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**THE LIMITS OF THE RESOURCE-BASED VIEW
ON STRATEGY AND BEYOND : CAUSALITY
THINKING VERSUS ACTION PERSPECTIVE**

by

Rudy MARTENS
Koen VANDENBEMPT
Ilse BOGAERT

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The limits of the resource-based view on strategy and beyond: causality thinking versus action perspective¹

R. Martens, K. Vandenbempt & I. Bogaert

Abstract

The resource-based view on strategy and adjacent competence-based theories have become an increasingly important anchor for understanding strategy. This paper analyzes the limits of the resource-based view (RBV) within the current mainstream research approach. Knowledge codification, the current focus in much strategy research, is seen as highly problematic. It transforms strategy into routines which are paradoxically never able to catch up with strategy. Also, the focus on performance implications is criticized. Especially when a managerial perspective is needed (what managers should do), the causal modeling and emphasis on performance issues are ill adapted to deliver actionable directives. It appears that the causal relationships in resource-based views are only one way to make sense of what is happening. Further progress seems possible if research moves away from causality thinking and adopts a managerial action perspective.

Introduction

After more than a decade of publications and conference discussions, the resource-based view (RBV) of strategy seems to have deserved a lasting spot in the strategic management theory. The stream of publications has gained momentum since the introduction of the the resource-based view by Wernerfelt (1984). Detailed analysis of performance differences on firm and industry level (Cool & Schendel, 1987; Cool & Dierickx, 1993; Hansen & Wernerfelt, 1989) were complemented by a more general analysis of the nature and the importance of the different resources of the firm (Hall, 1991; Mahoney & Pandian, 1992). Recently, the adjacent competence-based theory (Prahalad & Hamel, 1990) have been elaborated upon in various relevant directions (Hamel & Heene, 1994; Sanchez & Heene, 1996). The basic insights - of what is commonly called the RBV - are now well-accepted and cross-fertilization of adjacent perspectives seems to occur regularly (Mahoney & Pandian, 1992).

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Without neglecting the added value of the RBV, we believe that the RBV has come close to the frontier of its potential contribution to strategy theorists and practitioners if it stays within the current causality thinking, i.e. the assumption that a certain bundle of resource endowments or competencies results in superior company performance.

Our intention in this paper is to articulate and highlight the problems of the RBV to predict and explain strategy. We organized this paper in three major sections. In the first section (the explanatory scheme of the RBV), we highlight the difficulties of using causal modeling to give *ex ante* directions to managers. As such, our reasoning is akin to the process view of McGrath et al. (1995) on competence building and competitive advantages and to the evolutionary perspective advocated by Barnett & Burgelman (1996). Secondly, we dig deeper to identify specific problems of the RBV with respect to explaining business strategy and making strategic recommendations. The RBV suffers from major limitations in analysing business practice. This is mainly due to three interrelated problems which have to do with building a causal model and measuring relevant variables: the problem of knowledge codification, the problem of dynamics and the problem of interdependence. At the end of the paper, we argue for a more action-oriented research, based on an adequate recognition of the subjectivity in the sensemaking processes of managers. We conclude this paper with discussing some implications for practitioners and avenues for further research.

1. THE EXPLANATORY SCHEME OF THE RESOURCE-BASED VIEW

A major preoccupation of the RBV is to understand the reasons for superior performance of firms. In the RBV, superior performance and competitive advantages are linked to the resource heterogeneity among firms. It is said that the competitive advantage of a firm stems from the accumulation of unique combinations of resources and abilities. These combinations allow the firm to harvest rents and represent 'distinctive competencies' (Barney, 1991; McGrath et al., 1995, Selznick, 1957). Adherents of the RBV and Competence-Based theories demonstrate the need and the usefulness of their thinking by pointing to the explanatory power of their theories. Moreover, it has been argued elsewhere at length (see for instance, Collins & Montgomery, 1995; Day, 1994 and Foss, 1996) that the RBV

complements the outside-in approach of strategy (cf. Porter, 1980/1985). Thus, rather than to solely understand strategy as a means to position and manage the firm in its market in order to create and protect efficiency rents, strategy is also about the art of nurturing, accumulating, deploying and protecting rent-yielding resources (Foss, 1996 for an excellent overview).

The explanatory scheme of the RBV (this is, the way in which events are understood, addressed and explained) is based on causal modeling of organizational events, thereby often making abstract of the context in which these events take place. As mentioned above, performance differences among firms are said to result from different resource endowments and different allocation of these resources within the firms. The creation and the sustainability of competitive advantages is thus dependent upon the available strategic stocks and the pattern of the strategic flows (Dierickx & Cool, 1989).² We argue that the RBV approach is difficult to apply in a managerial perspective (what should a manager do?). Recommending strategies based on *ex post* explanations often suffer from severe problems. Ryle (1949) captures this problem in what he calls “the retrodiction phenomenon”. This refers to the making of inferences about the past on the basis of present observations. In the same vein, Weick (1987) put the notion of hindsight bias forward; he argues that a retrospective summary [of strategy] can be misleading since the apparent coherence and rationality of strategy are often inflated by hindsight bias. Consequently, a ‘successful strategy’ for firm A will not automatically be a ‘successful strategy’ for firm B.

The major problem pertains to the fact that superior performance, competitive advantages and/or the factors (resources) leading to the creation of competitive advantages are only recognized *ex post*. Competencies that will drive future superior performance are difficult to identify *ex ante*. This is mainly due to two factors: (1) there are problems in quantifying and making explicit the different variables identified in the causal structure model, and (2) the causal structure model itself. Research in the field of RBV is often directed at understanding

² Basically, the theories of the RBV rests on two fundamental assumptions. First, different firms possess different resources (resource heterogeneity) and some of these resources are difficult to copy (resource immobility). Based on these assumptions, Barney (1996, p.142) states that “if (1) the resources that a firm possesses enable the firm to exploit opportunities or neutralise threats, (2) these resources are possessed by only a small number of competing firms, and (3) if they are costly to copy or inelastic in supply, then they may be firm strengths and thus potential sources of competitive advantage”

and explicating patterns of correlation and causality with respect to the various aspects of firm's strategy.³ A basic feature of causal explanations is that they offer statistical relationships, i.e. causal relationships that are statistically testable. We can derive (at least) two important implications: (1) causal relationships are working hypotheses of how the object under study is understood (for instance, how events unfold and "cause" other events to happen); and, (2) because they are statistically testable, causal relationships can be subjected to experiments; or, stated differently, the causal relationship is not only valid in the original configurations (on which the causal relationship is based; for instance the situation of firm B) but in other configurations as well (the situation of firm B, C and D). This implies that the idiosyncrasies of a specific situation are not addressed. Instead emphasis is on averages and/or on variables abstracted in theory. As a consequence, ex post explanations of e.g. performance differences (or any other strategic outcome) are not only biased but probably also imprecise⁴. We elaborate on this in the following section.

2. BARRIERS TO PERFORMANCE-ORIENTED RESEARCH IN THE RBV

2.1 Knowledge codification

In the RBV, companies are basically viewed as disposing of a "reservoir of knowledge". Knowledge-based activities are seen as the cornerstone of a company's core competencies. Leonard-Barton (1992: 113) defines a core capability as the *knowledge set* that distinguishes and provides a competitive advantage.⁵ Knowledge acquisition, knowledge building and knowledge codification are thus essential in the management of these activities. The RBV acknowledges that this necessitates a multidimensional approach. Leonard-Barton (1992: 113) argues for instance that knowledge has four main dimensions: employee knowledge and skills, technical systems, managerial systems, and the organizational culture (values and

³ Of course, the causal modelling is not restricted to the RBV, but is widely accepted and used as a generally valid method of scientific discovery. For a more detailed discussion see for instance Hunt (1991).

⁴ A similar argument is put forward in the much debated 'Honda'- article of Pascale (1984). A recent California Management Forum on "The Honda Effect Revisited" illustrates the importance of the difference between a historical and a managerial perspective on strategy (Mintzberg et al., 1996).

⁵ In our analysis, we do not make a distinction between core competence and core capability. Stalk et al. (1992) do however see a core competence (individual technologies and production skills) as more limited than a core capability (strategic business processes).

norms). Describing the crucial knowledge sets of a company will as such be an adventurous task. Some authors, from adjacent disciplines such as organizational psychology and sociology, indicate several problems in further developing the knowledge-based avenue of strategic thinking (see e.g. Polanyi, 1966).

First, strategy researchers are confronted with the difficulty of making the critical knowledge explicit. The knowledge-based activities are often relying upon intangible and/or invisible resources (skills and assets⁶). Even if managers are fully aware of the relevance of some intangible or invisible resources, it is mostly impossible for them to accurately describe and codify these resources. This observation is reflected in the idea of tacit knowing (Polanyi, 1958, 1966)⁷. Managers' knowledge about strategic activities may range from tacit knowledge to a complete understanding⁸. For most of the resources, especially the skills, the knowledge is situated between these two extremes. As such, strategy research can only make use of partial information concerning the object of study. Although attempts to make tacit knowledge more explicit should be highly encouraged (see e.g. Nonaka, 1991), strategically relevant knowledge can seldom be made completely explicit. The firm itself may not understand its knowledge well enough to exploit it effectively (Spender & Grant, 1996: 8).

Often strategy researchers and practitioners acknowledge that the real relevant (company-specific) variables are not measurable (e.g. technological knowledge, managerial talent, motivation). At most some effects of resources might be measurable (e.g. number of patents, hours of work). The use of these proxies is often considered as the only feasible route in tackling this measurement problem. However, strategy researchers must take into account that proxies reflect the output of the variables and not the variables themselves. This reasoning implies that (1) proxies only explain a small part of the available (bundle of) resources and (2) how the variables are used by managers is left undiscussed (read: unmeasured). For instance, technological knowledge can be measured by the number of patents. However, the number of patents will not tell how the patents and their underlying

⁶ For a terminological analysis of these concepts, see: Bogaert, Martens & Van Cauwenbergh (1994).

⁷ Simply stated, tacit knowledge refers to the fact that we know much more than we can tell.

⁸ R. Bohn (1994) gives a good illustration of this idea in his article on managing technological knowledge.

knowledge are being used (or created) in a company. The example of the competitive battle between Xerox and Canon in the photocopier market is a good illustration of this. Xerox's 500 patents did not prevent Canon from entering the copymachine market successfully in the seventies.

An additional problem, aggravating the previous one, is that the aim of the RBV lies in attempting to give some insights on managing *strategy*. Knowledge codification implies some level of routinizing. As such, the strategic value of (even valuable) codified knowledge is inferior to that of tacit knowledge (a magic trick loses its value when the audience knows exactly what is happening). Although routines are of major importance in the management of a company (cf. the efficiency/effectiveness debate), the value of a routine is inferior to the value of a strategic action which is still not being written out⁹. Once a strategic activity is written out, it may evolve into an organizational routine¹⁰.

The chess game between Gari Kasparov and the chess computer 'Deep Blue' in early 1996 illustrates this argument. Deep Blue relies for its performance on millions of written out chess moves (routines), the former on its ability to find new ways to compete against standardized moves (creative strategy). In the end, Kasparov, after some start-up problems, did win the chess game. Routines can be seen as the minimum level from which the 'strategic' added value starts to develop; routines can never be a substitute for the creative strategy.

Although some authors (e.g. Nonaka & Takeuchi, 1995) do make a distinction between organizational and individual knowledge in the management of knowledge (acquisition, sustaining and explicating), the individual-oriented perspective gets too little attention. Individuals do play a major role in the strategy formation and as such in the knowledge management of a company. Research should focus on contributions of individual managers. The problem arises that a strategy researcher is dependent upon the collaboration of individual managers in his attempt to obtain information necessary to analyse strategic relevant issues. This inevitably results in the fact that the retrieved strategic relevant

⁹ This has also recently been illustrated in the article of Kim & Mauborgne (1997).

¹⁰ The value of an organizational routine is not to be underestimated. Organizational routines are a prime determinant of organizational performance. For an analysis of this, we can refer to Nelson & Winter (1982).

knowledge will have a dimension of subjectivity¹¹. Disposing of information does not automatically result in an effective use of the information. Strategy has to do with intelligence, experience and the possession of information, all of which are applied and combined by individuals in the action arena. Knowledge, as stated above, is not a unidimensional concept but can be seen as a bundle of information, intelligence (the bundling of information) and the experience of doing. In most of the cases, research is obviously aiming at the first issue: the information. Unfortunately, the major problem does not lie in the collection and formal analysis of information. The interpretation of the information at hand and the initiation of action is the most difficult step (see for instance, Weick & Daft, 1983). Bettis and Prahalad (1995) have already pointed out that organizations are information-rich but interpretation-poor. Information systems can be easily built up; interpretation of information is difficult to systematize.

2.2 The dynamics of strategy

The difficulty of measuring relevant strategy variables is not only due to the large degree of tacitness involved, but also to the problem of dynamics. Basically the problem of dynamics points to the difference between having resources/competencies and making use of these resources/competencies (cf. supra). Although the importance of studying the dynamics is widely acknowledged (see e.g. Porter, 1991), most of the empirical research set-ups are not able to deal with it. Knowledge cannot be seen as a static variable but is a dynamic phenomenon. Leonard-Barton (1995: 3) argues for instance that knowledge reservoirs in organizations are not to be considered as static pools but wellsprings, replenished with streams of new ideas and constituting an ever-flowing source of corporate renewal¹². Making use of these new ideas is the key in the management of flexibility. Practitioners as well as strategy researchers point to the importance of having a high degree of flexibility. Flexibility in the use of resources, the mix of resources and the bundling of resources, even across

¹¹ We can refer here also to the concept of the espoused theory of actions: people (managers) will tell researchers what they believe they are doing. Quite often there is a discrepancy between the espoused theory of action and the actual rules people use in setting up actions (see e.g. C. Argyris, 1990).

¹² The latter statement might however be put into perspective as a high degree of stability in the strategic logic is sometimes being observed. Hall (1995) found that some good performing companies existing almost 200 years did not *fundamentally* change their strategic logic. The problem of the level at which strategy is being studied becomes relevant here.

company-borders is being seen as a necessity to stay competitive (Sanchez, 1995). As such, the main concern for managers is not striving for some form of equilibrium but trying to make optimal use of the flow of new ideas. Viewed from this perspective, companies can be seen as living in a state of bounded instability. Observing, identifying and/or measuring constantly changing variables or representations of variables can be seen as some 'mission impossible' for the strategy researcher.

A related problem resulting from the dynamics issue has to do with the time lags to be considered. Many of the relevant strategy variables are to be considered as strategic stock variables (Dierickx & Cool, 1989). How long do you need to invest in order to achieve a good reputation or a specific technological know-how ? How long do the effects of a good reputation last ? Results and actions occur in different time periods. Quite often, subjective approaches and practical solutions are being put forward to alleviate this problem. This hinders of course the possibility of comparative empirical research.

The problem of dynamics also points to the ignorance managers are facing. As knowledge grows, ignorance also grows. Weick (1993) argues that reality backs up while it is approached by the subject who tries to understand it. Explanations of the past are not a good guideline for the future. What did work five years ago, might totally fail today; what works today in one company, might not be working in another company. Partial explanations and hindsight theories are seriously hindering any progress in the attempt to explain performance differentials between firms.

2.3 Interrelatedness of variables

The interdependence between the different (classes of) variables is further complicating the previous two research problems. The link between resources and performance is disturbed by many intervening internal variables and the specific external context. The following figure attempts to illustrate part of the complexity in analysing performance of companies:

[here Figure 1]

A distinction can be made between potential performance and realized performance. Having strategic assets results in potential performance. It is however the *use* of these strategic assets, *in combination with other factors*, which transforms the potential performance into a realized performance. Although the concept of potential performance might be relevant in strategy research (as we measure mostly the 'having'-aspect), by definition it can never be observed in the market place. A good fit between different classes of variables (e.g. stocks and flows, Dierickx & Cool, 1989) is a prerequisite to transform the potential performance into realized performance. This idea can be linked to the distinction being made between primary resources/competencies and supporting resources/competencies¹³. Primary resources and competencies may have a high rent-yielding characteristic. To achieve this rent, however, supporting resources and competencies might be needed. High performance might stem from an interplay of strategic variables, operational variables, culture, competitive (re)actions, luck factors (or serendipity), etc.; categories of variables which are continuously interacting with each other.

This argument also puts the "Gestalt"-idea¹⁴ to the forefront. An effective managerial action can be seen as a collection of a high number of subactions. The 'total' action (e.g. an effective response to a new emerging technology) might be clearly visible to the outside world. The subactions themselves may stay rather unobserved. This idea results in further problems of knowledge codification and goes beyond the simple observation of interrelatedness. As strategy researchers, we may observe some pattern in managerial actions, without knowing the particulars. If this is the case, one could argue for more in-depth company analyses in which as many particulars as possible are investigated. However, by concentrating on the particulars, we might lose sight on the pattern¹⁵. In this line of reasoning, Polanyi (1966: 19) even argues that the belief that, since particulars are more tangible, their knowledge offers a true conception of things, is fundamentally mistaken. This adds a dilemma to strategy

¹³ Also, Long & Vickers Koch (1995) make a distinction between basic and support capabilities.

¹⁴ This concept stems from German psychological writings; in management literature this concept has been often translated as 'configuration'. Configuration misses however the basic idea of 'Gestalt' which points to the fact that quite often only the whole can be observed, not the particulars.

¹⁵ An illustration of this might be a music performance: concentrating on one single instrument might result in an ineffective observation of the total music play.

research: managers ask for specific guidelines in managing their companies, and yet, moving from generalities to specific ideas is, due to the 'Gestalt'-idea, not to be recommended.

Moreover, the question of which variables are dependent and which variables are independent is not an obvious one to answer. It can be argued that all variables are dependent variables. Complicating this picture even further is the observation that the impact of some variables on other variables might even be fundamentally dependent upon the context of the variables. Here, the idea of *causal ambiguity* comes in. In trying to explain successful business performance, managers as well as researchers have difficulty in finding the real causes of success. The causal ambiguity stems from the tacitness, complexity and specificity (Reed & DeFillippi, 1990). The first element has already been dealt with in a previous section. Complexity stems from the interdependence and the fact that most items can be seen as multidimensional ones. Penrose (1959: 25) already observed that a resource can be seen as a bundle of potential services. The distinction between resources and the services which can be derived from these resources result in the uniqueness of each individual firm. The services which can be derived from resources even seem to be quite flexible (Sanchez, 1995). Further, causal ambiguity is due to the specificity, referring to the fact that the relevant skills and assets are often transaction-specific. The value of resources is often depending upon the specific context - including the historical context - in which the resources are being used. This line of reasoning is being illustrated in the empirical test of the resource-based theory by Maijoor & van Witteloostuijn (1996), who focus on the group and industry level in the context of one specific industry. They argue that firm specific messages are hard to put forward due to data limitations. Taking into account the aim of their study, this limitation is acceptable. However, if strategy theory aims at having some business relevance, firm specific messages must be put forward.

The measurement problems and methodological difficulties result in the fact that generalizing across companies, not to speak of generalizing across industries, is quite often a not very promising research route. It is therefore our belief that the causality thinking on resources and performance can be seen as a dead-end street.

3. TOWARDS A MANAGERIAL ACTION PERSPECTIVE

The elaboration of the managerial action perspective is based on the literature of managerial decision making (see e.g. Harrison, 1987; Mintzberg et al., 1976), decision making under uncertainty (March, 1988; March & Olson, 1976), socio-psychological approaches of organizations (Starbuck, 1983; Weick, 1979/1995) and information processing as a mean to reduce uncertainty (Galbraith, 1973 and the applied research of Daft & Lengel, 1986). Eccles & Nohria (1992, p.13) originally used the term *action perspective* to emphasize the fact that the reality of management and strategy should be seen “as a matter of actions and processes - rather than as a matter of things, states, structures, [...] or designs”. In this paragraph, we focus on fundamental characteristics of the action processes which managers undertake in organizations. From this vantage point, we try to give useful recommendations for practice as well as for strategy research.

3.1 Actions and equivocality

Central in our line of reasoning is that in strategic actions, managers are confronted with equivocality. As Weick (1979/1995) and Daft & Lengel (1986) argue, most managers (and other participants in organizations) are not only confronted with uncertainty, but also and especially with equivocality. In “uncertain situations” the manager needs “more” information in order to reduce the experienced ignorance. Stated differently, uncertainty implicates a situation of too little information; there is a clear problem statement which must be addressed. Equivocal situations are not characterized by too little information; on the contrary, in such situations managers are confronted with too much information. The essence of equivocality pertains to the absence of a clear problem statement. There are multiple inputs (events) which have more than one meaning.¹⁶ The following table clarifies the difference between equivocality and uncertainty:

¹⁶ See Van Belle & Vandenbempt (1996) for an overview. Baumard (1996) uses the word “ambiguity” to convey the same message. Ambiguity expresses the inability to see one definite meaning of a situation, sentence, word, thought, action, or person. Ambiguous situations offer many interpretation, and cannot be trapped in one definite meaning (Baumard, 1996: 75).

Situation	Problem Statement	Solution	Examples
equivocality	confusion: various interpretations possible of the same events "do we have a problem?"	action in order to assess the problem at hand; "action" based on : • interpretation • judgment • common perspective	• do we need objectives ? • is this event relevant ? • do we need to evaluate our position ? • what do we have to do ?
uncertainty	insufficient information ignorance "finding a solution to a well defined problem"	• Information Technology • planning and analysis • cost-benefit analysis • decision techniques	• what is the value of variable X and Y ? • by how much must sales increase in order to realize objective S ?

Equivocal situations are handled by managers through such mechanisms as interpretation, judgment and a common perspective. Getting an insight in these mechanisms necessitates unraveling the managerial sensemaking processes (Weick, 1979/1995). Sensemaking refers to how individuals structure the unknown. It is about such things as placement of items into frameworks, comprehending, redressing surprise, constructing meaning, interacting in pursuit of mutual understanding, and patterning (Weick, 1995: 6). It includes answering the question of how individuals create and sustain images of a wider reality (environment), resulting in strategic rationality¹⁷. Sensemaking processes in organizations are heavily influenced by managerial interactions and structural mechanisms (e.g. standard operating procedures). Research of managerial actions should thus take into account the organizational interpretation mechanisms which guide the managerial actions.

The research focus should be clearly oriented towards *actions* of individual managers and of groups of managers. After the discussion with respect to the tradability, imitability and the substitutability of strategic resources, we are in favor of a more managerial action perspective. A managerial action focus necessitates process analysis: which path of strategic change is being chosen, which pace is being adopted, etc. (cf. Barnett & Burgelman, 1996). Identifying manageable issues (instrumental variables), and describing the managerial processes witnessed in the management of these variables should move the research field more from thinking about resources towards acting upon/with resources.

¹⁷ Also the notion of enactment becomes relevant here. The 'interaction' of the individual and the environment has to be seen in a more *enacted* way.

3.2 *Subjectivity and synchronicity*

Organizational actions are induced and undertaken by individual managers, interacting with other individuals (in or outside the organization). It is the quality of the actions of individuals that determines the effectiveness of an organization (Eccles & Nohria, 1992, p. 40). Research should thus be oriented on how *individual* managers make decisions and act. As such, more attention should be given to the study of the mental frameworks managers use. These schemata make a manager observe and accept some information and prevent him from observing some other (Neisser, 1976). Likewise, Weick (1979: 154) describes a schema as a “unabridged, generalised, corrigible organization of experience that serves as an initial frame of reference for action and reference”.

Following from the previous section, equivocality and sensemaking processes automatically result in dealing with subjectivity. Personal ‘*biases*’, based on former experiences and personal traits, will come to the forefront in the analysis of managerial actions. The inherent subjectivity can be seen as a major element in the idiosyncrasies of managerial actions.

We believe that the RBV approach should adopt a more *synchronic perspective* on events. The importance of the idiosyncrasies surrounding the strategy of the firm and the actions of the managers should be recognized. Contrary to causal modeling, a synchronic approach would stress the uniqueness of a situation and relates this uniqueness to what exactly happened. Synchronicity defies statistical relationships and tries to describe the coincidence and the significance of different events in a specific situation. As such, experiments (like testing of hypothesis in a causal model structure) are not a valid tool of scientific discovery. It advances a broader view than causality thinking given its incline to study a configuration rather than an “artificial” chain of causality. As such, events (or variables) which are not explicated in a causal model are not treated as coincidences that have little significant value.

3.3 *Actions as communicative actions*

The idea of dealing with equivocality is also linked to issues such as constantly preserving flexibility, being politically savvy, and using rhetoric effectively. It is discussed elsewhere at length (Sayles, 1979; Brunsson, 1989) that analyses, formal reports, speeches, etc. are often

simply used to get people acting in a committed way. In this perspective, action is seen as more important than the pretext for action. It is not so much the content but the aim of communication that should be looked at. It is in this sense that A. Langley (1991: 95), who investigated the role of formal analysis in strategic decisions, found that “formal analysis is often done for informational purposes (as the prescriptive literature suggests) but that people also use it for communication, direction and control, and for its symbolic value in conveying messages of rationality, concern and willingness to act”.

An analysis of ‘robust’ actions¹⁸ (Eccles & Nohria, 1992: 40) should be linked to an analysis of ‘robust’ communication.

Communicating and acting are thus not to be seen as two separate activities but as being totally intertwined. A further exploration of the concept of communicative action might be relevant for future research. This idea could also be linked to the classic debate on the distinction between strategy formulation and strategy implementation.

One final remark should be put forward here. Analyzing managerial actions implies interactions of researchers with managers. The strategy researcher will be faced with an additional problem: theorizing about strategy can be seen as a sensemaking process of managers' sensemaking processes. A first problem has to do with the fact that sensemaking processes are often not known to managers themselves. Also Mahoney & Sanchez (1995) point out the problems of dissociative theories of strategy. Biases in research may stem from the differences between the espoused theory of managers and the theory-in-use¹⁹ of managers in forming strategies. A second problem relates to the biases of the researchers themselves: how they make sense of what happens in the managerial world is also influenced by their background and personal biases. More intense interaction between researchers and managers and between researchers themselves might partially relieve this phenomenon.

* * *

¹⁸ Eccles & Nohria (1992: 40) give a list of characteristics of robust actions. Robust actions are for instance characterized not by more analysis, but by acting preserving flexibility.

¹⁹ Cf. Argyris (1990); Argyris & Schon (1974).

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Figure 1: Complexity of Performance Analysis

