

## Strategic Management and Michael Porter: a postmodern reading

by: Toby Harfield

*It is an important and popular fact that things are not always what they seem.*  
Hitchhikers's Guide to the Galaxy Douglas Adams

### **Introduction**

This article is located within a postmodern sensibility of exploration and play (Bauman 1992; Rorty 1989). I do not attempt to deconstruct (Linstead 1995; Cooper 1989; Derrida 1978), but merely to explore the possibility of a radical new reading of Michael E Porter.

### **Is Porter postmodern?**

The project originated in my need to 'make sense' of the strategic management literature, and specifically the place of Michael E Porter within it. The question, what is strategic management?, often leads to the work of Porter. Strategic management texts inevitably contain his models, theories and frameworks which imply that they are 'fundamental' to the field. An historical journey through six prominent management/organization journals, Strategic Management Journal, Academy of Management Journal, Academy of Management Review, Journal of Management Studies, Organization Studies, Advances in Strategic Management, shows that Michael E Porter was not a constant contributor, in fact he is almost absent from the journals, but his work is often the study of empirical testing or theoretical debate (Foss 1996; Hill & Deeds 1996; Sharp & Dawson 1994; Miller & Dess 1993; Bowman 1992). This article does not attempt to account for his popularity, as others have offered substantial and convincing accounts (Barry & Elmes 1997; Whipp 1996; Knights 1992).

Instead this paper is an example of interpretative research as I report on my search for a 'strategic management' narrative. I begin with an outline of some reviews of the 'field' and the place of Porter within them. I then attempt to account for the growth of the strategic management literature during the last 15 years by claiming that 'strategic management' is a myth. Porter's place as a myth-maker is assumed; however, his work is given an alternative reading using the literary device of a 'mythical interview'. Thus a postmodern Porter is revealed. The interview is followed by a number of other radical interpretations of strategic management which could be identified as a 'critical stream' within the literature. I conclude the essay with some thoughts about the process and speculate on the possible implications for other academics and practitioners.

### **Will the real 'strategic management' please stand up?**

Any glance through the management literature of the last decade or two shows the prominence of 'strategic management' and 'strategy'. The two, although not synonymous, are often considered as such. Strategic management is the name of an academic field of study, strategy is the main topic of study (Schendel 1994). A small number of review articles have attempted to create some organization to the heterogeneity of the field. I examine these in an attempt to locate Porter in the greater scheme of things.

Chaffee (1985) asserts that strategy is multidimensional and situational, but it suffers from the problem of three distinct, and in some ways conflicting, views on strategy. The models are: linear strategy, adaptive strategy, and interpretive strategy. The majority of the research is identified with a linear model which focuses on planning and forecasting. The second mental model is identified as adaptive and this is the location of 'strategic management' which Chaffee considers an 'associated term'. Again a large number of scholars are placed in this category which 'tends to focus the manager's attention on means' and is concerned with 'fit'. The last model, the interpretative model, lists but four articles. For these authors strategy is a metaphor and is therefore not something which can be measured. These authors use qualitative data and assume a socially constructed reality. Porter is not listed in any of the models.

Fahey & Christensen (1986) begin by stating that 'strategic content' is found in many areas beyond 'strategic management' in the literatures of OB, OT, economics, finance and marketing. There appears to be some oblique distinction between academic and practical literatures in this review. Apparently the foundations for the non-specialist are located in 'corporate and competitive strategy' related to decision making as identified by Hofer & Schendel (1978), organization economics (Porter 1981) and marketing (Biggadike 1981).

Porter's (1980, 1985) work is mentioned, but the reviewers' 'tone' seems to question the value of his contributions. Remarks such as 'nonspecialist' and 'it has become popular to proclaim' are used. The lack of inclusion of Porter in the discussions concerning 'generic strategies' or 'industry structures' also appears to relegate him to the margins of the research prior to 1985.

Huff & Reger (1987) review the 'strategic process research', which they define as prescriptive and descriptive work on planning methods and decision making. They attempt to locate the 193 papers reviewed in a nine cell schema based on the research agenda of the author. For the uninitiated, the differences between the 'content stream' and the 'process stream' are very difficult to perceive. No paper by Porter is cited, however, it would be convenient to place him in the 'decision aids' category based on his suggested generic strategies and five-forces framework for analysing competition (Porter 1980).

Mintzberg (1990) has been working on the truly monumental task of creating an 'encyclopaedia' of strategic management research. He has located 10 'schools' of strategy research which have developed from the emergence of strategic management as a field of study during the 1960s. He describes and assesses the main players and tenets of each 'school' within its cultural context. His knowledge of the literature is breathtaking.

He locates Porter in the 'positioning school' which advocates strategy formation as an analytic process. He claims that a change in direction was borne on the 'wind from economics' which blew through the strategic management field during the early 1980s. Porter's *Competitive Strategy* (1980) is considered 'a watershed' in the development of strategic management thought as it met the needs of both academics and managers who were looking for a 'theory of strategic management'. Even though the analysis of industry and competitors was developed especially for managers in large mature corporations, Porter's generic strategies and five-forces industry framework presented academics with models which could be empirically tested (eg. Miller & Dess 1993).

Porter placed the dynamic relationship between enterprise strategy and industry structure at the centre of his concept of 'competitive strategy'. He presented the possibility of 'selecting' a strategy based on a well-defined 'position' in the economic market-place backed-up by 'analysis' rather than 'prescription' (Ansoff 1965; Rumelt 1974). Porter says that he was looking for a theoretical context to add to the analysis as he focused on both content and process called for by both Fahey & Christensen (1986) and Huff & Reger (1987). He popularised the Industrial Organization economics model of Structure--Conduct (strategy)--Performance which claims that forces within the industry determine the conduct of firms, which in turn determines firm performance (Thorelli 1977; Masson & Quall 1976).

Hofer & Schendel (1978) developed a early taxonomy of the field. The reviews discussed above follow in this tradition. However, other scholars have attempted to make sense of the literature by moving beyond a taxonomy, two examples are Whittington (1993) and Rouleau & Seguin (1995).

Richard Whittington (1993) has devised an historical typology of strategic management philosophy and theory. He outlines the nature and the assumptions for each of four strategy 'conceptions' within which most of the literature could be placed. His view is that a dominant 'concept' is identifiable in each decade. The habits of mind and power relations of the different concepts discussed appear to incorporate a number of the 'schools' designated by Mintzberg (1990).

### **Classical Approach To Strategy (1960):**

The classical view of strategy is based on the military tradition, in which the world is a rigid hierarchy with a solitary general who makes decisions. The military model is complemented by an intellectual inheritance from economics. Von Neumann & Morgenstern (1944 in Whittington 1993) 'placed this singular figure right at the heart of their conception of strategy as an elaborate 'game' of move and counter-move, bluff and counter-bluff, between competing yet interdependent businesses. This view of individuals in tandem with Smith's view that 'each individual is continually exerting himself (sic) to find out the most advantageous employment of whatever capital he (sic) can command', creates a stereotype of the manager who is focused on maximising return on investment.

Classical strategy places great confidence in the readiness and capacity of managers to adopt profit-maximising strategies through rational long-term planning. Porter is easily placed in the classical mould, especially as his books offer advice on obtaining 'above average industry profits'.

### **Processual Approaches To Strategy (1970):**

A processual view of the firm is one which postulates organisations as coalitions of individuals, each of whom brings their own personal objectives and cognitive biases to the organization. For these scholars (eg. Richard Cyert, James March and Herbert Simon) strategy is a continuing process of negotiation because rational economic man is a fiction and people are only 'boundedly rational'.

Processual scholars argue that because of these limitations strategy becomes the gradual adjusting of routines to awkward messages from the environment which eventually force themselves on the manager's attention. Strategy is not only planned and followed action, but it is also a way to make sense of the chaos of the world. Thus, strategies are often 'emergent', their coherence accruing through action and perceived in retrospect, while successive small steps eventually merge into a pattern (Harfield & Hamilton 1997a).

### **Evolutionary Approaches To Strategy (1980):**

However, it seems that business is not peopled with the 'ideal of economic man'. Not only do managers fail to set output at the theoretically profit-maximising level where marginal costs exactly equal marginal revenue, but most managers have no idea what their marginal cost and revenue curves are! (Hall & Hitch 1939 in Whittington 1993)

Enter the experts! Economists adjusted to this business 'stupidity' by letting 'the markets' do the 'thinking'. With this view of the world, 'markets' not managers choose the prevailing strategies within a particular environment. For those strategists who adhere to the evolutionary view of competition, survivors may appear to be those who have adapted themselves to the environment (Williamson 1991). Competition is the most effective form of 'weeding out inefficiency' or lack of adaptation, thus easy entry into markets is the way to ensure healthy industries.

### **Systemic Perspectives On Strategy (1990):**

Granovetter (1985) has argued that economic activity cannot be placed in a separate sphere of impersonal financial calculation because of our social embeddedness. Economic behaviour is embedded in a network of social relations; families, the state, professions. These networks influence both the means and the ends of action, defining what is appropriate and reasonable behaviour for their members. Thus, personal histories which include educational background, religion, gender, family position, and ethnicity all shape economic activity.

This social constructivist view suggests that the norms which guide strategy are not cognitive (Huff 1990), but cultural. Culture, defined as a series of social systems, effects and is affected by firms, industries and economies (Gergen 1994). Whittington (1993) argues that even with the growth in overseas trade and foreign investment, the peculiarities of history and society still matter. It may be that the very notion of 'strategy' may be culturally particular to the conditions in the United States during the 1950s and 60s.

Rouleau & Seguin (1995) argue that the previous taxonomies are too limiting and that an analysis of the discourses used in the strategy literature reveals four discursive 'forms' based on organization theories. All of the 'usual suspects' are located in one of four forms (classical, contingency, socio-political, socio-cognitive). Their view of the connection between organization and strategy discourses, 'forms', follow a similar pattern to the 'concepts' proposed by Whittington (1993) even though they relocate many authors. They place Porter (1980) along with Williamson (1991) in the 'contingency' form which is located in discourse of industrial economics.

### **Or is 'strategy' a myth?**

Chaffee's interpretative model lists authors for whom 'strategy' is a metaphor. Why use metaphors? Morgan (1986) suggests that metaphors create a discourse 'in common' because they are very efficient in dealing with loose ends, incompleteness, and uncertainty. I am assuming that people use common metaphors because the 'literal' meaning of words is too complex. Words such as 'strategy' and 'strategic management', as has been discussed, are very complex with both specialist and lay meanings. Metaphors also help transmit our 'inexpressible' experiences (White 1987). Thus metaphors may be used to bridge the gulf between unstated and unclarified personal meanings. (For a good synopsis of meaning see Gray, Bougon & Donnellon 1985).

Most of the reviewers of the 'strategy' literature identified a stream which focuses on the social construction of knowledge and interpretation of discourses. These authors assume a socially constructed reality such as discussed by Smircich & Stubbart (1985). They suggest that strategists are involved in making meaning by their interpretation of the 'values, symbols, language, and dramas that form the backdrop for decision making structures'. Managers are extolled to challenge assumptions to encourage multiple interpretations of strategic management.

Mintzberg (1990) writes of seven 'schools' within the literature which describe or attempt to understand strategic management. However, the research from these sense-making 'schools' remains on the margins of the strategic management field as prescriptions for success remain important to academics and practitioners alike (Marcus, Goodman & Grazman 1995). This paper is obviously a part of that persistent trickle (definitely not a flood) of interpretative research projects.

Smircich & Stubbart (1985) also extol researchers to question meaning and embrace multiple perspectives. I have taken up this challenge and have moved beyond the 'explicit or implicit acceptance' of 'strategy' and 'strategic management' as well defined areas of research which can be located in identifiable categories. I offer an alternative perspective that 'strategy' is just another word in a long line of previously 'popular words' such as 'long range planning', and 'business policy' which become the focus of academic and management endeavour.

Might I then suggest that the best way to understand the popularity of the 'strategy' discourse is to assume that 'strategic management' is a myth? Kaye (1996) suggests that myths, fables and archetypes are useful for understanding organisations. Common themes run through organisational tales such as; the creation story, the journey for 'the grail', dragon slaying. Because these are common themes, they are used by managers as one way of making sense of their experiences in the world. Myths then become the foundation for our 'knowing'.

C.E. Beeby (1992), an educationalist, described the structure and function of an educational myth which seems to me to be appropriate in attempting to make sense of 'strategic management' as an a 'field of study' (Bourdieu 1988) or a location of managerial experience (Harfield 1997).

According to Beeby (1992) 'some of the noblest of human achievements are myths created to give a sense of permanence'. It seems to me that Beeby is correct when he writes that each generation creates or assumes its own 'unattainable but approachable goals' in the form of a myth. The function of the myth is to 'provide a criterion' against which all purposes can be judged' even though the multiplicity of purposes cannot be expressed in the myth. However, to be 'acceptable and effective' a myth must meet certain criteria:

1. There must be a 'general accord' with some strong if not clearly defined, aspiration
2. The myth must be expressed in language sufficiently flexible to permit a reasonably wide range of interpretations
3. The language of the myth must allow the possibility of providing practical guidance
4. And most importantly, the myth must be 'unattainable in the near future' so that it may be sustainable through 'consistent change'
5. The final paradox is that the people working under the myth must believe in it so completely that they will fight for it in its youth, must hold to it in its middle age, but be prepared to see another myth set up in its place when it has served its purpose.

'Strategic management' and 'strategy', even 'competitive strategy' all seem to meet the Beeby criteria of a myth. As has been shown above, 'strategy' is the word of choice even though it has a range of interpretations. Practical guidance abounds in the literature, but somehow 'new and improved' models keep the field in constant motion.

The last criterion especially seems very appropriate considering the 1994 Strategic Management Journal special issue. The issue, which attracted a record number of papers, began as a search for a 'new paradigm' or 'paradigms'. Could 'paradigm' be another word for 'myth'? Myer (1991), in his search for a definition of strategy, quotes an informant who said that strategy and policy mean everything and that the field of strategy demonstrated the power of a 'nonconcept'.

Beeby (1992) however, argues that myths are a necessary part of continuity rather than indicative of change. And as we reach the end of this century with its rapidly changing social, political and economic environment, it may be that the 'myth' of 'strategic management' is important as a symbol of continuity within a globalizing economy (Kelsey 1995). It is interesting to note that 'strategic management' as an academic endeavour has arisen in the United States at a time when control of internal markets was being eroded by foreign imports (Whittington 1993).

If the purposes of a myth are many and varied (Kaye 1996), it may be that the words 'strategic management' serve as a myth which gives a sense of purpose to decision-makers, academics, business writers and publishers. It may be that 'competitive strategy' has offered 'salvation', or 'uniformity' to all businesses engaged in 'competitor analysis' while on the road to 'success' (Knights & Morgan 1991). The search for 'success' or 'survival' could be considered a myth of the first order. The fragmented identities of the 1980s and 90s may be attached to the 'web' of strategic management which proclaims uniformity in individuality and provides the illusion of continuity in the face of change.

If this is the case then one of the major myth makers is Michael E Porter (1980, 1985, 1990, 1996). His position as Professor at the Harvard Business School supports the legitimacy to his 'expert knowledge'. He has worked as a consultant to governments, business groups, and individual firms. This activity, as well as his popular strategy books (Competitive Strategy sold 200,000 copies according to Foster & Browne 1996), suggests that he is an ardent supporter of 'strategic management' in its mythical form. It is clear that he has diffused the 'powerful language and metaphors' found within the strategic management discourse through his writing, teaching and consulting (Smircich & Stubbart 1985).

### **Words from a myth maker: an interview with Michael E Porter:**

But all 'discourse' must be interpreted, especially that located in strategic management 'best sellers'. Rosenau (1991) sets out an historical account of the relationship between author, text, and reader. The initial phase is noted by the 'power' of author-ity, with an assumed passive reader and a text of 'complete wisdom'. Phase two is indicated by the acceptance of the incompleteness of the text and the questioning of the privileging of the 'author'. The currently accepted wisdom by some who claim a postmodern identity is that the interpretation of the text by the reader is the actual seat of 'power' and author-ity (Harfield 1997; White 1978). Thus all texts have a multiplicity of interpretations. Barry & Elmes (1997) write that different readers are assumed to "get it" differently. They suggest that personal history, values, and 'what side of the bed one gets out of' affects interpretation of texts, including strategic management texts.

In my case, reading strategic management texts is from within a postmodern sensibility (Kilduff & Mehra 1997; Alvesson & Deetz 1996; Hassard & Parker 1993; Bauman 1992). This sensibility seems to have reached critical mass of written material in 1985. That year appears to mark the 'postmodern turn' within a number of academic disciplines. Many of the new books published that year openly declared themselves to be post-modern, and a larger number of others were obviously 'informed' by postmodern concerns. Within the management/organization literature the 'turn' is also evident: Chaffee, Granovetter, Smircich & Stubbart, and Gray, Bougon & Donnellon.

Competitive Advantage: Creating and Sustaining Superior Performance by Michael E Porter was also published in 1985. Although many authors (Barry & Elmes 1997; Forster & Browne 1996; Whittington 1993; Knights 1992) would claim that Porter is a leading exponent of 'positivism' with its attendant deterministic rationalism, it may be that Porter is also part of the 'postmodern turn'. The following interview tends to confirm this view.

#### **Christchurch, October 1997**

TOBY: I have been reading the academic literature concerning your contribution to strategic management. Most authors place you within a 'rationalist' paradigm. However, my reading of your articles and books is that you could be located within the postmodern, what Bauman calls a state of mind.

Firstly, the interdisciplinary nature of much of postmodernism is evident in even your earliest writings. Huff & Reger and Mintzberg call for a crossing of boundaries. You appear to have made a conscious choice to do just that. This is particularly noticeable in Competitive Advantage.

MEP: It is not possible to acknowledge all the contributions in the various disciplines that have influenced in some way the ideas presented.

Competitive advantage is hardly a new subject. This book cuts across many disciplines, because marketing, production, control, finance, and many other activities in a firm have a role in competitive advantage. A long tradition of research in business policy and in industrial economics bears on this subject. Competitive advantage cannot be truly understood without combining all these disciplines into a holistic view of the entire firm.

TOBY: It might be said that chapter 6 'competitor selection', is a diatribe against monopoly, a plea for duopoly or evidence in support of the theory of oligarchy. However, I read the chapter as an early introduction of the concept of 'social construction' into the strategic management literature. It does seem to me that on a second and a third reading the moral flavour, or is it fervour, almost borders on ideology as suggested by Shrivastava. Would you say that it was an attempt to expound an ideology or is it a description of social constructivist view of the world?

MEP: I show how a firm can influence whom it competes with.

In practice, a firm must understand where each of its competitors falls on the spectrum from good to bad and behave accordingly. A good competitor understands and plays by the rules of competition in an industry, and can recognize and read market signals.

Some bad competitors will never become good competitors. A firm must be prepared to fight battles in order to convert bad competitors into good ones. For example, a foreign competitor entering what it perceives to be a strategic market is usually a bad competitor. Its stakes are too high, and it may also not understand the rules of the game.

These considerations suggest that a firm must continually work to manage its competitors' expectations and assumptions.

TOBY: A third postmodern concern is plurality. The privileging of plurality is most noticeable in chapter 13 when you write about uncertainty and industry scenarios. I understand that a variety of options would be a departure from the commonly held view that you are only concerned with prescription. For instance, Berry & Elmes argue that your books are popular because of the 'ready made' identities available for managers. Have you changed your view?

MEP: Competitive strategy is about being different. Scenarios aim to stretch thinking about the future and widen the range of alternatives considered.

The future industry structure under each scenario will usually have different consequences for different competitors. Competitors will respond to structural change in ways that reflect their goals, assumptions, strategies, and capabilities.

Scenarios aim to reduce the chances that actions taken to deal with one element of uncertainty in an industry will unintentionally worsen a firm's position vis-a-vis other uncertainties. An industry scenario is not a forecast but one possible future structure.

TOBY: I have mentioned plurality, social construction of knowledge and the multidisciplinary as concerns of the postmodern project. In my own work I have chosen to focus on three postmodern concerns -- discourse, fragmented identities and research as resistance-- which seem to me are also evident in your writings.

Although you do not claim membership within a postmodern tradition, I think that you have indeed created a discourse of strategy which centres around 'generic strategies'. I haven't read all the recent 'strategic management' texts, but those which I have read, place your 'generic strategies' in a prominent position.

MEP: The notion underlying the concept of generic strategies is that competitive advantage is at the heart of any strategy.

TOBY: I have also noticed that the discourse has moved beyond academia. It seems that you have created a 'common' business discourse as well. The managers in my study did not say 'low-cost leader' or 'differentiation' or 'focus', but they all talked about their niche market, selling on price and how they were different from everybody else.

I know that you say firms must make a choice to gain and sustain a competitive advantage but a number of studies such as Miller & Dess, Bowman, and my own, indicate that managers don't make a choice; they use all your suggested strategies. As far as you are concerned they are 'stuck in the middle'. I don't want to debate whether or not this is an accurate state of affairs, but I do want to suggest that 'stuck in the middle' has entered the lexicon of strategic management along with the 'generic strategies'. Are these expressions, as part of the 'competitive strategy' discourse, traceable to your influence?

MEP: While selecting and implementing a generic strategy is far from simple, they are the logical routes to competitive advantage that must be probed in any industry. If a firm can achieve and sustain overall cost leadership, then it will be an above-average performer in its industry provided it can command prices at or near the industry average. A firm that can achieve and sustain differentiation will be an above-average performer in its industry if its price premium exceeds the extra costs incurred in being unique.

Each generic strategy involves different risks. In most industries, quite a few competitors are stuck in the middle. Becoming stuck in the middle is often a manifestation of a firm's unwillingness to make choices about how to compete. It tries for competitive advantage through every means and achieves none.

TOBY: I can see that you are still committed to your view of the world, so let's move to another postmodern concern which I hope will be less contentious.

I notice that 'fragmented identities' is a category which could be applied to your five forces frame, the value chain and your focus on segments in Competitive Advantage. These fragments from business policy, industrial economics and marketing seemed to have been re-presented in a 'simplified' visual form which appeals to managers, based on the popularity of your books. The ideas which have been imported from the other disciplines appear to make a whole which is larger than the sum of the parts.

These ideas appear to me to be clearly related to the definition of industries. The fragmented nature or lack of easily identifiable boundaries of industries is not I think captured in the attempt to find 'commonalities' but may be captured in the 'differences' which you appear to focus on.

When did you notice that the fragments were greater than the whole?

MEP: The five-forces framework does not eliminate the need for creativity in finding new ways of competing in an industry. Instead, it directs managers' creative energies toward those aspects of industry structure that are most important to long-run profitability.

The value chain provides a way to identify a firm's sources of differentiation. Differentiation results from both actual uniqueness in creating buyer value and from the ability to signal that value so that buyers perceive it.

Segments stem from intraindustry differences in buyer needs and cost behavior. Segmentation is clearly pivotal to the choice of focus strategies.

TOBY: I have personally attempted to write within a postmodern sensibility. Some academics would classify this as 'research as resistance' against privileging and dominating discourses and practices. That is because of the indeterminacy which is evident in my conceptualizations and findings. It seems to me that you also use 'research as resistance', especially in Competitive Advantage. One might say that indeterminacy was the hallmark of some of your writing.

I know that I have already asked you about the creation of a competitive strategy discourse, but it seems to me that your views on 'stuck in the middle' are an especially good example of the myriad of possible metaphors available. Would you just outline your views on "stuck in the middle" again?

MEP: A firm that engages in each generic strategy but fails to achieve any of them is "stuck in the middle." It possesses no competitive advantage. This strategic position is usually a recipe for below-average performance. A firm that is stuck in the middle will compete at a disadvantage because the cost leader, differentiators, or focusers will be in a better position to compete in any segment.

A firm that is stuck in the middle will earn attractive profits only if the structure of its industry is highly favourable, or if the firm is fortunate enough to have competitors that are also stuck in the



middle. Becoming stuck in the middle also affects successful firms, who compromise their generic strategy for the sake of growth or prestige.

If a firm can achieve cost leadership and differentiation simultaneously, the rewards are great because the benefits are additive--differentiation leads to premium prices at the same time that cost leadership implies lower costs. Where competitors are stuck in the middle, none is well enough positioned to force a firm to the point where cost and differentiation become inconsistent.

TOBY: Again I would say that if indeterminacy and plurality are hallmarks of the postmodern discourse, future scholars will have to rethink your position within the field of strategic management. Placing you within a 'rational positivist' location may have been a bit hasty. I am sure that we could continue this 'conversation' for a long time. But at this point I would like to say thank you for taking time out of your busy schedule to speak with me.

### **Critics of the myth-maker**

However, reading Porter as an exponent of postmodernism is only one possible reading. A variety of other interpretations of his work are found in the strategic management literature. Rouleau & Seguin (1995) suggest that there is an 'emerging' critical form found in the strategy literature. This form is historically located in the 'radical current within organization theories' and many scholars critique Porter.

Shrivastava (1986) maintains that strategy is an ideology as it meets the five criteria which identify an ideology. The assumption of much of the strategic management literature that 'what is good for top management is good for everybody' is a form of universalisation of sectional interests. Much of the literature denies contestability (Harfield 1997) of not just 'the industry', but also 'the organization', and 'the market'. Recent stakeholder research has begun to question the 'normative idealisation of goals' as the ideals of 'efficiency' and 'productivity' remain problematic and unsubstantiated. The status quo of 'environment' and 'industry' interaction leaves out, as Granovetter (1985) suggests, the social and cultural aspects of all human endeavour.

Shrivastava's alternative is an inclusive dialogue which takes into account the well being of stakeholders, the notion of praxis. His view of strategy as praxis is contrasted with the economics view of Porter's (1980) five-forces framework which attempts to identify variables to maximise the profits of an individual firm. His critique of the ideology of strategy is the very narrowness which is supported by much of the strategy research in its effort to formulate success factors for senior managers.

Knights (1992) claims that strategy is a form of imperialism located within a discourse which cloaks the power of managers as a class in culturally acceptable clothing of science and objectivity. He interprets Porter through ideas articulated by Michel Foucault. Knights argues that although Porter's prescriptions for generic strategies are difficult to implement, generic strategies remain the enacted discourse of choice by the senior managers in his study of the financial sector. To attempt implementation managers require a sense of 'reality' which is based on the effects of 'forgetting, neglecting or denying the subjectivity' which is the condition necessary to render the generic strategies possible.

The problem with Porter's framework is that if every business adopted the strategies advocated, none would be able to secure a competitive advantage. However, the promise of 'unequal power' which is derived from 'specialist knowledge' located in the promises which can not be fulfilled continues to be supported by senior management the world over. Knights argues Porter's work is attractive to management precisely because it this expert knowledge provides 'some illusion of control, legitimacy and security in the face of uncertainty'. These ideas appear to support the view that 'strategic management' could be considered a myth as suggested by Beeby (1992)

Barry & Elmes (1997) argue that strategies can be also be read as narratives. Narratives refer to 'thematic, sequenced accounts which convey meaning from implied author to implied reader'. They argue that narratives are especially good at capturing diversity and complexity in a simple form based on novelty value and believability.

Various strategic theoretical frameworks succeed one another because organizational readers have shifting preferences and attention spans, and not because of some Darwinian progression towards an ultra-fit theory. In other words, the currency of today's strategic models may have less to do with accuracy or predictability than with their appeal to current tastes and interests. (Barry & Elmes 1997:439)

The positioning school (in which Mintzberg places Porter) is considered a Purist narrative. This narrative 'entices readers with 'ready-made identities, strategic purity, and a guarantee of sorts' such as 'gaining above industry profits' or not being 'stuck in the middle' (Porter 1980). The possibility of Porter as story teller fits in with my suggestion that strategic management' is a myth.

### **Endnotes:**

In my search for a comprehensive account of 'strategic management' I found Michael Porter again and again. The centrality of his contribution is not to be denied, however, the contradictions of his 'rational' location within the literature seems to be as much a problem as his models, frames and theories. His lack of clear definitions for his 'models' is a matter of agreement rather than debate (Foss 1997; Hill & Deeds 1996; Sharp & Dawson 1994; Bowman 1992; Miller & Dess 1993). And there is a similar large scale concern with his lack of empirical data. Yet, these same models appear to have become the 'foundations' of strategic management (Harfield & Hamilton 1997b; Mintzberg 1990).

I am struck by the variety of positions concerning Porter's work taken by other academics. Lewis (1993) suggests that Porter developed a 'theory of strategy'; I am certain that any number of economists or marketers would dispute it. Foss (1996) argues that the field is too pluralistic and Porter is used as an example of this problem. He writes a detailed account of some of the economic 'contributions' via Porter (1980) but complains that the later Porter is too eclectic and thus adds nothing to the 'foundations' of the field. Forster & Browne (1996) offer the thought the Porterian approach adds the needed complexity to industry analysis. At the same time they wonder how Porter managed to 'lose' the managers from the analysis. All of these authors also seemed to be tuned into the strategic management myth.

The critiques of Porter's work outlined in this account are but a few of the many. The critiques come from a variety of perspectives which is an indication of the diversity within the 'strategic management' field. I personally wish to celebrate rather than regulate that diversity, if only for the simple reason that management is carried out by people, and people by definition are different. Exploring a variety of interpretations for any metaphor might well be an inspiration or a challenge to both academics and practitioners. Beginning with the creation of a variety of 'readings' of 'strategic management' texts could prove insightful or humbling for any 'expert'. 'Playing around' is a usual source of inspiration or innovation. Some myths which might prove interesting for exploration or new readings are 'growth as necessary', 'success as being best' and 'competition as winner take all'.

My attempt to make sense of some of the writings of Porter, in the form of an interview was undertaken for two reasons; firstly to avoid a tedious rehash of his material and secondly to give a practical example of the postmodern claim that the meaning of a text rests in the 'eye of the beholder' not the fingers of the writer. The exercise proved to be more difficult in execution than in conception. While reading through a vast amount of Porter's writing my mind obviously filled in words and ideas that Porter never did write (McGuigan & Black 1986). When I came to write the words I thought that he had written I could not find them.

At the same time I was committed to using the interview to 'prove' Porter could be read as postmodern. I obviously was caught up in creating my own myth. Because the 'tangential answer' is a common practice in academic seminars, it seemed an appropriate technique which would make the 'interview' 'realistic'. As Leitch (1986) says, fiction has to be 'plausible'. I think that the interview presents a 'plausible' postmodern Porter which is no less 'plausible' than the models which have become the 'foundations' of the strategic management field.

Post Script:

Whittington (1993) writes that the Classical conception of strategy as espoused by Porter may not always fit comfortably in other cultures. But, a discourse based on an American business culture which respects profit, values technical procedures and regards the free market as an article of faith has to be taken seriously. It does not matter whether formal planning as prescribed by the Classical school is economically efficient. If that is how the institutional players expect business to be done, then it is sociologically efficient to play the game. It may be that the rationality of the Classical approach to strategy is only a social construction, but as it is presently the dominant construction, it is difficult to ignore.

**References:**

- Alvesson, M & S Deetz (1996) 'Critical theory and postmodernism approaches to organizational studies' in S Clegg, C Handy & W Nord (eds) *Handbook of Organization Studies* London: Sage Publications, pp. 191-217
- Ansoff, HI (1965) *Corporate Strategy* New York: McGraw-Hill
- Barnett, WP & MT Hansen (1996) 'The red queen in organizational evolution' *Strategic Management Journal* 17: 139-57
- Barry, D & M Elmes (1997) 'Strategy retold: towards a narrative view of strategic discourse' *Academy of Management Review* 22(2)429-52
- Bauman, Z (1992) *Intimations of Postmodernity* London: Routledge
- Beeby, CE (1992) *The Biography of an Idea: Beeby on Education* Wellington: New Zealand Council for Educational Research
- Biggadike, ER (1981) 'The contributions of marketing to strategic management' *Academy of Management Review* 6(4)621-32
- Bourdieu, P (1988) *Homo Academicus* Cambridge: Polity Press\Basil Blackwell
- Bowman, C (1992) 'Interpreting competitive strategy' in D Faulkner & G Johnson (eds) *The Challenge of Strategic Management* London: Kogan Page Ltd., pp. 64-83
- Chaffee, E (1985) 'Three models of strategy' *Academy of Management Review* 10(1)89-98
- Chandler, AD (1962) *Strategy and Structure: Chapters in the History of the American Industrial Enterprise* Cambridge: MIT Press
- Cooper, R (1989) 'Modernism, post modernism and organizational analysis 3: the contribution of Jacques Derrida' *Organization Studies* 10(4)479-502
- Derrida, J tran A Bass (1978) *Writing and Difference* London: Routledge
- Fahey, L & HK Christensen (1986) 'Evaluating the research on strategy content' *Journal of Management* 12(2)167-83
- Foss, NJ (1996) 'Research in strategy, economics, and Michael Porter' *Journal of Management Studies* 33(1)1-24
- Forster, J & M Browne (1996) *Principles of Strategic Management* Melbourne: Macmillan Education Australia Pty Ltd
- Gergen, KJ (1994) *Realities and Relationships: Soundings in Social Construction* Cambridge: Harvard University Press
- Granovetter, M (1985) 'Economic action and social structure: the problem of embeddedness' *American Journal of Sociology* 91: 481-510
- Gray B, M Bougon & A Donnellon (1985) 'Organizations as constructions and destructions of meaning' *Journal of Management* 11(2)83-98

Harfield, T (1997) 'Competitive Strategies and Industry Structures in Three New Zealand Industries Through a Postmodern Lens' unpublished PhD thesis, Christchurch: Department of Management, University of Canterbury

Harfield, T & R Hamilton (1997a) 'Journeys in a declining industry' *Journal of Organizational Change Management* 10(1)61-70

Harfield, T & R T Hamilton (1997b) 'Retreat from volume: survival strategies in a declining industry' *Journal of Strategic Change* 6(4)187-94

Hassard, J & M Parker (1993) *Postmodernism and Organizations* London: Sage Publications

Hill, CWL & DL Deeds (1996) 'The importance of industry structure for the determination of firm profitability: a neo-Austrian perspective' *Journal of Management Studies* 33(4)429-451

Hofer, CW & D Schendel (1978) *Strategy Formulation: Analytical Concepts* New York: West Publishing Company

Huff, AS (ed)(1990) *Mapping Strategic Thought* Chichester: John Wiley & Son

Huff, AS & R Reger (1987) 'A review of strategic process research' *Journal of Management* 13(2)211-36

Kaye, M (1996) *Myth-Makers and Story-Tellers* Sydney: Business and Professional Publishing

Kelsey, J (1995) *The New Zealand Experiment: A World Model for Structural Adjustment?* Auckland: Auckland University Press\Bridget Williams Books

Kilduff, M & A Mehra (1997) 'Postmodernism and organizational research' *Academy of Management Review* 22(2)453-81

Knights, D (1992) 'Changing spaces: the disruptive impact of a new epistemological location for the study of management' *Academy of Management Review* 17(3)514-36

Knights, D & G Morgan (1991) 'Strategic discourse and subjectivity: towards a critical analysis of corporate strategy in organisations' *Organisation Studies* 12(2)251-74

Leitch, TM (1986) *What Stories Are: Narrative Theory and Interpretation* University Park: The Pennsylvania State University Press

Lewis, G (1993) 'Concepts in strategic management' in G Lewis, A Morkel & G Hubbard (eds) *Australian Strategic Management: Concepts, Context and Cases* Sydney: Prentice Hall, pp. 5-38

McGuigan, S & JB Black (1986) 'Creation and comprehension of arguments' in J Galambos, R Ableson & JB Black (eds) *Knowledge Structures* Hillside: Lawrence Erlbaum Associates, Publishers, pp. 237-45

Marcus, AA, RS Goodman & DN Grazman (1995) 'The diffusion of strategic management frameworks' *Advances in Strategic Management* 12B: 115-145

Masson, RT & PD Quall (eds) *Essays on Industrial Organization in Honor of Joe S. Bain* Cambridge: Ballinger Publishing Company

Meyer, A (1991) 'What is strategy's distinctive competence?' *Journal of Management* 17(4)821-33

- Miller, A & G Dess (1993) 'Assessing Porter's (1980) model in terms of its generalizability, accuracy and simplicity' *Journal of Management Studies* 30(4)553-85
- Mintzberg, H (1990) 'Strategy formation: schools of thought' in JW Fredrickson (ed) *Perspectives on Strategic Management* New York: Harper Business, pp. 105-236
- Porter, ME (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors* New York: Free Press
- Porter, ME (1981) 'The contribution of industrial organization to strategic management' *Academy of Management Review* 6(4)609-20
- Porter, ME (1985) *Competitive Advantage: Creating and Sustaining Superior Performance* New York: Free Press
- Porter, ME (1990) *The Competitive Advantage of Nations* London: Macmillan
- Porter, ME (1996) 'What is strategy?' *Harvard Business Review* 96(6)61-78
- Rosenau, PM (1991) *Post-modernism and the Social Sciences: Insights, Inroads, and Intrusions* Princeton: Princeton University Press
- Rorty, R (1989) *Contingency, Irony, and Solidarity* Cambridge: Cambridge University Press
- Rouleau, L & F Seguin (1995) 'Strategy and organization theories: common forms of discourse' *Journal of Management Studies* 32(1)101-17
- Rumelt, PR (1974) *Strategy, Structure, and Economic Performance* Cambridge: Harvard University
- Schendel, D (1994) 'Introduction to the summer 1994 special issue -- 'strategy: search for new paradigms' *Strategic Management Journal* 15: 1-4
- Sharp, B & J Dawes (1994) 'Does Competitive Strategy Demand Differentiation? A Review of the Deficiencies of Porter's Competitive Strategy Typology' paper presented at ANZAM, Wellington
- Shrivastava, P (1986) 'Is strategic management ideological?' *Journal of Management* 12(3)363-77
- Smircich, L & C Stubbart (1985) 'Strategic management in an enacted world' *Academy of Management Review* 10(4)724-36
- Thorelli, HB (ed)(1977) *Strategy + Structure = Performance: The Strategic Planning Imperative* Bloomington: Indiana University Press
- Weick K (1995) *Sensemaking in Organizations* Thousand Oaks: Sage Publications
- Whipp, R (1996) 'Creative deconstruction: strategy and organizations' in Clegg, S, C Hardy & Nord, WR (eds) (1996) *Handbook of Organization Studies* Thousand Oaks: Sage Publications, pp. 261-75
- White, H (1978) *Tropics of Discourse: Essays in Cultural Criticism* Baltimore: Johns Hopkins University Press
- Whittington, R (1993) *What is Strategy and Does It Matter?* London: Routledge
- Williamson, OE (1991) 'Strategizing, economizing, and economic organization' *Strategic Management Journal* 12: 75-94