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**DIRECTIONS FOR A TROUBLED DISCIPLINE:
STRATEGY RESEARCH, TEACHING AND PRACTICE:**

INTRODUCTION TO THE DIALOG

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Abstract

This Dialog responds to a growing debate within the academy about the relevance of business schools generally and, within that, the value of strategy theory and research for strategic management practice. We propose that instead of a separation between academic theory and management practice, research and practice can be better connected through management education. The academy researches practice, derives theory and returns it to practice through the development of teaching materials and the teaching of current and future practitioners within the classroom. The three papers in this Dialog examine different approaches to strategy research, the way it informs strategy teaching and its application to practice. Joseph Bower piece examines the rise of business policy and the process research approach that informed that teaching tradition at Harvard Business School. Robert Grant responds by emphasizing the underpinnings of economic theory within strategic management research and its impact upon teaching. Paula Jarzabkowski and Richard Whittington conclude by proposing a strategy-as-practice perspective, based on sociological theories of practice, and suggesting ways to better incorporate strategy-as-practice research into strategy teaching.

DIRECTIONS FOR A TROUBLED DISCIPLINE: STRATEGY RESEARCH, TEACHING AND PRACTICE

This Dialog responds to a growing debate within the academy about the relevance of business schools generally and, within that, the value of strategy theory and research for strategic management practice. As we detail below, demand for business school education is changing, and academic strategy seems to have been wrong-footed by both the rise and the fall of the recent dot.com era. This is the challenging background that motivates our invitations to two leading scholars in the strategy field: Joseph Bower, who combines a position as a founding scholar of strategy process research with four decades of teaching experience at one of the pioneering institutions of strategy education, Harvard Business School; and Robert Grant, who has been a leading scholar on the content of strategy for many years and is also author of a widely-used textbook, *Contemporary Strategy Analysis*, now in its 6th edition. We have asked them to comment on the evolving relationship between strategy research and practice, with an eye particularly to the role of business education, a key link between the two. Bower and Grant have very different views of where research and education should go, but each sees positive ways forwards for what is currently a troubled discipline (Hambrick, 2004; Mahoney and McGahan, 2007). We too see an exciting future for strategy research, and conclude this Dialog with our own view on the possibilities for synthesis between research, practice and education.

The perception that strategy theory is poor at keeping pace with the changing nature of the business environment is a long-standing one (Farjoun, 2007). Going back more than a decade, Prahalad and Hamel (1994) attributed a breakdown in the relevance of strategy theory to the specific competitive conditions of the 1990s, such as deregulation and advances in information technology. Calling for a new paradigm for strategy research, they claimed that practitioners “are abandoning traditional approaches to strategy” and academics “are re-examining the relevance of the concepts and tools of the strategy field” (Prahalad and Hamel, 1994: 5). This rhetoric gained momentum in the burgeoning dot.com era, as leading academics and management gurus claimed that new models were needed for the new economy and that strategy as a discipline irrevocably had changed (e.g. D’Aveni, 1999; Eisenhardt and Sull, 2001; Hax and Wilde, 1999). Strategic management theory appeared to be stuck in an old paradigm that was irrelevant to a more competitive and dynamic environment.

However, in the sober light of the dot.bomb period and the disillusion with big corporations after the Enron and Worldcom scandals, it turned out that strategy theory was again to blame. Where once it had been seen as irrelevant to practice in a changing business environment, it was now held responsible for the excesses of that environment. Strategy theory, with its excessive focus on profit maximisation had taught managers to be opportunistic, personally profit-seeking and morally bereft (Ghoshal, 2005). Others claimed that the problem was not the theories themselves that led to bad practice, but that strategy theory and management education did not constitute a profession, with approved professional techniques, frameworks and accountability, so that strategy practitioners and, indeed, strategy teachers, consultants and gurus were less able to recognize and challenge bad practice (e.g. Whittington et al, 2003). At any rate, there was still a problem that strategy theory was not keeping pace with the changing business environment, as it failed to be relevant to the new, more accountable world.

Part of this changing environment is substantial shifts in the managerial labor market and the status of management education (Keep and Westwood, 2003). As Joseph Bower will comment, the rise of employment opportunities in fields such consulting, investment banking and more recently entrepreneurship has substantial implications for the sorts of students who enter business schools and the expectations they bring. Moreover, the surge in management education over some 20 years appears to have eased, or even reversed, during the first decade of the 21st Century, particularly in traditional forms of business school education (AIM 2006; Thomas, 2006). Many of those who need business education have either got it already or are pursuing alternatives to the traditional MBA qualification.

The changing demand for management education has been accompanied by considerable soul-searching and angst within the business school community, as evidenced by numerous articles and special issues questioning the business school purpose and its future (e.g. Brocklehurst et al, 2007; Mintzberg, 2004; Pfeffer and Fong, 2002; Shareef, 2007). These authors raise a second kind of concern about the relevance of business education to practice. Here the issue is not so much keeping up with practice as being more effective in shaping it. The theoretical basis of business education is reported to be excessively concerned with the normal science paradigm and its associated academic output, to the exclusion of practice (Bennis and O'Toole, 2005). Strategic management in particular has been seduced by the normal science of economic theory. This predilection for economics has had negative

implications for practical relevance: “*rules of behaviour prescribed by economic models, however logical, cannot be normative if managers are not capable of implementing them or if the assumptions on which the models are built do not apply*” (Masten, 1993: 127 in Ghoshal and Moran, 1996: 16). Thus, whether because seen as out-of-date, or because ineffective in influencing practice, or because theoretically too detached from implementation, strategy now occupies a precarious position within business schools, institutions that themselves are now full of self-doubt. Mahoney and McGahan (2007) report that students in top business schools are increasingly opting for courses such as entrepreneurship or finance, and no longer giving their strategy courses the top ratings that were routine a decade or so ago.

These various concerns about the relationship between strategy theory and strategy practice are reinforced by a canonical belief that academic theory and management practice are separate endeavours, involving different communities (Dunn, 1980). However, such beliefs underestimate the interdependencies involved in the construction and use of strategy knowledge. A good deal of academic research is itself derived from practice, albeit frequently abstracted to a level of generic conceptualisation that is hard to trace to the context in which it was derived (Jarzabkowski and Wilson, 2006). The interdependency between research and practice can be illustrated by the case of corporate culture, a concept which infused academic work in strategy and organization during the 1980s and early 1990s. The stimulus for much of the academic interest was a book, *In Search of Excellence*, produced by two McKinsey & Co. consultants, Peters and Waterman, who cleverly brought together the experience of their clients out in the market-place and the insights of friendly academics such as Karl Weick (Colville et al, 1999). Indeed, sometimes it is even teaching on MBA courses that crystallizes the connections between research and practice: Michael Porter developed his industry structure approach through the need to communicate his research to Harvard MBA strategy students, and was then able to implement his concepts through his own consulting firm, Monitor (Argyres and McGahan, 2002). Thus, the abstractions drawn from research can soon find their way back into practice through concepts and techniques that are taught on MBA courses, incorporated in both academic strategy texts and popular management books, and still further promulgated through consulting (Tsoukas and Knudsen, 2002).

In other words, instead of a separation between academic theory and management practice, research, practice and education can be intimately connected. The academy researches practice, derives theory and returns it to practice through the development of teaching

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materials and the teaching of current and future practitioners within the classroom. Teaching is, therefore, a vehicle through which the academy can be relevant to practice so long as it can master the appropriate means of generating 'user-friendly' theory for consumption and the pedagogical techniques to aid in this consumption.

The current angst about the nature of strategy theory and the relevance of strategic management education to practice motivates this Dialog. Our two protagonists are both leaders in strategic management research and education, and have strong views. Each sees different ways forward for strategic management - Joseph Bower advocating a return to the practice-centred strategy teaching originating in the Harvard general management tradition, Robert Grant arguing for a theory-based focus on analytical tools. We shall let each make their case, before we conclude this Dialog with our own proposals for bridging the theory-practice divide.