foucauldian thinking is intended to demonstrate the distinctiveness and potential of its contribution to the social scientific study of management and organization. Consistent with Foucault’s conception of the relationship of power and knowledge, it is anticipated that the appeal, persuasiveness and likely citation count of such analysis will depend, above all, upon the capillary operation of power in assessing the relevance and acceptability of its theoretical assumptions. So, for example, if analysis is assessed to produce some empirical insights that are intelligible to adherents of established schools, then these insights may be selectively appropriated. Alternatively, where the distinctiveness of the approach itself is recognized and valued, it can provide the basis for an alternative conception and associated body of knowledge.

A methodological challenge posed by Foucault is one of how to excavate the power/knowledge relations that are productive of *particular* ways of accounting for complex processes such that the connectedness of knowledge and power is more fully acknowledged. Foucauldian discourse analysis fosters an awareness of how the identification and privileging of particular contextual conditions is necessarily the product of a contingent, discursively produced way of depicting organizational practices — such as the strategizing pursued in the name of SFA or the construction of narratives pursued in the name of diverse traditions of analysis. In this sense, Foucauldian analysis is explicitly political in its intent, in contrast to forms of rationalist and interpretivist analysis within which we include most kinds of ‘discourse analysis’, where power/knowledge relations are unthematized and there is an aspiration to remove power (e.g. ‘bias’) from knowledge rather than to appreciate their interpenetration. Discursive practices — of employees or academics — are understood to be *indexical* in the sense that these practices are rendered meaningful by connecting their claims to the

power invested in the discursively constituted contexts of their articulation. So, for example, the status, purpose and effects of SFA are rendered intelligible by invoking a sense of context that informs their interpretation.

StitchCo: A Possible History

In offering the following narrative of StitchCo's development, we stress that it is a *possible* history. Our focus is primarily upon processes of strategizing, more than upon accounts of the context that informed and served to justify or challenge efforts to accomplish strategic change demanded by SFA. However, we recognize that some account of the industry context (see Box) as well as StitchCo is often appreciated by readers, especially those who associate narratives of strategy with a language game in which measures of growth, profitability, unique selling points, diversification, structural configurations, core competencies and the like are prominent. In our view, there is no incompatibility in principle between Foucauldian discourse analysis and the provision of such a history so long as its *particularity*, as an articulation of specific power/knowledge relations, is adequately registered.

An Account of StitchCo's Changing Industry Context

During the last two decades (1980–2000) consumers have become increasingly sophisticated, demanding more frequent innovation, greater exclusivity, more choice and better service. They have also become more discriminating on the total value-for-money package. At the same time, the growing trend towards more informal and active lifestyles has created demand for new fabrics and garments, while demand for more traditional formalwear has declined. These changes have not only increased the diversity of products on the market, but future needs have become more uncertain and subject to more frequent change. A high level of market segmentation has also occurred as niches and microsegments based on age, ethnicity, income, lifestyle and location have developed. Superimposed on these trends has been the emergence of international market segments. They have developed as a result of a convergence of lifestyles towards an industrialized, urban, consumer lifestyle model. Underpinning this movement has been continued trade liberalization and improved international communications. The ability to identify and exploit the above trends have been behind the international success of companies such as Benetton, Ralph Lauren, Laura Ashley, Nike, Gap and Tommy Hilfinger.

Source: Kilduff 2000: 5.

Accounts of StitchCo's history present it as having been established in the early 1950s as a 'kitchen table', family business with a distinctive product range characterized as combining classical features with contemporary appeal. By 1985, it was reported that 171 stores existed, along with a number of production facilities and a turnover of £96m with after-tax profits of £14m. Despite its reported rapid growth and financial strength, the company was judged to have lacked basic financial management, let alone an articulation of its strategy: 'Nobody knew whether we had money in the bank, what was round the corner, nobody had a bloody clue. If money was there we spent it, if it wasn't we used to hide in corners' (retailing manager). In this respect, 'management' at StitchCo

exemplified what Chia and Holt (2006: 637) characterize as a 'dwelling mode' of strategizing where actions 'emanate from an internalized *modus operandi*' and which 'unfold through everyday coping actions'. During this period, senior managers' discourse presented StitchCo as a prosperous company that had become a household name, a success that was attributed to them 'having the Midas touch' (buying manager).

Interest in StitchCo from major financial institutions provided a stimulus for the formulation of a growth strategy based upon the development of its product range through the acquisition of other brands to be financed by public flotation. In Chia and Holt's (2006) theoretical framing, this involved a decisive move from an immanent, dwelling mode of strategizing to a 'building mode' where strategy is conceived as a 'transcendent property that a priori unifies independently conceived actions and decisions' (Chia and Holt 2006: 637). Central to the growth strategy was a discourse that characterized the retail market as expanding, with customers constructed as people who simply could not get enough of StitchCo's distinctive, lifestyle products. Senior managers claimed that opening more stores would produce a corresponding increase in revenues, a claim supported in 1988 by the reported rise in turnover to £200m and an increase in profit to £23m, with the number of stores doubling to 360. A year later, the Annual Report stated that the number of stores had increased to 439, with a rise in turnover to £250 million but with a fall in reported profit to £20m. Instead of confirming (the self-deprecating conceit of) the 'Midas touch', the 1989 Annual Report cast doubt upon the company's invincibility. Various explanations were offered but the object of blame was deduced from a strategy-structure framework in which (the legacy of) StitchCo's centralized structure was held responsible for a failure to exploit market opportunities.

The strategic business unit (SBU) structure had become a fashionable idea during the 1970s and 1980s for stimulating and disciplining business development (Hall 1978). It was identified in the literature as the way of combining

'the micro flexibility of smaller, specialised firms in serving dynamic and fragmented markets with the financial strength and macroflexibility of large diversified groups able to invest in the latest technologies, exploit international market opportunities and transfer resources into or out of specific business sectors'. (Kilduff 2000: 8)

At StitchCo, senior management anticipated that the creation of five SBUs would enable managers to exercise greater entrepreneurship along the lines sketched in the Box. More specifically, the SBU structure was expected to 'increase the level of financial awareness throughout the business and allow increased control over working capital and investment decisions' (Annual Report, 1989). In Foucauldian terms, StitchCo was re-envisioned through discursive practices that reconstituted its objects and subjects. It was no longer 'a family firm' run as well as owned by its founders but a 'global business' with as-yet-untapped [capacity for creating] value, in the form of its brand-building expertise. The discursive practices of diversification were articulated by, and constitutive of, new subjects (e.g. multiple brand managers) who were hired to find and deliver the untapped value of the brand-building capability attributed to StitchCo by establishing SBUs.

Central to the discourses articulating these developments was the constitution of StitchCo as a capitalist enterprise in which strategic management is properly and purposefully seeking out and exploiting profitable, growth-maximizing opportunities (as contrasted, say, with the comparatively blind, if financially successful, pursuit of personal passions that, organizationally, relied upon a paternalistic reproduction of custom and practice). In 1990, the company posted its first loss of £4m and an increase in trade creditors to over £80m compared to £8m in 1989. These unexpectedly poor results stimulated a re-examination of the company's strategy. A shortage of 'core competencies' was invoked to account for the dissonance between expectation and performance: 'What we tried to do was to manage brands that we didn't know anything about' (group treasurer). Any suggestion that StitchCo possessed a 'Midas touch' was discarded, as was the belief that its earlier success as a single-brand company could be replicated by other business units. Enacting the SBU formula brought the company to the brink of collapse, resulting in a change of ownership and replacement of many senior managers. Post hoc, the SBU structure was credited with producing fragmentation rather than innovation, and eclecticism rather than entrepreneurialism and, it was suggested, 'led to three years of absolute turbulence. The damage it has done is still here today [1994]. There are still walls to pull down and bits to patch up' (manager, manufacturing). More specifically, the difficulties encountered in pursuing the SBU strategy were attributed to inadequate systems of accounting that failed to provide a connected overview of activities across the Group.

At a 'general level of discipline', the power-infused development of new knowledge and techniques, including those that commended and supported the formation and operation the SBU, had the effect of (re)forming the organization into 'discursive locales of competing calculations' (Clegg 1998: 38). Each disciplinary practice, such as those that fragmented the accounting systems across the businesses (the SBU accounting systems were criticized for lacking integration and coordination across the Group) provided a way of 'calculate(ing) organizational rationality from *distinct* auspices of power and knowledge' (Clegg 1998: 39) [emphasis added]. We were told that SBU managers developed, and acted upon, distinctive complexes of power/knowledge relations and associated calculations derived from the accounting system unique to their own SBU. The effect was to render them indifferent to the consequences of their actions upon other parts of StitchCo. One consequence was that some SBUs lost business due to shortages in their stores while others had plenty of the same product. In the absence of reliable accounting numbers, managing was, our informants claimed, by anecdote and prejudice where the numbers would be taken seriously only when they confirmed widespread beliefs: 'Somebody sows a seed of something. It's not backed up with any figures or statistics or any reality but if enough people jump on the bandwagon, it becomes a reality' (manager, distribution).

This manager notes how 'a seed', in the form of a thought or a 'vision', can be highly influential if it attracts support; as people 'jump on the bandwagon', the idea (e.g. of SBUs) becomes reality. The manager's comment also points to the disciplinary power of 'figures and statistics' whose absence was readily

construed by critics of the SBU structure as resulting in management by prejudice. The perceived risk of collapse prompted StitchCo's bankers to make further loans conditional upon replacing the growth strategy with a retrenchment strategy deemed necessary to save their investment from financial meltdown. There followed an interregnum when 'the focus of the strategy had really been one of survival. No more, no less. It was purely aimed at keeping the company afloat' (group accountant). Borrowing was reduced substantially, in part through a closure programme that involved major job losses as managers relentlessly cut costs in an effort to stem the haemorrhage of cash at a time of high interest rates. Then, after an extensive search process, a new CEO was appointed who introduced the SFA (Simplify, Focus, Act) strategy that prioritized the recruitment of knowledge experts who were entrusted to replace anecdotes with 'facts'. These new recruits identified the existing organization, systems and logistics as chaotic and lacking in process management. Emergent SFA discourse problematized the previous growth strategy as one of complexity that exceeded the skills of StitchCo's managers; loss of focus; and inability to act decisively.

The above account, we emphasize, does not claim to trace out the trajectories of a definitive history and context of StitchCo. Rather, in presenting this account, we have sought to disrupt any inclination to speak of *the* history or *the* context of the company as if they can be identified independently of whatever discourse is employed to construct them. Our account is 'indexical' in the sense that it is the product of contextual knowledge — developed, for example, through visits made to StitchCo at particular times when we interviewed particular people about a limited set of issues and through our subsequent reflections on our visits, examination of our transcripts and other data sources, attention to comments received on earlier versions, and presentations, of our account, and so on. We understand this power/knowledge to be deployed in generating an account of StitchCo's context which, once articulated, contributes to our knowledge of that context. Our account is then interpreted by readers whose knowledge forms part of a contextually embedded regime of truth; and this knowledge-of-context is engaged to make sense of our account of StitchCo, including our engagement of Foucauldian analysis to guide both the generation and interpretation of our findings.

Analysing The SFA

Our access to StitchCo coincided with a phase in its development when, following the discrediting of a growth strategy (see above), a new strategy, devised primarily by the new CEO, was being introduced. At this time, many of the staff associated with the previous, discredited strategy left, or were 'let go' and were replaced by new recruits who were expected to embrace and flesh out the SFA strategy.

SFA was presented as a remedy for the problems attributed to the failed SBU/growth strategy: complexity, lack of focus, and inability to act decisively. It emphasized continuity with the early history of the company in its 'return to basics' that involved a re-focusing upon, and re-affirmation of, StitchCo's

'unique global lifestyle brand'. SFA discourse also incorporated a (renewed) celebration of in-house manufacturing as an integral, though slimmed down and organized around teamwork rather than linework, element of StitchCo. Across StitchCo, it was anticipated by the architects of the SFA that by simplifying, costs would be slashed; by focusing, valuable expertise in the single brand would be exploited; and by acting decisively, an effective response to customer demands would be promoted rather than endlessly debated.

Knowledge and the Constitutive Power of Discourse

SFA articulated a distinctive regime of truth in which 'facts' and expert knowledge were pivotal. Managers portrayed themselves as experts commanding respect because they '*knew*' what was good for StitchCo. The vision of the SFA was communicated as being born out of objective knowledge:

'It's not a question of going out there and trying to find customers. We know who the customers are, we know what they like, we know what they want, and, you know, above all else, if you're going to cater for a relatively up-market niche customer, one of the things we have to have is absolutely brilliant service.' (group accountant)

To substantiate this knowledge claim, the SFA construed the old style as having relied on 'anecdotes', and celebrated the new approach that was ostensibly based on 'facts'. For example, the group accountant told us how in researching the Romany (pseudonym) project:

'a lot of Simplify was associated with working on facts. Where it was anecdote we'd try to get to facts and where it was a question of customer opinion we'd try and research it and therefore get the facts as opposed to the anecdotes or we'd trial it, we would actually put the products in and give the customer the chance to buy it.'

Claims to knowledge that were not deemed to be 'factual' were considered liable to challenge or dismissal. 'Facts' were understood to apply generally rather than being linked specifically to the incidental that is not susceptible to generalization. In contrast, the meaning and roll-out of SFA was not precisely specified, articulated or systematically implemented. Nor did managers intend it to have a specific or fixed meaning (see later). Our informants' accounts of the operation of SFA strategy resonated with the buying and manufacturing director's assessment that it provided a broad recipe for corporate renewal. It allowed senior managers, and the CEO in particular, to justify a wide range of actions by reference to its elements: 'Everyone can buy simplify, focus and act ... it was essentially vision stuff' (director).⁸ In this light, the discursive practices that comprised the SFA strategy may be seen to have provided a new language (and discipline) of accountability and career progression within StitchCo. Of central importance, the process of negotiating a return to a focus upon the core business was mediated by the significance attributed to aspects of the SFA by those engaged in different aspects of the business (Seidl 2007). Among these, the metrics of accounting played a central role in shaping the new practices of strategizing.

The logic of the SFA was exemplified in renaming the accounting function 'the commercial function' with its staff retitled as commercial managers. We interpret this redesignation as operating to refocus and also relegitimize the role

of accountants, as subjects, in the name of the new strategy, thereby facilitating an extension of the function's relevance and influence across StitchCo. Accounting was construed as knowledge through which 'objects', such as 'visibility' and 'added value', could be operationalized and promoted as integral to the SFA discourse. The image of the accountant as a bookkeeper was discursively replaced by a new designation, carved out of the SFA, that emphasized commercial awareness and customer focus. Accountants were reconstituted through the SFA discourse as advisors to managers, expected to help them realize the commercial potential of the business: 'the name of the game is not to keep the books. They (accountants) are basically commercial managers within a business and should be part of the team that are taking the day-to-day decision making' (manager). As the SFA strategy was disseminated throughout the company,⁹ interviewees related its diffusion to a variety of initiatives that included greater manufacturing flexibility, teamworking, empowerment, global stocking and quality circles whereby accounting metrics were deployed to facilitate, monitor and control the operationalization of SFA:

'The whole purpose of it [accounting] to me is to make the business transparent, so that you can see through the business very clearly, very cleanly and understand where the success and where the failures are and where the opportunities for improvement lie. And so ... the thing to do is to define the key success factors that drive each part of the business.' (group accountant)

The ability to develop new, 'factual' calculations that visualized to managers costs and profit margins of various activities was paraded as a key contribution by the accounting function to the implementation of SFA: 'Our greatest contribution was looking at see-through costs. Our job as much as anything was to make the business visible to people so they could understand it and change it' (finance manager). Accountants' expertise in developing metrics and generating calculations endowed with 'truth'-like qualities (objective, neutral, factually based numbers) helped to define the meaning and significance of the SFA: 'Accounting provided the platform on which a rational view of the way the business could operate could be taken' (manufacturing manager).

Accounting calculations constituted parts of the business as worth keeping and other parts (e.g. a number of in-house manufacturing facilities) as a non-value-adding burden that had to be shed. Accounting metrics contributed centrally to the constitution of the new regime of truth based on claimed 'factual' and methodical understandings of what were conceived to be key drivers for the operationalization and implementation of SFA. Key retailing staff were generally enthusiastic supporters of this regime as they assessed its new calculations to be of a much better calibre. One manager said that the new accounting calculations 'actually reflect the *real* world and the *truth* of what we are doing' [our emphases]. It was also claimed that the new accounting calculations drove the company towards 'better' strategy with regard to sourcing, logistics and inventory policies, including:

'By changing our accounting rules the way we did [detailing profitability by product], by taking out some of the artificial barriers that were in there, for example, we globalized all our home furnishing stock and took it down from about 26 weeks to 4 weeks.' (buying and manufacturing director)

New accounting discourses articulated a shift in priority from a market-push orientation (producing for the shelves) to market-pull (identifying and satisfying customer needs). Rather than concentrating primarily upon sales performance, profit margin was constituted as a key performance indicator in a way that reconstructed the meaning of being an effective manager. This change, it was claimed, motivated managers to *act* by managing their mark-downs strategically to minimize the impact upon profit margins, in contrast to the previous practice of discounting prices to maximize sales revenue even if that resulted in a loss to StitchCo.

Discourses on accounting measures focused on achieving closer alignment with detailed knowledge of customer profiling. A number of key success factors (KSFs) that linked employee remunerations to results were articulated as an embodiment of the customer focus built into the SFA because 'we serve a niche customer who loves [StitchCo] and what [StitchCo] stands for' (group accountant). StitchCo's share of total core customer spend (capturing customer lifetime revenue), speed of delivery, the number of transactions per customer, and the average transaction value were singled out as prominent KSFs. Accountants and merchandisers were enjoined to 'work like hand in glove together to financially engineer the perfect mix for the store and to look at the optimum level of return per store and then to do comparative analysis between different stores' (commercial manager).

Thus, new accounting metrics were presented as an important manifestation and central plank of the SFA strategy, providing the means of securing its implementation by translating its appealing but vague sloganizing into specific yet pervasive practices. This raft of new, commercially focused accounting calculations contributed to the establishment of a new regime of truth based upon an investment in expert diagnoses of StitchCo's ills and prognoses that anticipated an imminent transformation of its financial fortunes. At the centre of this regime of truth was the strategizing of accounting as a technology that would generate, and be informed by, psychological profiling of customers, repeated product trials, 'factual' costing, value-adding activities, strategic product pricing, and explicit linkages between strategic objectives. This new regime of truth was promoted and justified as a means of 'get(ting) basic discipline into the business' (director).

Power, Knowledge and Resistance

We have noted earlier how, for Foucault, power is the very medium of social organization and therefore impervious to monopolization by any individual or group; and discourse is both an object of resistance and a means of its pursuit. We also noted how SFA permeated the reorganization of the company, reaching down to the shop floor as work was reorganized using teams comprising six operators selected by management. Each team of machinists, for example, had two with lower skill levels, two with medium skill and two with high skill (see Ezzamel and Willmott, 1998a). This design anticipated that machinists would work cooperatively and, through mutual learning, would all become high skilled, readily interchangeable

and thus more productive. Each team was expected to apply their ingenuity to organize its work in ways that would maximize bonus which, when actual performance reached more than 80% of the target, was earned by all team members. By adopting streamlined, just-in-time methods, it was anticipated that manufacturing could be transformed from a liability into a source of competitive advantage. Being team-based rather than operator-based, the bonus system was intended to incentivize productivity through mutual learning and peer pressure. For shop-floor employees, this team-based reorganization of manufacturing was the manifestation of the SFA strategy. However, whereas management regarded peer pressure as a positive, legitimate way to focus effort and raise productivity, shop-floor operators and their supervisors interpreted the change as a divisive means of extracting more effort from their labour without corresponding material compensation. We discerned three expressions of resistance to the introduction of teamwork: slowing down tactics, being less cooperative, and being resentful.

Slowing Down Tactics

Operators engaged in a variety of tactics to slow down teamwork production, thereby impeding the realization of this aspect of the SFA. Tactics ranged from turning up late to work stations, making frequent visits to the toilets, and taking smoking breaks. One supervisor noted how warning one operator who frequently turned up late for her shift led to only short-lived improvement before the problem resurfaced: 'She'll be alright now for a couple of weeks and then she'll go back.' Another supervisor referred to one operator who did not deliver her output but still took voluntary smoking breaks instead of working through them and simply 'asked somebody else to help her do her job'. One operator, having been frustrated by one of her 'lazy' colleagues recalled how one time she suddenly snapped at her: 'You go to the toilet all the time and I've got to cover you.' In short, the application of the SFA on the shop floor through teamwork resulted in some of the forms of unproductive behaviour that it was intended to control.

Being Less Cooperative

As each operator was allocated a given target minutes that could be ample or insufficient to do a particular job, some operators completed their work earlier than others. The ethos of teamwork, as explained by management to the shop floor, was to use any 'idle' time productively by helping others to catch up. However, operators who met their targets early did not necessarily help slower colleagues:

'You get a lot of people who aren't prepared to help out on other jobs ... They'll just continually build up their job [produce more], but if they can't build it up, they'll go to the toilet, they'll talk, and then the person who is struggling because they know that their rate is wrong, well, you know, it will build up friction.' (operator)

Unlike in linework, where individualized incentives acted to spur employees to maximize outputs, the team-based incentive aroused hostility and resentment which undermined the cooperation demanded by the teamworking aspect of the SFA.

Being Resentful

StitchCo's management anticipated that mixed skill teamworking would progressively boost efficiency and earnings in a 'win-win' situation. For the most highly skilled machinists with experience in linework, however, the bonus they could earn was significantly lower under teamwork because, as they explained, lazy or unincentivized colleagues reduced team productivity. This situation, we were told, created considerable tensions within teams. As one machinist commented: 'You usually find that you've got a married woman here looking after three children and she's working twice as hard as a single girl next to her who is earning just pocket money.' But as bonus accrued to all team members, this created resentment: 'Me and another girl were doing them [waistbands]. She'll get paid the same and she'll perhaps sit back and let me do a few more. They're not bothered about whether you're getting your bonus or not. You want the bonus. And it's a case of having to do it' (operator). Some operators were motivated to work hard to avoid being told off if team productivity fell below target as blame fell on the whole team. Sanctions for persistent low performance combined with the desire not to lose bonus meant that motivated skilled machinists effectively worked to affirm the sense and fulfil the 'act(ion)' objectives of the SFA. But the overall impact of resistance to teamwork, it was claimed, was resulting in significantly lower efficiency gains than expected, and hence suboptimal bottom-line results under the SFA.

Moving from the shop floor to higher management levels, resistance to the SFA took various forms, in particular a critical questioning of its key features. The features of the SFA strategy previously considered to be defining and generally enabling, being loose and lacking in detail, came to be interpreted and voiced by influential factions within StitchCo as contributing to its faltering application and eventual discrediting. One director illustrated this point by reference to the core idea that StitchCo's competitive advantage lay in building its distinctive niche brand:

'What I think might be the best thing for a customer and what you might think is the best for a customer may be two completely different things. No matter how hard you try to eliminate it through fact, at the end of the day there is a fair degree of qualitative aspects as to what a customer wants.' (director)

Once discourses are 'let loose' in organizations, they can have all sorts of unanticipated consequences as diverse audiences bring with them 'counter-rhetorics' that also contribute to the constitution of objects such as 'SFA' (Zbaracki 1999: 630). A number of prominent StitchCo retailing staff challenged the SFA strategy by discursively constituting it as irrelevant to pressing operational problems. They also presented their knowledge of the particularities of UK retailing practices as superior ('factual') compared to that of the (non-UK) CEO:

'Whatever was going on with strategy, the CEO had these major operational problems that undermined everything he was doing and then the solution to them was operational. That, I think, undermined not only the strategy, but the CEO as the strategist within the business.' (manager, the Futures Group)

The knowledge claims of key retailing staff were underpinned by their participation in forms of discursive practice that were actively promoted by the

new accounting measures — measures that, as we noted earlier, gave priority to bottom-line results rather than, for example, brand building *per se*. Coincidentally, an initiative spearheaded by the CEO to consolidate the development of the USA business was presented by senior retailing specialists as disastrous, rather than unlucky or unfortunate, because ‘we put too much change through at once’ (director). This ‘disaster’ was then connected to negative reactions voiced against widely publicized CEO-led initiatives, such as the abandonment of outsourcing StitchCo’s international distribution. So, discursive practices championed by the CEO were mobilized against SFA enactment. He was increasingly criticized for losing focus and failing to act. The new practices that had been developed as part of the SFA strategy contributed to the disciplining, and ultimate demise, of the CEO (cf. Clark 2004). Notably, the new accounting measures that were introduced to enhance the visibility of performance were deployed by the CEO’s critics to provide a way of ‘seeing through’ his performance; they quantified and visualized the USA business as having a devastating impact on StitchCo’s financial position; and they provided a ‘factual’ basis for ousting the CEO and abandoning the SFA strategy.

Discussion and Conclusion

All researchers provide accounts of what they endeavour to study. But many are inclined to treat language as comprising a series of signs that designate things, and thus to disregard and/or neutralize its constitutive force. Research narratives frequently convey a self-understanding as engaged in reporting upon the objects of analysis, rather than participating in their constitution. The conditions and consequences of knowledge production are viewed dualistically as largely external to analysis. This limited reflexivity, we have argued, is a prerequisite for the development of established forms of knowledge, as exemplified by variants of the rationalist and interpretivist analyses of strategy. Foucauldian analysis, in contrast, conceives of strategy and strategizing as discursive practices, in the sense of bringing into existence a (comparatively) stable and orderly array of objects.

We have presented *an* account of events (e.g. the appointment of a new CEO) and contexts (e.g. abandonment of the SBU strategy) that we believe to be relevant for analysing the emergence of the discursive practices (e.g. managerial, accounting) promoted and justified by the SFA. From a Foucauldian perspective, however, neither ‘context’ nor ‘practitioners’ (e.g. managers, consultants) can be impartially or self-evidently identified in, for example, a narrative that reports StitchCo’s history and the role of its employees who enact its profitable survival. We have therefore been at pains to recall the constructed and indexical nature of our account of strategizing as a discursive practice. We have acknowledged the impossibility of providing any definitively or conclusively authoritative representation of the ‘reality’ of (our) narrative(s) construction. Ultimately, a narrative’s plausibility and contribution depends upon the (power/knowledge) relation of its readers’ interpretive amenability to its discursive invitation. Does the narrative resonate with the reader’s socially organized concerns? Is it met

with indifference? Or does it arouse their hostility? It is the power-invested sense of solidity or self-evidence of the discursive interpretation or translation of accounts that conditions their reception as compelling, confusing, contentious or contemptible.

We have emphasized how, in Foucauldian analysis, social objects of investigation — such as ‘organization’, ‘strategy’ and ‘strategizing’ — are conceived to be embedded in an ongoing, political process of formation and potential transformation. Different forms of analysis, such as those characterized earlier as ‘rationalism’ and ‘interpretivism’, are understood to provide different constructions of the social world that are not necessarily directly rivalrous or readily complementary. Propelled and directed by distinctive politico-ethical concerns that are pivotal in the production of different kinds of knowledge, they each endeavour to disclose what strategic management is, and what it should be, but not what the discourse of strategy does. Even when rationalist and interpretivist analyses are not overtly prescriptive, they share a background preoccupation with ‘pragmatic intervention on the basis of objectifications of organizations and managerial subjects derived from commonsense observations’ (Knights 1992: 530). Crucially, they are inattentive to, and ‘unreflective of, how theory constitutes what it claims merely to represent — namely, strategy and its managerial agents’ (p. 530). In commending Foucauldian analysis to explore what the discourse of strategy does, our study has, first, shown how discourse, both lay and scientific, is constitutive of objects of study — objects, such as strategy, that are routinely represented as external to their constitution of discursive practices. Second, we illustrated this form of analysis in our account of how new accounting discourses and technologies were articulated in the SFA. Third, we have shown how discursive practices served to (re)construct StitchCo and its employees through the introduction of new accounting metrics and teamworking. Finally, we have demonstrated how the power/knowledge regime of the SFA was by no means totalizing as we paid attention to expressions of shop-floor resistance as well as the opposition mounted by senior StitchCo staff to its principal architect, the CEO.

Paying attention to the distinctive contribution of Foucauldian analysis is consistent with, and responsive to, the recommendation — as voiced, by Prahalad and Hamel (1994), for example — that a variety of theoretical approaches should be deployed to examine strategy. So doing, it is relevant to appreciate the limitations of Foucauldian analysis as well as the insights that it provides. Departing radically from the realist ontology that is taken for granted in mainstream studies, Foucauldian analysis questions the coherence and viability of aspiring to provide an accurate or authoritative report of the social world and/or adjudicate on the question of whether, for example, the SFA strategy was a ‘failure’. Such aspirations and ambitions effectively bracket consideration of the relationship of knowledge — of what the world is — from the operation of power relations through which such truth claims are made credible. Refusal of this bracketing helps to explain why scholars who are concerned primarily, if not exclusively, with providing a more effective technology of strategic decision-making, or with claiming a superior methodology for capturing and controlling the practicalities of choosing and implementing strategy, are so quick to judge Foucauldian

analysis to be an unproductive, inconsequential distraction (see Grant et al. 2001), if not 'a form of irritating self-abuse' (Pettigrew et al. 2001: 3). This is somewhat ironic as, arguably, Foucauldian analysis more directly points towards the politico-ethical character of knowledge.

It is to be expected that Foucauldian analysis will be found wanting by researchers working in traditions where it is assumed or expected that analysis should self-evidently serve, or be positively consequential for, a research agenda which, not exceptionally, is presumed or compliantly conceded to be the *only* worthwhile agenda. It is perhaps only when the limits and precariousness of knowledge claims are appreciated — along with their political and ethical responsibilities¹⁰ — that the relevance and value of alternative forms of analysis becomes contemplable. Indeed, it has been suggested that appreciating the contribution of alternative forms of analysis that are directly attentive and responsive to 'the crisis of representation' (Calas and Smircich 1999: 650) then becomes a necessity, not a pointless diversion.

Finally, we stress that we regard Foucauldian analysis as an oppositional *supplement* to, rather than as a prospective replacement for, established (e.g. rationalist and interpretivist) knowledge of organizational phenomena. To be clear, we do not conceive of Foucauldian analysis as being appended, or grafted on, to other forms of analysis, although we acknowledge that such appropriations or translations of Foucauldian insights are not unknown (e.g. Lawrence et al. 2001). In opposition to selective appropriation into rationalist or interpretivist analysis, we have commended its distinctive capacity to problematize and re-view the claims of mainstream knowledge but without aspiring to provide a direct substitute for such knowledge. Foucauldian analysis is deconstructive, but not destructive, of their truth claims. Its key contribution is to raise awareness of the power-invested conditions and consequences of organizing as a discursive practice, including the activities known as 'strategizing'. It thereby counteracts a strong and almost overwhelming tendency to ignore or marginalize the study of how discourses, including those concerned with strategy, are involved in constituting objects (e.g. the practices that they claim to examine) and subjects (e.g. enactors of strategy). Foucauldian analysis recalls how language, engaged in different forms of knowledge production, is never innocent in how it identifies and scrutinizes organizing practices. It invites and exemplifies a compensatory shift in the study of social and organizational objects *from* a singular emphasis upon investigating elements of the world that 'management', 'organization' or 'strategy' are presumed to comprise *to* a broader appreciation of the conditions of making such claims and the consequences of taking such claims to be true.

Notes

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- 1 This study draws on empirical material used in previous work by the authors. In Ezzamel and Willmott (1998a) our focus is on the impact of new management and accounting practices upon shop-floor work practices and identity. In Ezzamel and Willmott (1998b) the concern is with the design and implementation of teamwork reward systems. In this study we concentrate on the theorizing of strategy discourse and the mobilization of accounting as a calculative technology to embody and give effect to managerial strategic discourse.
- 2 This includes various forms of 'discourse analysis', such as versions of critical discourse analysis (CDA) that, in taking 'discourse' as their 'realist' object of study, do not consistently apply the understanding that discourse gives social existence to its objects.
- 3 Ironically, this knowledge routinely contributes to their own sense of powerlessness in the face of 'market forces' and 'strategic imperatives' that assume an objective existence in dominant discourses (Knights and Morgan 1991).
- 4 For example, the emergence of critical studies of strategy (e.g. Alvesson and Willmott 1985) is illustrative of this response to such provocation.
- 5 For example, we recognize that labour process studies (e.g. Hyman 1987) and critical theoretic analysis (see Alvesson and Willmott 1985) lie outside of the rationalist and interpretive approaches. Other recent studies that do not fit this mould are reviewed in Laine and Vaara 2007: 32 et seq.
- 6 Indeed, the three focal areas of practice theory — 'the practices of both organizations and their wider social fields; actual activity...; [and] strategy practitioners as integrated parts of a whole' (Whittington 2006: 615) — could be distilled from the opening chapters of Pettigrew's *The Awakening Giant* (1985), though these areas of interest are only weakly articulated in the body of the study. A possible difference is signalled by Jarzabkowski (2003: 49) when she writes that SAP is attentive to 'the subjective and emergent processes of strategic activity' but identifies 'practices' as key to analysing how processes are 'structure(d)'.
- 7 We accept that an explication, albeit post hoc, of the process of assembling a paper can be valued by readers. But there is, in our view, a limited extent to which authors can inform or influence the sensibilities of readers or provide an (inescapably idealized) account of the production of their narrative construction in a way that renders their analysis more credible or potent. Without seeking to evade accountability for our narrative, responsiveness to calls for a fuller explication or codification of how the construction of a narrative was accomplished can foreshadow a resurfacing of a (positivist) preoccupation with (the adequacy of compliance with) protocols (*methodological exactitude*) rather than stimulating attentiveness to how 'strategy', for example, is differently conceived and represented by alternative (e.g. Foucauldian) forms of analysis (*theoretical innovation*).
- 8 What SFA 'meant' was negotiable within the contexts of its attribution to particular plans and actions. In relation to manufacturing, it was associated with closure of some factories (simplify), concentration on products with greatest added value so that these could be restocked quickly (focus) and the reorganizing of production processes so that productivity was raised (act). For buyers, SFA was translated into reducing the number of suppliers (simplify), developing improved relations with these suppliers (focus) and ensuring that suppliers delivered on time (act).
- 9 The new strategy was communicated through the company using a variety of media, including a series of lectures. The SFA strategy was subsequently inscribed in documents, copies of which were circulated throughout StutchCo, and was also transformed into numerous written accounting metrics (as discussed later).
- 10 Differences identified between forms of analysis are here understood to be an effect of the particular discursive practices within and through which such assessments, or 'truths', are produced (see also Mizruchi and Fein 1999). Our conjecture is that these differences are attributable primarily to the routinely unacknowledged or normalized politico-ethical concerns which promote and warrant particular forms of knowledge production rather than, say, to any claimed capacity to capture or reflect the 'objective' or 'subjective' dimensions of a social object, such as strategy.

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