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A FRAMEWORK FOR INVESTIGATING THE INFLUENCE OF SOCIAL CONTEXT ON THE PROCESS OF STRATEGISING

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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ABSTRACT

Presently very little is known about techniques and tools available and effective during a process of strategising. Partly the problems reside in the normally macro level approach taken during investigations into strategising. A study aimed at determining how to facilitate strategic session requires investigation into factor influencing the micro activity level where little theoretical knowledge exists. Understanding the practical activity level also requires building links between the micro and macro level. A micro approach must also acknowledge the importance of the macro context.

This research will establish a framework for investigating the process of strategising, with the aim of investigating the influence of social context on the process of strategising at a micro level.

A theoretical approach is utilised, adopting a framework based on the synthesising of activity theory and structurational theory.

The applicability of Activity Theory as a framework is established in that it crosses the divide between the macro and micro level while being objective orientated. The importance of social context as a mediator connecting individuals during a strategising session is established.

Such framework could be utilised to enhance the understanding and therefore the success of strategising for most organisational processes within both the corporate and governmental environment.

DECLARATION

I, Sugnét Dixon, declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at this or any other university.

Sugnét Dixon

January 2006

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1. INTRODUCTION

1.1 Strategy and Its Praxis in Context

Mention the word “strategy” and images of prolific academic contributions of the likes of Mintzberg, Porter and Chandler spring to mind. Over the course of the last century, theories and fundamental understandings of what strategy constitutes have been published academically, applied practically, criticised by peers, adapted over time and evolved into strategy theory as it is today. Strategising consumes a large amount of corporate management time in modern organisations. Whittington (2002) alludes to the seriousness and importance of strategy and the devastating effects that inadequate strategising has for large corporations, resulting either in their having drastically to reduce their number of staff or to close entirely.

At present very little is known about the tools and techniques that are most readily available, applicable and effective for strategy sessions. Whittington (2002) defines the problem in very practical terms by stating that reading academic journal articles on strategy management or strategising will not help a strategy practitioner to organise a successful strategy session. An area requiring improvement within the field of strategy therefore exists in regards understanding strategy sessions, how a session is constructed and conducted, and what factors can influence such a session.

Whittington (2002:4) defines the praxis of strategy as “the real work of strategy practitioners as they draw upon, reproduce and sometimes shift their strategy practices”. The lack of information available regarding effective praxis of strategy makes it difficult for practitioners to facilitate strategy-making sessions. Johnson, Melin and Whittington (2003:3) define micro strategy as “the detailed processes and practices that constitute the day-to-day activities of organisational life and which relate to strategic outcomes”.

In terms of the micro approach already mentioned the process of strategising, in other words the “how” of a strategising session, takes on a new meaning. The need for a high-level analytical approach is negligible. Johnson *et al* (2003) argue that part of the lack of know-how hindering the development of an effective strategy praxis is due to the overwhelming reliance on the macro

approach to strategy process research, which is too far removed from the real activities of managers to be of real benefit. A study aimed at determining how to facilitate strategy sessions, or the praxis of strategy, requires an investigation into factors influencing the micro level of activity, for which little theoretical background currently exists.

Jarzabkowski and Wilson (2002) find that the field of strategy, as seen from a predominantly positioning and analytical viewpoint, appears to be in crisis. The dominant analytical approach of typical strategic planning and decision making leaves gaps and questions unanswered at the deeper level of details of strategy implementation, strategy processes or strategic change.

Understanding the practical dimension of strategy requires building links between the micro and macro approach. A micro approach must also acknowledge the importance of the macro context.

A deepening understanding of the practice of strategising requires the development of the practical component of strategy, as well as the development of a connection with the wider context in which the practice occurs. Through enhancing this understanding, a positive contribution towards strategy as the predominant practice in organisations is made.

1.2 Introduction to the Process of Strategising Within a Social Context

Understanding strategy as a praxis or process of strategising within a wider context requires a framework that incorporates all possible sources of influence on the process strategising. It also requires bridging the distance normally present between the proposed micro approach to strategising and the wider context in which the process occurs.

Such a framework should be generic enough to incorporate any process and any context, but also specific enough to allow for concentration on dimensions found in a typical context that can either positively or negatively influence the process. The same argument is applicable to the representation of the process of strategising. All possible process steps should be included, taking into account the micro approach necessary to understand the actual activities themselves.

Johnson *et al* (2003) stress the importance of a micro perspective as being where managerial activity and interaction actually take place. A deeper knowledge of the detailed activities of an organisation is necessary while taking the context into consideration as well.

Whittington (2002) urges that closer attention be paid to the work that is done by individuals within any organisation. Wilson and Jarzabkowski (2004) fully support Whittington's approach, proposing an alternate approach to strategy, as the typical analytical and economy-based strategising models that ignore the importance of individual input are in dispute.

According to Whittington (2002), the practice theory or micro activity approach to strategy has its origins in contemporary sociological theories, such as that of Giddens and Bourdieu (cited in Whittington, 2002) who recognise the connection between daily activities and the wider societal context. Decision making and interpretation of events made, as well as interactions between stakeholders during strategy praxis, might, in fact, be influenced more than is expected and acknowledged by the wider society.

Some understanding of what constitutes the wider society is necessary before any attempt can be made to investigate its influence on strategising. Considering the micro-level aspects, Weick (1996) discusses Salancik's belief in the social context as being a most appropriate tool for investigation of both the macro and micro level. Terms used to refer to the macro level include "legitimacy", "norms" and "institutions", while terms used to refer to the micro level include "conformity", "commitment" and "expectations". The social context can be seen as the common factor linking the micro activities of an individual with the organisational understanding of concepts such as corporate strategy and culture. The social context is present not only for the individual, but also for the group and organisation.

Understanding the activities taking place during a strategising session, and especially the influence of contextual factors on the process, requires the utilisation of a framework appropriate for such an investigation. Such a framework should connect the process of strategising, which assesses the micro activities, to a more macro approach, incorporating the wider society.

The purpose of the current study is, therefore, to investigate the influence of the social context on the effectiveness of the process of strategising. A micro-level perspective has been chosen for this

study. An investigation of the process of strategising at the macro level usually fails to consider the activities taking place during a strategising episode. Using a micro-level approach could also result in the identification of some currently unknown factors of influence.

This research will establish a framework for investigating the process of strategising, with the aim of investigating the influence of the social context on the process of strategising at a micro level. Both positive and negative influences on the effectiveness of strategising will be assessed. A definition of the concept of effectiveness as utilised in this work will be discussed. Cultural Historical Activity theory (Blackler, (1993); Engeström, (2000a, 2001) and David & Victor, (2002) is proposed as a suitable starting point for the development of a framework for the investigation of the strategising process.

This study defines an effective strategy praxis in line with Whittington's (2002) definition of praxis as an activity including interactions and interpretations from which a strategy emerges. The emergence, change or adaptation of strategy will be used to determine whether the process of strategising has, indeed, been effective. The terms "the praxis of strategy" and "the process of strategising" are used interchangeably.

The importance of strategy within the modern organisation is sufficient reason for any attempt to enhance understanding of the process of strategising.

1.3 Justifying Striving for an Improved Understanding of the Process of Strategising

Johnson, Melin and Whittington (2003*)* justify the importance of understanding micro activities by referring to two reasons relating to the environment. Firstly, the hard-to-copy and tacit resources which are implicitly present in the micro assets of an organisation lead to its sustainable advantage over its competitors. Secondly, the presence of a hypercompetitive environment demands speed, surprise and innovation in response for the organisation to be able to survive.

This research addresses the question of how context influences the effectiveness of the process of strategising on a micro level in terms of a newly established integrated framework.

This study uses a theoretical approach, adopting a framework based on the synthesising of appropriate and applicable theory found in the literature. The identification of factors influencing the process seen in terms of the framework will also be based on the contents of the available literature.

The proposed framework will be applied across a range of industries and sectors. Some of the identified factors influencing the praxis of strategy in corporations could also be applicable to non-profit organisations, to the education and health sectors, and to government in general. If the factors identified turn out to be generally applicable, effective praxis could have a positive contribution on the non-corporate world as well.

The current study will identify the influence of numerous factors in the social context on the effectiveness of the process of strategising. Identifying these factors could help the role players in this context to eliminate negative factors, as well as to enhance the influence of the positive factors. Heightening of the effectiveness of strategising could also be achieved. The influence of the social context will be investigated within the constraints of a suitable enabling framework. This framework could also be applied to investigating other organisational processes, especially at a micro level.

The identification of socially determining factors at a micro strategy level should promote the understanding of strategising as an activity of management at functional, rather than merely corporate, level. Strategy tends to succeed or fail at the level of praxis and practices. The success of stategising is determined at the operational or functional level. The study promotes a better understanding of the variables that lead to success or failure. Jarzabkowski (2003:51) states: “micro studies of strategy as practice aid in our understanding of the internal complexities of organisation positioning”. Investigating the social context of strategising could serve as a starting point for increasing the understanding of other business processes, such as group decision making, strategy implementation and organisational change.

Information relating to the praxis of strategy is not yet readily available, as “how to strategise” principles have not, so far, been investigated extensively. A series of best praxis for strategy sessions could be of equal benefit to strategy practitioners, business school teachers and managers. Academic and practical application benefits could evolve from the study. Strategy

consultants will be likely to gain from learning of new methods that they can apply during strategic sessions.

The research described in this study will contribute to an understanding of the process of strategising by linking the existing model of Maitlis and Lawrence (2003) to the adaptation of Vygotsky's Activity theory of Vygotsky. (Blackler, (1993); Engeström, (2000a, 2001) and David & Victor, (2002)). A framework for identifying especially contextual-level factors of influence will be established, which will also enable the macro level of investigation strategy to be linked to the micro level of activities. The model will restrict itself to the formulation of strategy. Other aspects of strategy, such as strategy implementation and decision making will be excluded, due to the extent of the investigation that would otherwise be required.

The study will restrict itself to the analysis of the process of strategising within a business unit or functional level. Strategising at corporate level will be excluded.

Only the factors contained within the contextual framework that influence the effectiveness of the process of strategising will be considered.

The effectiveness of the process of strategising is defined in terms of an activity or interaction between individuals or groups that results in a strategy being chosen, a plan being accepted or in strategy practices being changed. Factors influencing the effectiveness of the process will only be identified. No quantification of the degree of influence will be considered.

Historically, the time span of applicable practice and praxis will not be limited, since factors could be present for historical reasons. History or time as an influencer will be considered, but no longitudinal studies will be included due to the theoretical approach adopted

1.4 The Structure of the Research Report

Johnson *et al* (2003) stress the importance of knowledge in the daily activities of organisations. They emphasise the collection of knowledge and understanding of micro activities that are involved

in and which affect strategising. Understanding the organisational micro activities of strategising, as in the praxis of strategy, will help to identify a series of factors that could influence the effectiveness of the praxis. The foundations of the strategies of companies and business units are laid during strategising sessions. Strategising sessions are as influential as are the outcomes obtained from decisions that are made and the strategic actions that are taken or changed during them. At an operational level, the interpretations of corporate strategy and the implementation thereof at business unit level could have serious consequences if perceived differently to before.

The structure of this research will be explained now. In a sequential manner an appropriate representation of the process of strategising is presented while it is incorporated within a wider contextual framework. Through theoretical synthesis the divide between a macro context and a micro process is achieved. For investigating the influences on the process of strategising residing in the context, it is necessary to establish some definition of such a context. To conclude the adapted framework, linking a macro level social context with a micro level representation of the process of strategising is applied to a typical example to identify influencers.

The synthesising of the framework is initiated with the process of strategising, use is made of Maitlis and Lawrence's (2003) sequential activity model and the factors that they claim lead to the failure of strategising sessions. Hendry and Seidl (2003) employ Luhmann's theory of social systems to understand the role of communication in strategy practice. Luhmann's episodes of communication will be investigated together with Maitlis and Lawrence's (2003) strategising process. In support of the micro process approach necessary, typical dimensions of agency from Wilson and Jarzabkowski (2004) is incorporated into the process of strategising.

To enable the dynamic nature of the process of strategy Whittington (2002) provides a sound starting point by integrating the actors, the praxis and the practices all participating of influencing strategising. This interaction however is still not supplying the necessary macro level or context necessary to understand strategising from both the process and context perspective. Incorporating the process in a wider context is necessary.

This very important contextual framework is supplied by Activity theory of established by Vygostky'. An adapted version of Vygotsky's Activity theory (Blackler, (1993); Engeström, (2000a, 2001) and David & Victor, (2002), as a possible framework for understanding and identifying factors that might influence the effectiveness of strategising is proposed and investigated. Activity

theory as at objective oriented system support the bridging of the macro and micro approach divided in that in incorporated a micro process with a community of actors, strategising agents participating in the process of strategising. Part of the Activity theory is mediators, defined as entities that influence the outcome of the process. The identified mediators will be investigated in detail. (Garvin, (1998); Blair-Loy & Wharton, (2002); David & Victor, (2002); Feldmand & Rafaeli, (2002); Whittington, (2002); Hendry & Seidl, (2003) and Jarzabkowski, (2003)).

Since this study aims to determine the influence of social context, it also seeks to answer Schatzki's (2000) question regarding the definition of the rule-based fields of individual social context. Whittington (1992) uses Giddens' structurational perspective to obtain an understanding of managerial agency from a social context point of view. Whittington (1992) contributes to the understanding of the structurational view by supplying a framework that outlines the characteristics, rules and resources present in a social context.

Establishing a framework for investigating the process of strategising within a social context requires combining this process with the social context as defined by Whittington (1992) in terms of activity theory. The enhanced process of strategising, including mediating entities of rules, tools, division of labour and the larger community is explained in detail. The application of the proposed framework to a strategising process supports the applicability of activity theory as a possible framework for understand strategising and explain the importance of social context in the process of strategising

This research study concludes with the identification of major areas of influence residing in the social context that influence the effectiveness of strategising.

2. STRATEGISING AS A PROCESS

According to Huff and Reger (1987), the formulation and implementation of strategy differ markedly from each other. The strategising process can also be divided into how things *should* be done and how things are *really* done. Rational assumption divides the strategising process into those processes that are sequentially rational, analytical processes and those processes that only show rationality in their reflection of individual, organisational and political characteristics. In order to understand strategising activities at the micro level, using the influence of context on activities as the starting point, strategising should be seen more as a process than from the point of view of gaining rationality from individual, organisational and political characteristics. If the social context is believed to influence the strategising episode, people's behaviour, rather than "machine-like" analytical processes, is of greater relevance.

Pettigrew (2001) states that strategy, in a political sense, is being formed implicitly all the time. Individuals and subgroups at all levels in an organisation make choices upon which they act. These choices and actions develop into patterns of thinking about the world, which serve to evaluate that world and enable actions to be taken upon it. The process of strategy, therefore, includes both discrete and identifiable decision events, as well as the connections to and from these events, and the connections between these successive events over time. Pettigrew (1992) also briefly defines the process of strategy as the sequence of events that describe change over a period of time.

The role of micro activities in the process of strategising has only recently been emphasised in strategy research. (Hendry & Seidl, (2003); Maitlis & Lawrence, (2003) and Wilson & Jarzabkowski, (2003)). Most studies undertaken on this topic depict the micro action, communication or type of thinking that occurs.

Maitlis and Lawrence (2003) highlight the dynamics and results of strategic actions, as well as the factors of influence in the context of the social, political and economic background.

This chapter aims to explain the process of strategising by expanding on Maitlis and Lawrence's (2003) depiction of the process in terms of consecutive episodes by incorporating Hendry and Seidl's understanding of (2003) discourse or communication and Wilson and Jarzabkowski (2004)

theory of agency. What really happens during a strategising session on a level as close as possible to the real activity will be discussed. Discourse is the major means of conveying, adapting and accepting concepts during the strategising process. The current study considers the dimension of agency. The proposed approach supports Johnson, Melin and Whittington's (2003) call for the need to understand the micro level of strategy. Wilson and Jarzabkowski (2004) state that the process of strategising is a combination of action and direction. More emphasis should be placed on understanding the interaction that occurs in this combination, than in being concerned about the strategic plan being decided upon, or the market position chosen to support future strategising sessions.

2.1 The Episodes of Strategising

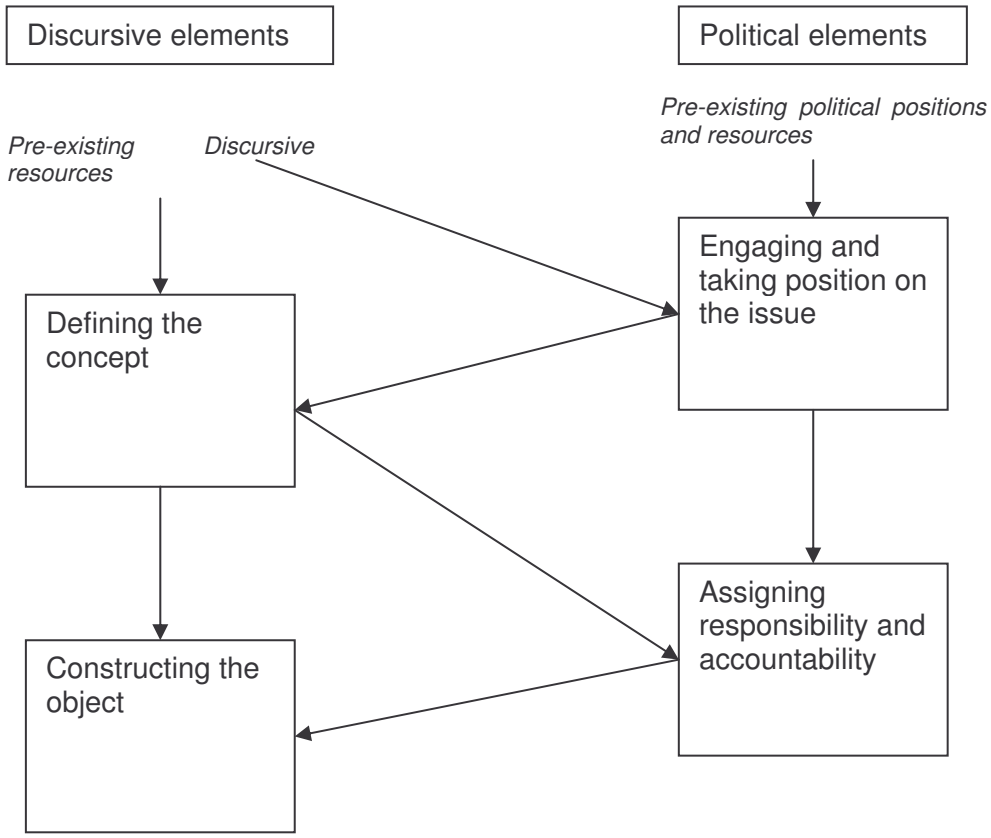
Maitlis and Lawrence's (2003) framework for strategising looks in particular at factors that lead to the failure of strategising, blaming it on the inability or the breakdown of a strategy episode with the delivery of a strategic objective as a goal. Such a strategy episode might consist of a vision, strategic plan or marketing strategy. Comparing their definition of failure with Whittington's (2002:4) definition of effective strategy praxis as "the real work of strategy practitioners and they draw upon, reproduce and shift their strategy practice" from which strategy emerge (the goal), supports the use of Maitlis and Lawrence's (2003) framework for investigating the process of strategising. Their framework can serve both as a suitable tool for investigating the failure of strategising and as an appropriate starting point for investigating how successful strategising is. Interactions between stakeholders and interpretation of the strategy issue at hand will be explored in both successful and unsuccessful strategising sessions.

Maitlis and Lawrence's (2003) framework consists of four stages of strategising or episodes as described in their model. The initial stage is used to identify the positions or political stance of the different actors taken towards a particular strategic concern. No actor interacts from a neutral base – all are influenced by previous experiences and perceptions. During the second discursive stage, the nature of the resolution of the problem is defined as, for example, a marketing or development strategy and the boundaries of the issue. This discursive episode, which consists of an activity on its own, is impacted by unique factors of influence both from the previous episode or element, as well as from the specific episode. Failure of the second discursive stage is normally a result of incompatibility between the different actors' views on the concept at hand. A need to share and accept what will resolve the issue is necessary for this element or episode to succeed. The third stage involves the politically motivated assigning of responsibilities and accountabilities for actions to actors. Crucial to success at this stage is making the correct actors or stakeholders responsible

for particular actions. The final stage consists of the construction of the strategy itself. The outcomes of this stage will influence existing organisational strategies and practices. The skill, expertise, power and influence of the actors taking part in this activity will influence the success or failure of this episode.

Figure 1 depicts the different stages in the process of strategising, as indicated by Maitlis and Lawrence (2003).

FIGURE 1: The different episodes that form part of the process of strategising.



Source: Maitlis & Lawrence (2003:124)

Maitlis and Lawrence (2003) claim that understanding of both the activity and the discussions taking place during each of the episodes is essential to the process of strategising.

A better understanding of what really influences the activities and discussions taking place in the different episodes is necessary in order to gain a full understanding of the influence exerted by such a process. The sequential representation of the process opens the way to further

investigation of the activities and discussions taking place. Hendry and Seidl's (2003) investigation of the role played by communication during strategising supports this view.

2.2 Systems of Communication Employed in Strategising

Hendry and Seidl (2003) employ Luhmann's social system theory to define social systems as systems of communication in which the communication itself determines whether further communication will occur. Two or more actors are necessary for communication to take place. Their understanding determines the significance of the outcome of the communication. These episodes of communication have distinct beginnings and endings that give each episode its structure. An episode ends either when the time for the encounter is up or when the desired goal is reached. An episode serves to suspend normal operating procedures and processes, consisting of certain structures and restrictions, so that a specific communication episode can be isolated from any other communication process by means of its distinct beginning and ending, in other words, by its structure. Despite the distinctive nature of episodes, some degree of connection between them may remain. Such connection may either consist of very rigid, well-established processes or of loosely coupled "self-organising" processes. Hendry and Seidl (2003) find the lack of rigidity in self-organising processes conducive to reflexive strategic thinking and discourse.

The importance of the aforementioned interpretation of the system of communication for enhancing the process of strategising lies in four factors:

- the recognition of the reaching of a goal as an indication of the end of an episode,
- the due acknowledgement given to mutual understanding supporting the significance to the outcome of communication,
- the role played by existing operational procedures and processes, and
- the distinct beginning and end of the different stages of the episodes that is present in the process of strategising.

If the system of communication of Hendry and Seidl (2003) is compared to the process proposed by Maitlis and Lawrence (2003), the importance of an objective or goal for a specific episode is amplified. For example, in the episode known as "engaging and taking position", no sequential episode can begin before the goal or objective of the present episode is reached. The second factor, that requires understanding of the concept for due attribution of the significance of the episode is especially prevalent in the episodes known as "defining the concept" and "constructing

the concept". Without mutual understanding, the actors involved will have different opinions and the episode may fail or result in misalignment.

The third factor of importance, the existing operating procedures according to Maitlis and Lawrence (2003), play a role in the first episode of "engaging and position taking", during which existing operating procedures may influence actors, as well as in the final episode "constructing the object", during which existing operating procedures may change. For Hendry and Seidl (2003) only a communication episode that is not well connected with another episode may result in the suspension of an existing procedure and in the non-attainment of an objective.

Hendry and Seidl's (2003) communication episode applies to the process of strategising as described by Maitlis and Lawrence (2003), in that each of the four stages or episodes (Maitlis and Lawrence's (2003) definitions) consists of a communication episode with a beginning and an end. In this context the fourth factor, the distinctiveness of each episode, is applicable to both.

The following questions can be asked: what will influence the communication during an episode? What determines the understanding that Luhmann (cited in Hendry & Seidl, 2003) feels so strongly will determine the outcome? Why might an episode be loosely or rigidly coupled to existing procedures? Rather than regarding the time allocation as a criterion for reaching a goal or objective, the actual attainment of an objective or goal facilitates the development of mutual understanding, which will positively influence the sequential episodes of strategising. However, a mutual understanding may never occur, resulting in the desired objective never being reached.

A better understanding of both the activity and communication that takes place during the episodes of strategising is necessary, as well as is some insight into the surroundings within which the episodes take place, in order to be able to answer the questions already asked. Ford and Ford (1995) hold that change occurs in the context of social interaction. Change constitutes, and is constituted by, communication. Activity takes place mainly in the form of individual actors communicating.

The importance of individual action is therefore apparent. The type of agency that an actor offers differs from one episode to the next. Activity and agency differ according to the goal chosen for each episode. Wilson and Jarzabkowski (2004) have investigated strategising in relation to the

type of agency that can be identified. An investigation into the type of agency or agencies identified per episode could determine how joint understanding occurs and why certain procedures are found to be irrelevant and obsolete. Consideration of the role of agency in particular episodes could throw some light on how actors act, think or come to their conclusions.

2.3 The Role of Agency in Strategising

Actors taking part in the process of strategising are engaged in three dimensions of agency according to Wilson and Jarzabkowski (2004): iterative, projective and practical-evaluative.

The iterative dimension consists of the selective reproduction of previous experiences and of the know-how of actors engaged in thinking and acting during a strategising session. The actors need to select the appropriate action to achieve the desired object. The action that occurs is a decision made on the basis of procedural memory.

The projective dimension involves less action than thinking. During this dimension of agency, the actor projects the future imaginatively.

The practical-evaluative dimension of agency identified by Wilson and Jarzabkowski (2004) consists of the ability to get things done within realistic constraints. In this dimension the actors need to understand the present situation in the context of both the past and future. By means of this type of agency existing practices are changed or abandoned. The practical-evaluative dimension involves acting and thinking strategically.

Investigating the use of dimensions of agency requires the application of a micro approach, in that a level of investigation deeper than only that of decision making is required. However, if the analysis becomes too much of a micro-level exercise, the context may lose its meaning. Wilson and Jarzabkowski (2004) conclude that all action entails the socially embedded drawing upon influences from their social surroundings consisting of numerous individuals. They accordingly stress the importance of tying any microanalysis into a larger macro influence.

A comparison of the dimension of agency approach of Wilson and Jarzabkowski (2004) with that of Maitlis and Lawrence (2003) and Hendry and Seidl (2003) predominately serves to identify iterative and practical-evaluative dimensions.

During the initial episode of “engaging and position taking”, actors utilise an iterative approach, searching through previous experiences to establish their own opinions. A practical-evaluative dimension is necessary for “constructing the object", during which constraints and reality need to be considered in order to reach the goal.

The projective dimension, though apparently less relevant, can play a role where reality is not clearly defined, as in the “defining the concept” episode.

The different dimensions of agency identified by Wilson and Jarzabkowski (2004) do not directly support the process of strategising, as defined by Maitlis and Lawrence (2003) and Hendry and Seidl (2003), in that no defined episodes are identified and the importance of mutual understanding is not stressed. Such an appreciation of agency does add to the understanding of typical actions, be it by means of internal conceptualising or by means of selection processes constituted from previous experiences and executed by the participating actors themselves.

The iterative dimension, based on past experiences, influences the role played by existing operating procedures. An actor or strategising agent who relies on his or her past experience will fall back on operating procedures that worked or failed in a similar context before. The iterative dimension of agency is therefore the “how” and existing operating procedures are regarded as influencing the process of strategising.

The actors, the influence of past experiences or history and the present method of operations play a crucial role. Change to “the way things are done” may result in the suspension of existing procedures. Most importantly, according to Maitlis and Lawrence (2003) and Hendry and Seidl (2003), are the shared understanding and common goals required to achieve an objective such as a strategic plan or marketing strategy.

The three types of agency identified by Wilson and Jarzabkowski (2004) may not be conclusive. Other unidentified types of agency may prevail during the process of strategising.

At this stage the importance of a common goal, a shared understanding, the individual actor and existing procedures or practices can be seen throughout the two strategising approaches discussed. The separate entities must meaningfully combine without losing the sequence of strategising. Whittington's (2002) model of integration of practitioners, actors, the praxis and practices of strategy supplies an initial framework for integration of the mentioned entities. In understanding the micro practices of the strategising process, definition and understanding of the interrelationships between the different entities, such as existing procedures, actors, history and a common objective and goal.

The next chapter investigates Whittington's (2002) model of integration in order to establish how it can enhance the understanding of the process of strategising.

3. INTEGRATING PRAXIS, PRACTICES AND ACTORS

In both the processes discussed in the previous chapter, the actor takes part in a predetermined manner, resulting in changes that are unseen. Whittington (2002) has, however, developed a model that integrates the practices and praxis of strategy with the actors "busy with strategy"

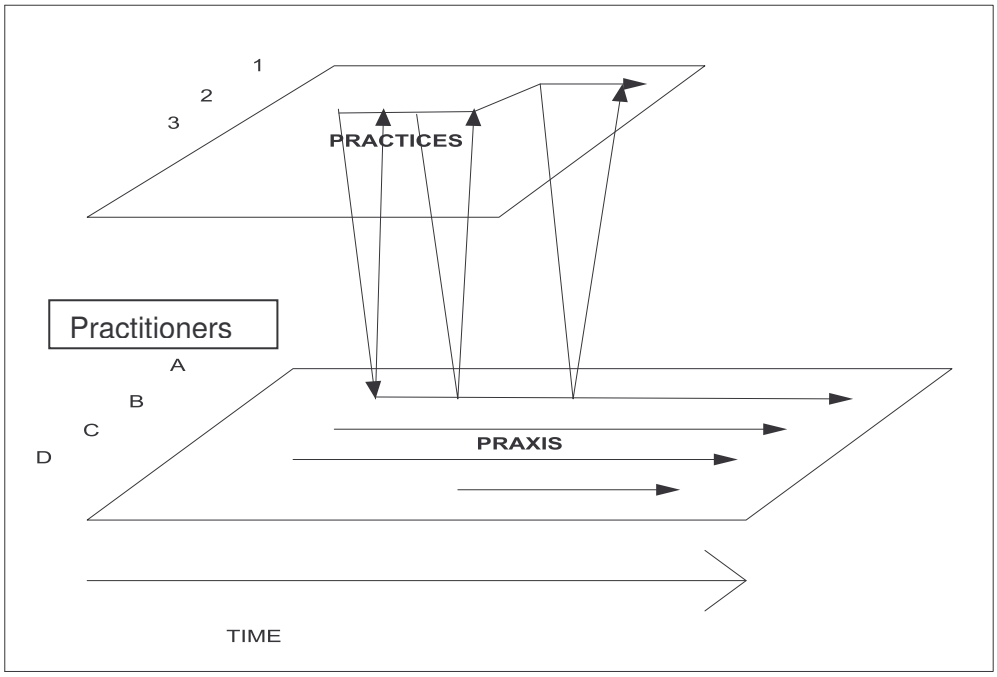
Whittington (2002) identifies the practitioners as typically consisting of top management and consultants, who participate in the praxis of strategy, typically by means of a board meeting or strategic session. To support the activity of strategising, they have to rely on practices available from past experience, or on available tools, such as analytical decision-making concepts. This process can lead to new practices or to changes to existing practices, which can later be used as a form of strategy praxis. By relating Whittington's (2002) model of strategising to that of Maitlis and Lawrence (2003), the activities (interaction and interpretation) of the practitioners who serve as the actors during the praxis of strategy or the process of strategising can be seen as being influenced by the practices and both formal and informal procedures of the organisation. Hendry and Seidl's (2003) view of the episodes of communication involving the suspension of organisational procedure and practices supports the dynamic nature of this integration. Wilson and Jarzabkowski (2004) also allude to the utilisation of experiences and known practices by actors. The suspension of operating procedures brings about changes to the practice.

The dynamic nature of Whittington's (2002) model indicates the likelihood that history impacts on the changing of practices and praxis. The model also indicates the influences on the practices of changes in practitioners or actors, as apposed to Maitlis and Lawrence's (2003) understanding of the interaction of a static group of actors. Both Maitlis and Lawrence (2003) and Hendry and Seidl (2003) see the practitioner as a static entity. Whittington's (2002) model differs in that different practitioners bring different perspectives to the process of strategising. Their differing perspectives, ways of thinking and sets of values profoundly affect the process of strategising. Brown and Duguid (2001) investigated the presence of knowledge in an organisation from a social-practice point of view, finding that participation, rather than organisational structures or culture, helps to create practices and work identities.

The actors who participate in a process of strategising are not static. The motivation of those who enter and leave a discursive process on behalf of someone else and therefore are not constant.

Some reactive influence is apparent. Changes in practice bring about changes in the resources and experience required. The dynamic intrusion of the differing motives and viewpoints of actors is a source of tension that causes existing procedures and practices to change and transform. The main prerequisite of a common objective is also under threat. The dynamics of practice can be seen in Figure 2.

FIGURE 2: Whittington's model of integration of praxis, practitioners and practices.



Source: Whittington (2002:6)

To investigate the influence that each practitioner, or change in practitioners, can bring to the process of strategising, (be it the practices from which they draw their experience or the process itself), it is necessary to establish a connection between the process, the object to be achieved, and the practitioner and his or her belief system, values and experience.

Whittington's (2002) model of integration, though being a step in the right direction, fails to incorporate either the common goal or shared meaning identified by both Hendry and Seidl (2003) and Maitlis and Lawrence (2003) as being of central importance to the strategising process. No indication of a macro context in which this process occurs is present. Whittington's (2002) model fails to connect the goal of the strategising process with the practitioner or actor concerned. Accordingly, neither the requirements of Maitlis and Lawrence (2003) nor those of Hendry and

Seidl (2003) of a common goal and a shared meaning are met. The agency of the actors is also not depicted in the micro-active context, such as with Maitlis and Lawrence (2003).

In an attempt to incorporate the concept of a common goal or method to depict shared meaning, the current study brings activity theory on board. Activity theory can satisfy the need for a common goal, as well as relate it to the process of strategising and to the actors participating in the process.

The current research purposes that utilising the adapted cultural historical activity theory of Vygotsky (Blackler, (1993); Engeström, (2000a, 2001); and David & Victor, (2002)) will aid in understanding the activities and communication present during each of the episodes of strategising. An effort to combine the strategising process of Maitlis and Lawrence with the activity theory of Vygotsky, as referred to by Engeström (2000a, 2001) and David and Victor (2002), is made to gain additional understanding of the factors that influence the effectiveness of the strategising process. The activity theory also provides some structure for the context within which strategising occurs.

The following chapter will investigate the use of activity theory as a framework for the process of strategising.

4. ACTIVITY THEORY – A POTENTIAL FRAMEWORK

Bedny, Seglin and Meister (2000) define activity theory as the process of removing consciousness and self-regulation from goal-awareness found in the work environment by means of defining both physical and symbolic tools that support goal achievement, leading to an understanding of how the tools shape actions. The current study investigates typical applications of activity theory, as well as the nature of an activity system and how it can be applied as a framework to the process of strategising. A discussion of the nature of activity theory serves as an excellent starting point for the application of activity theory to the field of strategy, as well as a connecting point for incorporating a consideration of the macro context in the process. The existing critique of activity theory will also be incorporated in the application of the theory to the process of strategising. In conclusion, the properties of activity theory applicable to the process of strategising will be summarised.

4.1 The Nature of Activity Theory and its Applications

Activity theory is applicable across a vast spectrum, including individuals and the society in which they live, as it embraces involvement, interconnectedness and mutual influence. Bedny *et al.* (2000) see external behaviour in terms of consciousness, the mind, dynamics, and action, as well as in terms of the major contribution in understanding that a human makes, in terms of cognitive input and action within a particular society. Fields of application of activity theory range from serving as a framework for conceptualisation of the development of socially situated learning (Ardichvili, 2003), teamwork (Turner & Turner, 2001), organisational system development (Pilemalm & Timpka, 2002), the design of human-computer-interaction tasks (Bedny & Karwowski, 2003) and as a method of understanding the individual and agency within a socio-cultural context (Stetsenko & Arievitch, 2004).

Blackler (1993) elaborates on the action orientation of knowledge in terms of Vygotsky's activity theory. The central idea of activity theory revolves around the relationships between action, a person's mental makeup and the society in which he or she lives. The theory explores the links between thought, behaviour and action of an individual and the practices of a group. The relationship between individual action, mental makeup and the surrounding society that enables the activity theory to promote the understanding of actions and communication during a strategising episode. Blackler (1993) adapts the model to the transfer of knowledge, taking into consideration that tacit knowledge is difficult to transfer. Tacit knowledge transfer takes place

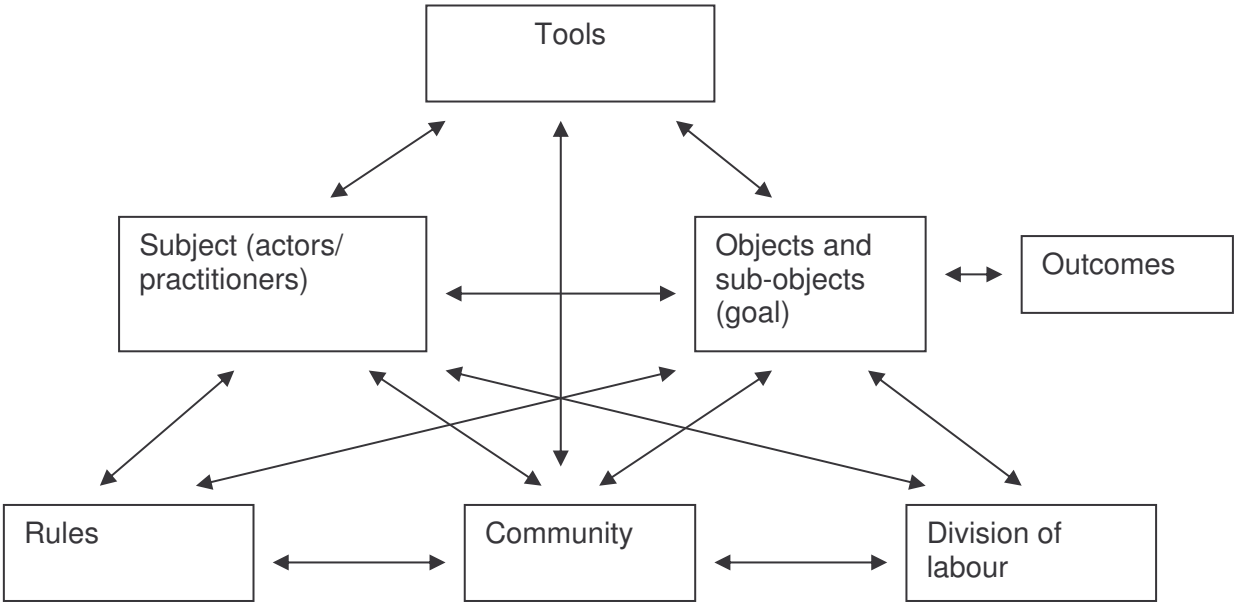
during shared activity, such as during formal or informal conversation, sharing some similarities with interactions between actors in a strategising session or episode. Only by sharing an activity or listening to someone utilising his or her know-how can tacit knowledge be transferred. The sender cannot influence the outcome, meaning the specific way in which the receiver perceives the knowledge.

An actor attempts to transfer his or her knowledge and opinions regarding the topic at hand to other participants. Hendry and Seidl (2003) stress the importance of understanding that guides the outcomes in a communication episode, as present in Luhmann's social system theory. The reception of tacit knowledge and the understanding and perception of an issue by the actors concerned is important. Sometimes the issue presented by an actor is not necessarily the same as that understood by the other actor present at the event. Which factors or causes result in actors not sharing their understanding of a certain issue? As mentioned in the previous chapter, according to Hendry and Seidl (2003), reaching a mutual understanding is one of the most important factors leading to success in a strategising session. Strategising differs from knowledge transfer in that the receiver of tacit knowledge is normally more receptive than is a strategising participant, who needs to be convinced about the real issue at hand.

Jarzabkowski (2003) also utilises the activity theory to explain the continuity in, and change of, strategy practices. She defines strategy practices as the infrastructure through which strategising occurs, the habits and socially defined mode of acting in terms of which strategic activity is constructed.

Blackler *et al* (2000) define activity theory, with its origins rooted in Russian psychology at the beginning of the 1930's, as functional materialism in terms of its understanding of human capacities as being unable to develop independently from their historical and cultural setting. Human capacities develop in collaboration with people's surroundings, in relations to which people act and react. Engeström (2001) expanded the activity theory model of Vygotsky to show a triangular relationship between the object, subject and mediating artefacts by defining these mediating artefacts as only being applicable during human activity. The model consists of tools and signs, the community, rules and division of labour. See Figure 3 for a graphic representation of the model.

FIGURE 3: Engeström's expanded activity theory model.



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Source: (Engeström (2001:135)

David and Victor (2002) utilise the activity theory model for investigating learning within communities. The activity aims at defining identity. The object shapes the actions of the actors and supports formation of the identity of the community consisting of the individual actors. The transformation of the object into the final goal motivates the attendant actions. The apices of the triangular model, the rules, division of labour and tools, represent the mediators of actions and processes followed and executed by the subjects, the actors within the community. The subjects, who are the actors, are active within a community comprising a vast range of individuals not necessarily taking part in the present activity. These individuals and subgroups influence the subject taking part in the activity. The relation between the subject and the community of which he or she is a part are mediated by the community's rules. The rules can be either explicit or implicit, with the latter being the more difficult to identify or understand. These rules and regulations either support or constrain interaction and activity aimed at achieving the final objective.

Blacker *et al.* (2000) multiply the activity system to analyse organisations as networks of activity, consisting of overlapping activity networks with the same goal. They utilise the same relationships between the actors and object, the tools, the community and the overall object, the roles or division of labour, and the individuals and the community, the rules, to define the activity system. Collaboration across different systems of activity raises issues concerning priorities, identities and

operational methods, as well as questions of relations, authority and influence. The applicability of activity theory to larger systems still bears the unit of analysis, as depicted in Figure 2, in mind. A single activity, such as strategising, particularly together with a specific goal, such as a marketing plan, can be defined as an activity system. This goal defines the activity system as described by David and Victor (2002). Some collaboration with other activity systems will be present, but, for the purpose of this research, only a single activity system will be utilised as a unit of analysis.

Engeström (2000b) adds to Blackler *et al.* (2000) view on multiple activity systems by distinguishing between collective long-term activity, individual or group short-term action and routine operation, as well as movement between the three, which is a core principle of activity theory. Engeström (2000b:307) defines activity as "a process that is characterised by continuous proceeding transformation" and "not an additive unit of the life of the subject(s)". Movement between a normal action, an activity or routine operations, depending on the motives or goals to be achieved, is possible. Care should, however, be taken with the multiplication of activity systems, especially with contradictory goals.

Placing the activity system within contact and exchange possibilities with the surrounding community, which plays a large role in the outcome of human activity, also has another advantage when investigating the strategising process. It combines a macro level structure, the cultural-historical or social context, with a process occurring on a micro level (Engeström, 2000a).

Engeström (2000a:960), in applying the activity theory as a framework to the analysis of work, states that the activity theory crosses the ever-present dichotomy of "micro and macro, mental and material, observation and intervention". This ability to cross the great divide between a micro and macro approach enables investigation of the micro process within the context of the macro level in which it occurs. The applicability of activity theory as a framework for investigating the process of strategising within the social context in which it occurs therefore gains support.

Some understanding of the detailed nature of Engeström's (2001) activity theory is necessary to justify an investigation into the strategising process.

4.2 The Intrinsic Nature of Activity Theory

Engeström (2001), in his description of activity theory, identifies five principles exemplified by the theory, while Blackler (1993) suggests three key aspects of the theory. These principles will be discussed with emphasis on their applicability during the process of strategising. Some similarities and differences between the two points of view will also be alluded to.

Engeström (2001) firstly defines an activity system as a collective object-oriented system, mediated by artefacts. Even in relation to other systems together forming a network, the activity system on its own represents the appropriate unit of analysis for any investigation. Activity systems realise and reproduce themselves by generating actions in support of the system goal – the object. Individual and group actions, as well as automatic operations, are relatively independent, but understandable only when interpreted against the background of the activity system as a whole. This finding corresponds with David and Victor's (2002) boundary setting of the activity system as the unit of analysis.

Blackler (1993) describes the concept of activity as consisting of where people sometimes just act on their own motives without thoroughly thinking an issue through. During a strategising session a decision could, therefore, be made on the basis of simple motives without due thought being given to the decision taken. This understanding of activity fits in with the appreciation of an episode as defined by Maitlis and Lawrence (2003) and Hendry and Seidl (2003). Actors in such an episode participate in discourse in order to resolve the specific objective of the apparent episode. Jarzabkowski and Wilson (2002) found that within a specific organisational context, strategy resulted from a combination of localised routines and patterns of action. Action may not necessarily consist of analytical decision making, but could consist of decisions made in line with certain guidelines or motives, whether for political reasons or as a result of the actors' past experiences.

Engeström's (2001) second principle relates to the contextual surrounding of the activity system. The activity system is a community of multiple viewpoints, traditions and interests. The division of labour creates the different positions assumed by the actors within the system, consisting of the different roles present. Together with each position each actor has his or her own "histories" and "culture" – his or her own social context. A multiplicity of variations and different histories prevail as regards the rules and tools. Such variation and conflicting histories could act as a source of, on the negative side, irreconcilable differences and, on the positive side, remarkable innovations. This

explains why shared understanding cannot always be achieved. Such differences may require mediation during the process of strategising in order to secure progress and attaining of the goal. If the differences in understanding exist between actors within the community and the community is governed by rules, an understanding and definition of these rules will become necessary. In terms of the broader perspective, it is thus possible to understand why a specific actor or subject makes a seemingly unmotivated choice or decision to achieve a set object.

Both Blackler (1993) and Engeström (2001) describe the importance or significance of history in light of activities evolving over time. The legitimacy of practices as referred to in Whittington's (2002) model can only be achieved by means of repetitive usage, thus the importance of what happened in the past influences the praxis of strategy. Positive and negative outcomes of previous activities will influence the application of the specific activity in the future. Blackler (1993) also regards activities in their socio-historical context. The differences between past and present social context explain the changes in the activities. Engeström (2001) also stresses the evolution and transformation of activity systems over time.

The fourth principle embodied in Engeström's (2001) expanded activity theory model lies in the nature of the activity system itself: the mediating tools, such as language use, rules of behaviour and conduct as well as division of labour, that influence the way in which decisions are made. Jarzabkowski (2003) finds that existing practices act as mediators between actors during organisational change. Her study also claims that the division of labour plays a role in activity theory. She identifies the collective structure of an organisation as one of the interactive components of emergent strategies. As with Jarzabkowski's findings (2003), the habits and socially defined practices act as mediators during disagreements between the actors in a strategising session. Blackler (1993) states that, though agreement may not necessarily be sought, agreement on the procedures for finding a solution is required. He compares this mediating tool to formal operating procedures that are automatically selected by actors. Failure to think the activity through is once more possible. Operating procedures conducive to mediation need to be identified. Mediation occurs only during interaction with the other actors involved in the strategising session. Practices of mediation also play a significant role in the two discursive episodes of strategising postulated by Maitlis and Lawrence (2003). Together, the organisational structure, its actors and practical activities form an activity system in an organisation, as described by Blackler (1993). Jarzabkowski and Wilson (2002) identify both top management, comprising the key actors, along with the structure, as influencing strategic practice. Due to the micro-strategic approach, the actors in each episode of strategising should consist of more than just top management. The importance

of operational procedures and especially the connection between them and the new communication episodes again surfaces, as evident in Luhmann's System theory as employed by Hendry and Seidl (2003). Engeström (2001), especially, sees the division of labour as a source of role-playing contradictions. Contradictions are historically accumulated structural tensions within and between activity systems that act as sources of development and change. As the contradictions inherent in a system deepen, some individuals will start to question certain procedures, rules and tools and deviate from the established norms. Relationships that are less rigid as regards existing procedures are established.

Both the second and fourth principles together support the existence of differences in understanding. The tension caused by division of labour and differences in understanding also supports the third principle, according to which changes occur to transform the system over time.

Related to the fourth principle is the principle of the possibility of expansive transformations. Through tension and questioning of the status quo, changes occur. Maitlis and Lawrence's (2003) conceptualise the less rigid connection of an episode to existing operating procedures (or practices) as resulting in its suspension, thus allowing reflexive conversation to occur. Engeström (2000b) exemplifies this last principle in his comments on Blacker *et al*'s (2000) work on multiple activity systems relating to the reorganisation of Finnish baseball. Expansion is triggered by contradictions existing between historical developments of different activity systems. The combination of these contradictory and sometimes opposing activity systems with a new objective, community, subjects, tools, rules and division of labour is necessary and may occur.

The combination of these principles emphasises the importance of activity theory and the value it brings to enhancing the knowledge base surrounding a micro activity, in which motivation originates, as well as, more importantly, the influence of mediating artefacts. Most importantly of all, the existence of a context, consisting of a community with multiple viewpoints, interests and traditions is shown. The context favours the applicability of activity theory to a process that requires understanding in context. In the following section, the applicability of activity theory as an initial framework for bridging the divide between a micro process and a macro context is investigated.

4.3 Applying Activity Theory as an Appropriate Framework

The typical process of strategising is linked to the framework that constitutes the social context. The following section links the prerequisites for a successful strategising process, as defined by Hendry and Seidl (2003) and Maitlis and Lawrence (2003) to the principles of activity theory, as appropriate. The details of activity theory residing in the mediators of tools, division of labour and organisational procedures will also be examined for its applicability and influencing of character. Understanding of these three entities that act as mediators is enhanced by an investigation of the theory around the individual mediator and how it influences its mediating function.

Engeström (2000a) and Jarzabkowski (2003) both indicate that activity theory can be utilised to analyse micro practices. Engeström (2000a) claims that the implications of activity theory can bridge the divide between the macro and micro level in which a process occurs. The presence of the community and its rules and norms as mediators within the activity system make it possible to combine the wider contextual surroundings and the micro-level activity, such as the process of strategising, within one framework. Engeström (2001) defines this contextual nature as part of the nature of the activity theory according to the second principle. This specific aspect of the activity theory model makes it most appropriate as a framework for investigating the influence of the social context on the process of strategising.

Activity theory also supports three of the four reasons why an improved understanding of the process of strategising, as referred to by Maitlis and Lawrence (2003), is important: firstly, goal attainment and the fulfilment of an objective; secondly, the role played by existing procedures, mediating rules and tools; and, thirdly, the mutual understanding impacted by the activity theory as regards division of labour, different roles, etc.

The fourth important factor mentioned by Maitlis and Lawrence (2003), namely the distinct beginning and end of different stages, is not directly supported by the activity theory. Following Engeström's (2000b) definition, in which an activity system is defined as a process of continuous ongoing transformation, such an episode cannot be defined as only an action in the larger process of strategising. Returning to Maitlis and Lawrence's (2003) model, each of these episodes has a different goal and a different objective to achieve. Each episode is therefore seen as a process occurring within an activity system with its specific object, rules, tools, and division of labour, subjects and community including all the characteristics of the broader activity system. Entities

within an activity system, such as subjects, division of labour and tools, may be present during the establishment of a number of different objects, but the activities will be distinguished by the specific object concerned (David & Victor, 2002).

The fifth principle, the possibly expansive nature of an activity system, is supported by the dynamic nature of subjects entering and leaving the process of rules constantly being adapted and structures that are constantly changing. Whittington (2002) refers to the integration of the process of strategising, and to the actors and practices followed. Because of typical changes in the participating actors, the community formed by the actors will itself change. Rules and tools will also change as they are applied by actors. Different organisational structures and divisions of labour will also influence the way in which actors interact. Objects also change. Engeström (2000b) alludes to the expanse of an activity system due to the number of contradictions that it involves. His example of the contradictions that exist between the objectives of an organised betting society and those of umpiring a game of Finnish baseball as regards a foul ball is appropriate. Changes in Finnish baseball require the establishment of a new activity system with new rules, a new community, totally new subjects, etc.

In summary, the very nature of the process of strategising, which includes involving the actors, obtaining a mutual understanding, reaching a goal and, most importantly, connecting the community, in such a way as to represent the context and the process by means of the activity of strategising is supported by the activity theory. The support granted by the activity theory lends itself to its serving as a framework for investigating the process of strategising.

Understanding the roles played by the different entities inside an activity system is necessary for discerning relevant influences within the context of the process of strategising.

With the mediators having been defined as operating procedures, division of labour and tools, these entities will be investigated still further.

4.3.1 Tools

Most research on activity theory indicates the meditating role that the entity “tools” plays in activity theory. (Blackler, (1993); Engeström, (2001) and David & Victor, (2002))

David and Victor (2002) define tools in more depth by indicating that they direct the activity of the actors or subject towards the object and play an important role in the formation of the identity of the subjects. Over time and with application the tools became part of the identity of the subjects. For example, the utilisation of software-based presentations during the process as both media and facilitation tool is presently generally accepted, while its importance or functionality is overlooked.

In a typical strategising process, as defined by Maitlis and Lawrence (2003), the tools, consisting of presentations, tabular information and graphs, may be used for information sharing. The exact position of mediation between subjects and object, subjects and community, and object and community may result in other tools being identified as important in the process of strategising. For example, if the rule requiring senior management approval of a specific objective applies, the mediating effect of tools, such as formal approval forms or informal “buy-in” upfront, will operate between the subjects and the object. This enables identification of the interrelationship between rules and tools. David and Victor (2002) state that rules are the defined processes that require tools for performing the relevant tasks.

Whittington (2002) defines strategic practices as the tools by which strategising occurs. His definition differs from those cited as forming part of the activity theory, according to which tools are the “aid to how” to achieve the “what”. Whittington takes a historical developmental look at the different practices or tools involved in the process: firstly, at the Mintzberg planning and process stage; then, at the Core competencies stage; and, finally, at the influence of technology, such as the Microsoft presentation and Excel spreadsheets stage. Whittington’s (2002) last stage corresponds more with what is generally accepted as constituting tools during the strategising process. Whittington (2002) also adds organisational design, governance, organisational culture and firm specific routines as possible practices.

There is therefore no full agreement between the practices and tools of Whittington (2002) and the definition of tools by in activity theory (Engeström, (2001) and David & Victor, (2002)). A possible combination of rules and tools in terms of activity theory could act as an indication of practices, especially as defined by Whittington (2002) with the interrelationship between tools and rules as defined by David and Victor (2002).

The relationship between tools as required for the obeying of procedures and rules elevates the importance of the “rule” entity in activity theory.

For the purpose of this research, “tools” will be defined according to David and Victor's (2002) definition of the role being the directing of activities of the actors towards the shared goal. The interrelationship between “rules” and “tools” prevails.

4.3.2 Rules and procedures

Continuing with Whittington's (2002) model, strategy practices can be studied by means of investigating organisational routines. As stated earlier, strategy practices can be defined as the sociological habits of individuals or groups, rules, norms and routines, the way in which things are done, and by what is legitimately accepted or constantly repeated. Strategy practitioners draw experience from practice when strategising, and therefore can serve as an element of influence. Jarzabkowski (2003) identifies operating procedures as mediators between stakeholders during strategising. Hendry and Seidl (2003) remark that the suspension of normal operating procedures leaves an opportunity for strategic discourse. It is necessary to understand how operating procedures act as mediators between strategising actors and how they influence actions and discourse during the strategising process.

David and Victor (2002) also go into detail regarding the mediating role that rules play between the subject and community. Rules, regulations and norms exist within the community and can also mediate between the object and the subject and between the object and the community. For example, rules mediate between the object and subject during standard operating procedures by which the object is normally achieved. Rules also mediate between the community and the object in the way in which things are normally done. The mediation function between the community and the subject could be the recognition that the community gives the opinion of a specific individual when it accepts him or her as being knowledgeable about the matter.

Greater understanding of the normal operating procedure facilitates an appreciation of the rules that are normally applied during the process of strategising. Within a community, such as an organisational team responsible for strategising, the operational procedures require investigation as mediators in activity theory.

Feldman and Rafaeli (2002) have investigated how organisational routine results in connections between individuals. They found that the importance of these connections lies in understanding what needs to be accomplished and how the routine supports individuals in accomplishing their goals. Organisational routines enable stakeholders to communicate repeatedly in a verbal and non-verbal way, which supports shared understanding The two typical levels of understanding involve identifying which actions are appropriate for specific performance and, on a broader level, the appropriateness of certain actions. The broader level is influenced by more than only the history of performance of existing organisational procedures. The social context of the participants or actors influences the level of appropriateness of organisational procedures.

In contrast to the application of operational routines as connectors or mediators is Hendry and Seidel's (2003) viewpoint on the suspension of organisational routines during strategising. The suspension of such organisational routines does not necessarily mean that they do not enhance understanding. Actors connect with one another outside strategising episodes by means of the normal organisational procedures. Some level of mutual understanding is established before and outside the strategising episode. The reasons for suspending existing operating procedures or rules could also be due to existing procedures failing to foster mutual understanding or not fulfilling the mediating role expected. Only through strategic discourse can other sources of mutual understanding be sourced. As a result of these discourse episodes, new rules or methods of resolving an issue or obtaining a goal can be achieved. These newly found practices should be understood by all participants. The source of mutual understanding outside existing operating procedures is central to this research, in line with Hendry and Seidl's (2003) view of the suspension of existing operating procedures. Whittington's (2002) dynamic model of the influence of actors, practices and the strategising process on one another is an indication of the interaction of multiple viewpoints during a session. Together with Engeström's (2001) second principle pertaining to the activity theory, internal tension, due to the degree of differences in viewpoints, *will* cause changes to occur, mutual understanding will not *always* prevail and routines *will* be suspended. This is also in line with the fifth principle embodied in the activity theory according to Engeström (2001), which states that the system will expand.

Garvin (1998) classifies organisational processes into work, behaviour and change processes. While work processes are concerned with the accomplishment of tasks and change processes describe how individuals adapt, develop and grow, it is the behavioural processes that indicate how individuals and groups interact, and which could hold some significance for the praxis of strategy. Garvin (1998) investigates decision making, communication and organisational learning

as part of behavioural processes. Communication occurs not only through the spoken and written word, but also through facial expressions, tone of voice, posture, etc., and those factors that could influence the direction of a strategy session. Behavioural processes are not necessarily organisational procedures, but the applicability of these behavioural processes is important during a strategising episode when, according to Hendry and Seidl (2003) the normal procedures or work processes are suspended. The shared understanding normally gained by way of mutual participation in organisational procedures and which is no longer applicable must be replaced by something else that connects the actors Behavioural processes can form such points of connection. These behavioural processes will again be influenced by rules set in the actor's social context. Typically, the well-accepted behavioural processes act as points of mutual understanding.

Organisational procedures act as mediators between actors because of the shared understanding developed over time by means of applying these procedures. When different opinions occur, a platform of agreement larger than organisational procedures is necessary to connect or to relate the actors to different aspects of the issue under discussion. The platform created in this way will serve as the social context in which an actor acts, interacts and communicates.

Blair-Loy and Wharton (2002) consider how the social context of the workplace shapes employees' responses to organisational policies and procedures. The existence of formal policies and procedures does not guarantee any usage. The social context affects workers' decisions to use officially available policies. Blair-Loy and Wharton (2002) find that with controversial and ambiguous policies, managerial power is a determining factor if policies and procedures are utilised. Without supervision, ambiguous policies are not followed. The suspension of organisational procedures may also be influenced by their clarity of application and legitimacy. The presence of ambiguous policies and unclear application thereof leads to their not being utilised and not acting as mediators or facilitators of mutual understanding. The question of when and how operating procedures or policies are perceived as ambiguous or not, needs to be answered. If the rules or methods of operations within the social context of the actor conflict with the operating procedure under discussion, it is assumed that the individual's social context will take precedence. The individual will rather adhere to his or her own inbuilt rules or procedures.

If the decision as to whether or not a specific procedure should be adhered to do not reside with the individual, but is influenced, for example, by a power element or structural supervision, the person could be less influenced by his or her social context.

The influence of organisational structures and the division of labour is, therefore, quite apparent on the functioning of the mediating operational procedures concerned. Division of labour as a mediator within an activity system will be investigated next.

4.3.3 Division of labour

Division of labour generally consists of two separate entities: the different roles and responsibilities assigned to individuals, and the power assigned to specific roles. In order to understand the mediation role that division of labour or power relations can play within a strategising process, it is necessary to consider both roles and power. The current study will explore issues of power within typical strategy discourse; the pre-existence of political elements in the process of strategising; the influence of specific roles; and the position of division of labour within activity theory.

The modern organisation is quite removed from what a typical organisation structure looked like in the early days of organisational design. Lin (1997) suggests that the incentive for division of labour seems to have been more important during the early stages of the industrialisation period, which was marked by relatively homogenous worker demographics, than it is in present organisation design trends. Nowadays, employees tend to move around fairly freely and the relatively easy availability of information, as well as changing demographics adds to employee heterogeneity. Different tasks and functions support the development of different outlooks and habits. Within the strategising process, the division of labour, marked by the results of the heterogeneous makeup of the workforce promotes the presence of different opinions and experiences during strategising sessions that complicates the process of obtaining shared understanding still further.

Floyd and Lane (2000) have investigated another important strategic process, namely strategic renewal. They find that organisational roles and responsibilities, especially during normal strategy implementation, are very well defined and understood. They also find that expectations of all participants are clear. Such mutual understanding and clarity is a result of the well-defined division of labour and fixed structures that most organisations apply. The changing roles of participants are a result of changes experienced in the strategic needs of organisations from, for example, a strategic implementation phase to a strategic renewal phase. The change to another context may not necessarily be supported by the desired roles and responsibilities, or these roles and responsibilities may not be well enough defined. This absence of clear roles, according to Floyd

and Lane (2000), reduces the number of interactions that take place between actors, leading to decreased trust. Floyd and Lane (2000) find that in such a strategic renewal process actors tend to increase the amount that they lie, deliberately avoid interaction or choose to exit the organisation entirely. The same applies to the process of strategising, since poorly defined roles and responsibilities will occur. The change in strategic procedural objectives or output therefore could be a source of conflict for specific roles, as well as between different roles. The other entity in division of labour, namely power, then hopefully will facilitate the attainment of objectives within the activity theory framework.

Political elements present in organisational structures, especially those relating to the political power assigned to a specific position in the structure, will inevitably influence the process of strategising. Maitlis and Lawrence (2003) identified the existence of political elements that influence the initial stage of engagement and the assignment of responsibilities in their suggested process of strategising. In terms of this, political power will override difference of opinion, whether its presence is due to the different roles being played or to legitimate differences of opinion.

Whittaker (2001) investigates the role of power in conversation or discourse in terms of enhancing the understanding of information system evaluation. Foucalt as cited in Whittaker, (2001) states that power only emerges in a network of relations, not being able to exist outside this network. He also defines the link between power and knowledge in discourse in that “the truth” is linked with a system that constitutes power, which also serves to produce and sustain truth. He defines discourse as the regime of truth. Foucalt as cited in Whittaker, (2001) declares that the regime of truth legitimises the type of discourse that will be acceptable to the actors concerned and provides some structure in terms of which actors can react. Even where power has negative connotations, the norms and rules which apply within the regime, or which are applied from without the “structured” legitimised regimes, have some legitimacy.

In returning to the practical application of Engeström, (2000a) and David & Victor, (2002)) the mediating function intervenes between the subject and the object, the object and the community and the subject and the community. Between the subject and the community, the mediating function consists of the different roles an individual can play in different scenarios or communities. Mediating between the object and the community, in which different communities take part in attaining the objective, is done differently. The mediating effect between the subject and the object lies in the part that each subject plays in the different communities. For example, in Community A

the actor may be the proposer of a specific plan and in Community B he or she may be the audience to a proposal.

Roles and responsibilities in the division of labour can therefore influence the application of the activity theory both positively and negatively. Even power exercised within the network that may constitute the community in Engeström's (2001) depiction of activity theory, as shown in Figure 3, can be legitimised.

This concludes the investigation into activity theory and the different entities that are at play within such a framework. As with any theory, especially where sociology is the dominant field, both the general and specific applicability are likely to be questioned. In the following section, some critique of activity theory is answered.

4.4 Critique of Activity Theory

No general consensus exists as to the positive contribution that activity theory can make towards understanding what motivates individual decisions and actions. The notion of two alternate approaches is apparent: the psychological approach relates more specifically to the individual way of thinking and the organisational approach focuses on application of the theory within an organisational setting.

Toomela (2000) seriously doubts whether activity theory is able to improve understanding or explain cognitive and other specific psychological functions. He finds that the activity system as a unit of analysis to be unsuitable for understanding the relationship between the individual and his or her culture. He supports the occurrence of an activity as a mediated sign, usually verbal in nature. To Toomela, psychological operations may occur either within or without a specific culture. He believes that different qualitative psychological mechanisms may prevail, whereas, when activity is taken as the unit of analysis, similar activities are only externally observed. For the purpose of the current research, in which the understanding of the human mind is not the objective or even a very specific activity, the process of strategising is investigated using the cultural-historical view of activity theory, in line with the approach of Engeström (2000a; 2001), and, most notably, David and Victor (2002). The nature and application of the cultural-historical approach to

activity theory lends itself more to the investigation of the organisational process, in this way confirming the suitability of activity theory as a framework for analysis of the strategising process.

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Yamagata-Lynch (2003) acknowledges the limited usefulness of the activity theory to the analysis of technological development. The seemingly static nature of activity theory (Engeström, (2000a) and David & Victor, (2002)), does not further the understanding of dynamic and expanding forces, as it can only be applied on a "snap-shot" basis, at a specific moment in time. The fifth principle, which, as defined by Engeström (2001), refers to the expansive nature of activity theory, cannot be represented diagrammatically. Yamagata-Lynch also comments on how little contextual description the theory allows. Jarzabkowski (2003) also uses activity theory, in particular the interconnections between the structure, the top management, the practices and activities, to gain an understanding of the presence of change and continuity in strategy as a positive indicator of dynamics.

4.5 Concluding Comments on the Applicability of Activity Theory

The appropriateness of activity theory for investigating the process of strategising or any process that is broken down into its micro activities is clear. Activity theory provides an all-inclusive framework that serves to link the wider context, in this case specifically the social surroundings of the actors concerned, and the actions that they perform.

The appropriateness of activity theory is due to its very nature, especially as it embodies the principle of being an object-oriented activity system mediated by artefacts and giving due importance to the contextual surrounding of related activity. The recognition that it awards to the influence of history, as well as its expansive nature, answer Whittington's (2002) need for a model that integrates actor, praxis and practice and that allows for strategising processes to adapt when necessary.

Regarding practical application of the activity theory, Engeström's (2001) expanded activity theory model, as depicted in Figure 3, is of value due to its incorporation of the mediators, tools, division of labour and rules, into a well-defined framework in terms of which an investigation into what influences the process of strategising can be launched. The value of the mediators is that they represent a context within which the process occurs, so relating the process of strategising to its

contextual surroundings, thus bridging the divide between the macro and micro levels of strategising.

Definition of the social context enables identification and understanding of the influences involved. The following chapter will, accordingly, explore the importance of the social surroundings for strategising and attempt to define which social context is conducive to the process of strategising. By doing so, the social context will be defined in a way that allows for its influence on the process of strategy to be investigated.

5. THE SOCIAL CONTEXT OF AN ACTIVITY SYSTEM

Lastly, the context of strategising should be investigated in order to complete the framework allowing for the investigation of the strategising process. As social context is such a widely applicable concept, a number of different contributions will investigate the concept in general. The investigation into social context will be expanded by referring to the structurational theory of Giddens. In conclusion, in order to determine what constitutes a contextual surrounding for the process of strategy, a detailed context including all its attendant social dimensions will be discussed.

5.1 A General Definition of Social Context

Most definitions of social context refer to the guidance provided by individual behaviour or the group's social context.

Schatzki (2000) explores Wittgenstein and Winch's writings on the social context of individuals, elaborating on Wittgenstein's statement that social context determines and initiates action. To Schatzki (2000), "what" a person does relates, in its entirety, to the surrounding social context. Winch (cited in Schatzki, 2000) argues that the motivation of action is rooted in social context, which consists of rule-governed activity and modes of behaviour familiar in that particular society. These rule-based fields, according to Winch, establish and guide individual actions, words and motives. In answer to the question of what these "fields" look like, Schatzki (2000) defines a person's social context in terms of the group of practices, consisting of semantic doings and sayings that are conducted in the society in which the person resides. The group of practices meaningfully coordinates the person's sayings, actions, mind and situation.

Weick's (1996) interprets Salancik's understanding of social context as meaning that the social context encourages individual conformity by priming, norms, expectations and control of resources. Salancik (cited in Weick, 1996) believes that, in a loosely organised situation, social demand for set behaviour renders belief and action consistent, depending on the implicational context in which the act occurs. According to Weick (1996), the implicational context is subtle, consisting of a mixture of different ideologies accompanied by 'choiceless' decisions. Though the current research

will not attempt to investigate the reason for such “choiceless” decisions, the fact that such decisions are, indeed, made supports the importance of the context in which strategising occurs.

Ellemers, Spears and Doosje (2002) investigate the influence of social context on self and group identity. Their research shows that the relevant social context determines which aspects of identity form salient guidelines of the perceptions and behaviour of those who operate within the particular context. The social context, rather than specific group features, thus can be seen to determine the evaluative nature of any given group membership. As the motivational implications of a particular social identity are shaped, these contextual features may include the nature of characteristics associated with other groups. As with Whittington’s (2002) integrated model of strategising, actors entering and exiting the process of strategising help to establish a “new” context applicable at each stage or part of the process.

Pettigrew (2001) finds that the formulation of strategy is contextually based and affects the entire formulation process. To be able to investigate the influence of social context on the process of strategising, the process of strategising must be seen in relation to the social context in which it occurs. A macro level of framework requires to be brought together with a micro-level activity, which is possible in terms of the activity theory. (Engeström, (2000a, 2001) and David & Victor, (2002)).

Secondly, a sound definition of social context is necessary, incorporating the answers to the following questions: What characterises social context? How many different social contexts exist? How should social context be presented? The “fields” to which Schatzki (2000) refers need recognition as such. Whittington (2003) explains that during the praxis or process of strategising, actors, in a structurational sense, draw upon already existing practices and procedures in their social context. Such procedures can consist of corporate policies in the organisational community, generally accepted principles governing strategising in the academic community or even legislative guidelines as to what is appropriate.

Wilson and Jarzabkowski (2004) investigate the micro activities that occur during strategising, taking the contextual influences into consideration. In an attempt to give some structure to the macro level, Wilson and Jarzabkowski stress the need to establish relationships between the micro activities and the surrounding macro issues. The conventional level of analysis for the macro level includes political, social and economic institutions. Wilson and Jarzabkowski envisage micro levels

as dealing with aspects of the thoughts and deeds of the individual. They assert that micro phenomena need to relate robustly to the more macro surrounding issues. According to Wilson and Jarzabkowski (2004), establishing a link between activities and their context is also necessary, since the wider social context may provide an interpretative framework enabling the understanding of such activities.

Pettigrew (2001) provides a two-part definition of the contextual base of strategy: firstly, in terms of the influence of its location in time (in other words, the influence of history) and, secondly, the culture, environment, structures, technology and tasks of an organisation.

The context surrounding the process of strategising and the activities taking place during the process of strategising can be defined in terms of the structurational theory of Giddens (cited in Whittington, 1992). Wilson and Jarzabkowski (2004) discuss Giddens' structurational theory in light of the agency of strategy practitioners and the linking of the macro and micro level of analysis.

Preparatory to applying Giddens' structurational theory, more understanding is necessary. The next section investigates Structurational theory in light of its typical application and applicability to defining the context of the process of strategising. Whittington's (1992) definition of managerial agency provides an excellent starting point for applying his structurational theory to establishing a framework in terms of which a manager can act.

5.2 A Structurational Perspective on Social Context

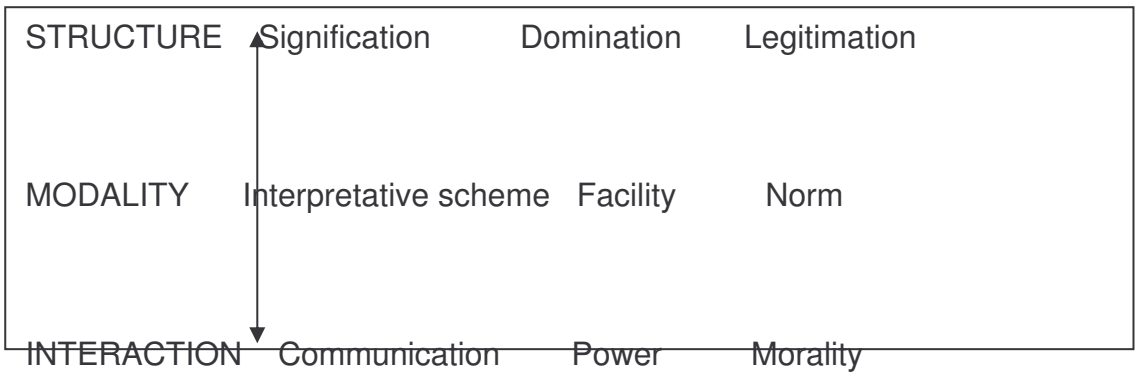
5.2.1 *Structurational theory and its application*

Central to the structurational theory is the realisation that social structures are constituted by agency, as well as acting as the medium of such constitution. Structurational theory can be applied to issues as wide ranging as the support of information systems evaluation (Whittaker, 2001), to giving context to business-NGO partnerships (Scheidenwind & Petersen, 1998), to understanding organisational discourse (Heracleous & Hendry, 2000).

Whittaker (2001) defines structurational theory as the way in which the contextual surrounding actively contributes to the production of action. The structurational theory of Giddens (cited in Whittaker, 2001; Whittington, 1992) is an initial attempt to bridge the dualism of agents and structures and, for the purposes of this study, the dualism of agents and society. The single most important property is the non-existence of such a social structure. The structure in which agents act is only present when "summoned" into being through activity. Other properties lie in the rules governing, and resources available for, actions legitimised by recursive and reproducible social practices. Again, the rules and resources do not necessarily constitute physical rules and resources in isolation of the activity taking place and are only legitimised when applied by way of action. Jones (cited in Whittaker (2001)) expresses this concept in practical terms when he defines the rules and resources of structurational theory as constituting changeable structures present only in the minds of the agents concerned.

Giddens (cited in Whittaker, 2001) and Heracleous and Hendry (2000) recognise three structural dimensions: signification, legitimation and domination. The rules of the structure constitute the dimensions of signification and legitimation, while domination constitutes the dimension of resources. These dimensions, together with the modalities of interpretative schemes, norms and facilities, result in a schematic representation of the structurational theory of Giddens (see Figure 4).

FIGURE 4: Giddens' structurational theory – analytical elements of the duality of structure.



Source: Whittaker (2001:138)

These three dimensions, which are inseparable in action, are all regarded as present, separate entities for analytical purposes.

The functions consist of the interpretative schemes that serve as the rules for understanding what to know and the norms regarding how to act or react. The facilities are the resources that the actors have at their disposal, which entitle them to exert power and domination. The dimension of domination is similar to the meaning of truth and power referred to in Chapter 4 as regards the mediator division of labour in the activity theory. The action or interaction of power and domination results from the conceptualisation of meaning. The signification and legitimation dimensions of the structure active in the actor's “head” by way of the appropriate modalities requires application before power is executed.

The structural view basically includes both the action and the deeper structure that guide the specific action. Change occurs dynamically through interaction over time. The picture of social structures as rules and resources present in everyday actions and interactions likewise changes. The actors within the system can be seen as active, knowledgeable about, and reflexive towards the structure in which they operate.

As Giddens’ structurational approach lacks detailed microanalysis, a process must be added at the micro-activity level in order to enable application of the approach to structure in action that Giddens offers in his structurational theory. In order to understand what may influence the process of strategising and the importance that such a contextual surrounding may play, some definition of the social context is necessary. Taking into consideration the activity theory, (Engeström, (2000a, 2001) and David & Victor, (2002)) and a defined social context, a framework, encompassing Whittington's (1992) utilisation of Giddens' structurational theory, will be made available that allows for an investigation of the process of strategising. In the following section the social context will be defined in more detail.

5.2.2 *Supplying definition to social context*

This chapter started by asking of what the fields of influence within an individual’s social context consist and what they resemble. The following section is an attempt to define social context.

Whittington (1992) provides an excellent starting point for the understanding and definition of social context, using Giddens’ structurational perspective to promote an understanding of the concept of

"managerial agency". He states that the structurational concept of structural rules and resources, together with the institutionalist view of the influence of social environment on an organisation, offer an appropriate framework for an understanding of the concept. Again, an appreciation of the social context of the practitioner, as both top management and general worker, promotes the understanding of factors that could influence the motives of the practitioners during a strategising session. The social influences in Whittington's (1992) framework are political, ethnic and religious, domestic, capitalistic and professional. Whittington marries the structurational and institutional view in the framework, indicating an activity system made up of structures, resources, rules and organisations within each of the identified social systems. Table 1 gives an indication of his framework.

TABLE 1: Whittington's framework of the influence of social context on managerial agency.

Activity System	**Communal**	**Economic**	**Domestic**	**Political**	**Intellectual**
Dominant Structures	Ethnic and religious	Capitalist	Familial	State	Professional and academic
Basic Resources	Networks	Capital ownership	Patriarchal authority	Legitimate coercion	Expertise and legitimacy
Basic Rules	Solidarity	Profit maximisation	Paternalism	Patriotism	Professional codes
Organisations	Clubs and churches	Firms	Households	Executive, legislative and judicial	Professional bodies and universities

Source: Whittington (1992:705)

According to Whittington (1992), any participant in strategising may serve as an agent due to the range of structural rules and resources involuntarily influencing their actions. To influence managerial agency, managers must have access to the relevant social structures and use their influence legitimately.

Temporarily going back to the previous section and considering structurational theory, the Dominant structures mentioned in Table 1 reside in the signification dimension of the structure in structurational theory supplying the rules for understanding what to know. In similar way, the Rules are residing in the legitimation dimension and the Basic resource represents the Domination dimension. Each of the actors, who are the individuals taking part in any strategising episode, has a dominant structural base from which he or she acts. However, each action originates from more than a single base. Therefore, during interaction and interpretation, actors apply a mixture of social systems, within which they act, think, communicate and react. The most influential rules and resources for each actor are those with which he or she is familiar in each social system. For example, an actor with a strong domestic social system influence will act in such a way that other, younger actors will be inclined to show him or her respect and acknowledge his or her authority. If the participating actors do not experience the same strong influence from a domestic social system, they will not easily accept the actions of the domestically dominant actor. The result may be conflict. The dominance of a specific social system correlates with the concept of activity, as postulated by Blackler (1993), according to which action tends to arise automatically from the influence of the social context of the actor.

For Pfeffer (1991), social behaviour is a function not only of individual attributes and characteristics but also of the distribution of individuals in social space, which results in constraints and social forces that, in turn, affect behaviour. Social structure, encompassing the patterns of communication between people, involves the patterning of interaction that is partially produced due to the effects of physical space and geography.

Postmes and Lea (2000) investigated the influence of social context on group decision making, which they perceived to be inferior to individual decision making. Social dysfunction through the adoption of undesirable social processes could hinder the quality and quantity of group member input Postmes and Lea find that social processes are rooted in the way in which group members adapt their behaviour to the broader group. The importance of group member identity, group norms, and aspects of the social context and physical context should be acknowledged. None of these factors in isolation is sufficient to influence group performance. Identity, norms and the social and physical context interact in complex ways to produce a variety of group processes. The social influences that shape group decision making emerge during interaction.

6. AN INTEGRATED FRAMEWORK OF THE MICRO PROCESS OF STRATEGISING WITHIN A SOCIAL CONTEXT

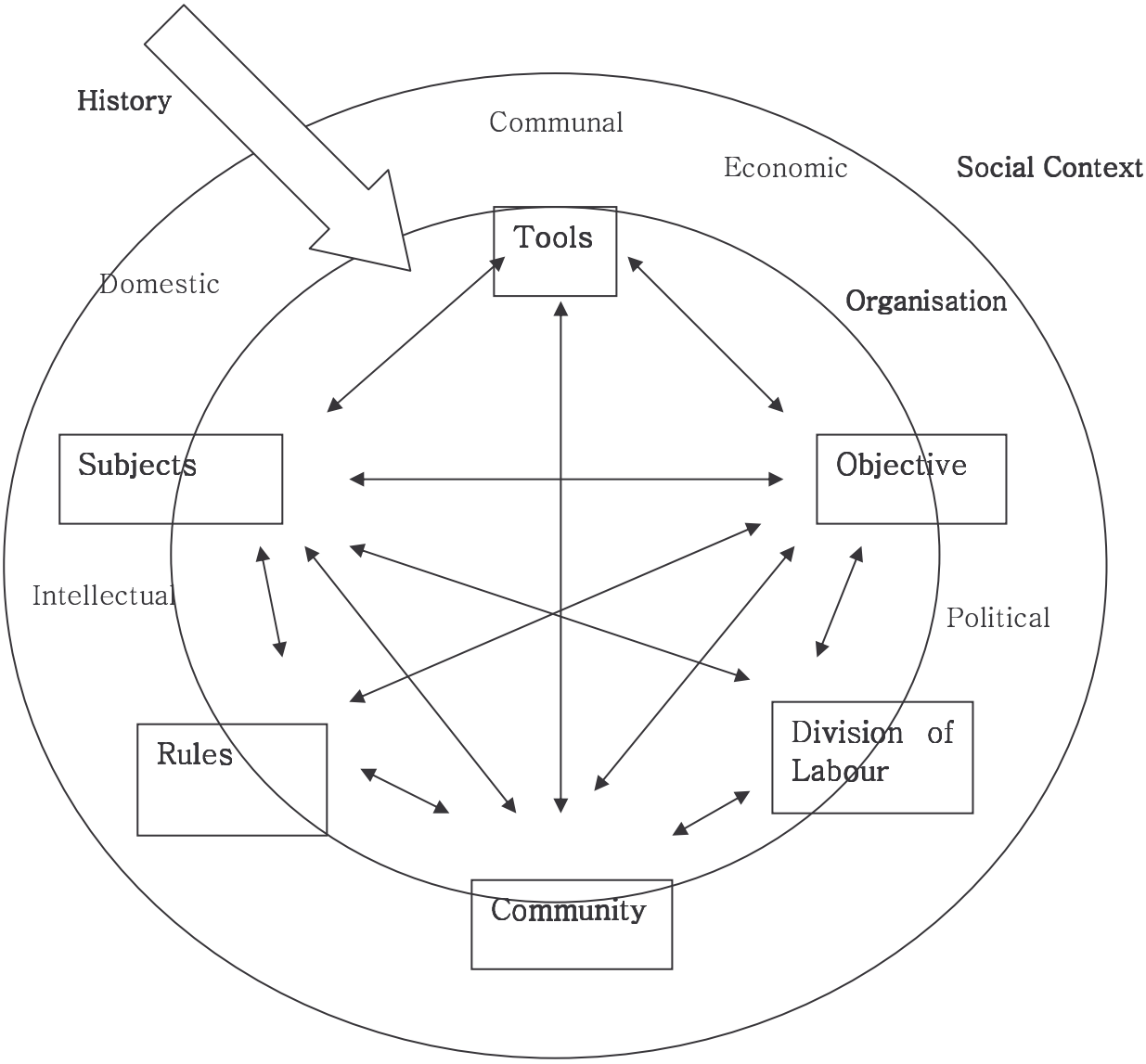
Sztompka (cited in Pettigrew, 1992) urges that due care be taken when investigating social practices, such as the non-steady state of social reality, since social processes are constructed through people and the tension between actions and structures drives such processes. More important is Sztompka's call for greater awareness of the fact that action occurs within a structural context and that the past shapes the future. This chapter will discuss all stipulated prerequisites for investigating the process of strategising in light of applying the activity theory within the social context framework.

6.1 A General Depiction of a Framework for Investigating the Process of Strategising within a Macro Context

Jarzabkowski and Wilson (2002) state that an understanding of the practice of strategy relies upon investigating how team and organisation characteristics relate to the patterns of actions identified during the formulation and implementation of strategy. The nature of such patterns determines how strategy is put into practice.

The current study advocates investigating and understanding the patterns of action proposed by the existing model of Maitlis and Lawrence (2003) in terms of a framework linking strategising activities with the social surroundings of the macro context in which they take place A general description of the proposed framework follows, which relates the social and organisational context from a macro perspective to the practices being followed. A detailed discussion of each of the four episodes, as defined by Maitlis and Lawrence (2003), is given in the following section. Figure 5 is a schematic representation of such an integrated framework for investigating the process of strategising.

FIGURE 5: An integrated framework for investigating the process of strategising within a social context.



Source: Adapted from David & Victor (2002:249)

Strategy as both process and practice is necessary for full understanding of the strategising process. Jarzabkowski and Wilson (2002) claim that strategy as practice actually complements and extends strategy as process. Whittington (2002), however, differentiates between strategy as process and strategy as practice by emphasising that practice implies understanding the work done by members of an organisation within the processes. Maitlis and Lawrence's (2003) model of a process of strategy, together with the interpretation of activity theory (Blackler, (1993); Engeström, (2000a,2001) and David & Victor, (2002)), and thirdly Hendry and Seidl's (2003) communication theory, are ways of combining process with practice.

The framework describes an object-oriented system in which actors or subjects are aligned to achieving a specific goal or object, such as a market expansion plan. The framework consists of an inner circle, which represents the more exclusive organisational context that involves only specific members or actors on a formal basis. A secondary layer, the social context, is less exclusive with regards to the specific members, who are normally more informally linked to the desired objective. The subjects, both as individuals and as part of a community, from part of the organisational and social context. Mediating entities, such as the rules, division of labour, tools and community, have a place within both the organisational and social context. The nature and content of these entities relates to the organisational and social context. For example, a specific rule may apply in both the organisational and social context. Some formal operating procedures and rules governing mediation in an organisational context may be available in a slightly different form in the social context. Similarly, the entity division of labour will be less apparent and visible in the social context than in the dominant structures of the organisational context. However, rules may still exist in both contexts, despite their different degrees of applicability and degree of importance in the social and organisational contexts. The nature of the community differs from case to case. Secluded communities, in which most actors are employed by a single employer, differ from diversified global companies.

Tools currently used mainly consist of software-based facilitating equipment, which does not specifically relate to the organisational and social context apart from its application. However, in the case of other, less obvious tools, such as the ability to convince a person through reasoning or strategic discourse, such tools are more likely to be available in and connected to the social and organisational context.

The individual who takes part in the process and forms part of the social context serves to link the organisation to its social context. Such linkage occurs through the actor's dual role as an individual acting out his or her motivations in strategising, while, at the same time, forming part of, and being motivated by, the community both formally and informally. The duality implicit in the role of the three mediating entities also links the process of achieving the objective with the wider social and organisational context

Greater clarification is required as regards the context of the process of strategising, especially the social context, in order to promote an understanding of the rules and resources that the process

makes available. For the purpose of the current study, the context is defined in terms of Whittington's (1992) framework for managerial agency. The communal, political, domestic, economic and intellectual areas each have their own specific resources or networks of which the individual actors form a part. These areas of social context also have rules, or codes of behaviour, that guide the individual actions and thoughts. These areas indicate the characteristics of the fields of behaviour as described by Schatzki (2000). Table 1 describes the rules in these fields within the social context. For example, in an Intellectual context the rules are based on professional codes of conduct, which have evolved over a period of time and which have gained legitimacy through use. The available structures are normally professional and academic, containing some form of power in the amount of expertise shown and the recognition granted by peers. In the same way, the other domains in the social context have access to rules and to some indication of the structure of the division of labour.

It is with the application of these rules and resources when considering the applicability of Giddens Structurational theoy (cited in Whittaker, 2002; Whittington, 1992) that contextual structure contribute to action or an activity. The non-existence of a physical structure needs to be reiterated. It is only when the dimensions of signification (the basic structure the individual forms part of), legitimation (the basic rules that apply when enacting) and the domination (the resources available) are utilised in action that they exist.

The four important factors referred to by Hendry and Seidl (2003), as mentioned before, are reaching a goal, obtaining mutual understanding of the discussion topic, registering the distinct beginning and ending of an episode, and acknowledging the influence of existing procedures, is necessary. The framework, by indicating a specific objective with its mediating rules, already supports two of the factors mentioned – the reaching of a goal and the importance of existing operating procedures. Operating procedures supply the platform for mutual understanding according to Feldman and Rafaeli (2002), in that they serve as points of connection between the different actors concerned. If the existing operating procedures are experienced as ambiguous, or no mutual understanding can be obtained, the procedures fail to act as mediators and the actors have to fall back on another platform - their social context. Actors participating from within the same dominant dimension of influences within their social context then have a point of connection. Mutual understanding can be reached, so that the process will be able to progress further. If no connection can be found within an arena of similar understanding, the existing process will be suspended, according to Hendry and Seidl (2003), and reflexive strategic discussion might occur. With reflexive discourse, the activity system is likely to change or expand.

The other mediators, such as the division of labour, also take part in this process. If political or organisation power is at play, an episode may only be able to realise its goal by means of hierarchical power.

The multiple viewpoints originating with the different actors within the division of labour, the change in partaking actors resulting from historical influences necessitates the involvement of mediators to ensure that the objective is achieved. If all mediators, such as existing procedures, rules based in the social context or even political power, fail to reach an agreed upon goal, the activity system will have to be abandoned or expanded to include previously excluded viewpoints aimed at a newly established goal.

6.2 A Detailed Investigation into the Process of Strategising

Each of the four episodes defined by Maitlis and Lawrence (2003) will be investigated and dissected with support from the proposed framework of activity theory. Considering the first episode, engaging and taking position, with mutual understanding as a prerequisite, according to Hendry and Seidl (2003), the objective of this episode should be to establish the best stance in relation to the issue at hand, with all subjects or actors agreeing on the position taken. The past experiences and perceptions of the actors influence the formulation of the objectives of the first episode. A strong iterative dimension of agency, as defined by Wilson and Jarzabkowski (2004), is detected here. Scant analytical decision making or data analysis forms part of the activities at this stage.

The importance of existing operating procedures or rules is apparent here. For the actor to play out his or her iterative dimension, the availability of experience and past exposure to similar situations is necessary. Some pre-existing method or procedure should be present. If existing operating procedures cannot supply a way forward, the individual will fall back on a context further away from the organisation, namely his or her social context. From this vantage point, the individual will be able to assess what is well accepted and legitimised behaviour and propose that a suitable stance be taken.

Typical tools can consist of verbal and non-verbal communication. An individual actor can influence other participants by means of both verbal and nonverbal communication. Other typical tools are presentation software or flipcharts for explaining specific issues.

The organisational structure, with its hierarchical source of power, influences this episode. Higher level actors may find it easier to ensure that their specific opinion will be granted greater credibility for either legitimate or non-legitimate reasons. A particular individual might understand the organisational strategy from a different viewpoint and therefore have access to additional information supporting another important point of view.

The mediating effect of all three of these entities is seen in their supporting the achievement of an objective by means of mutual agreement. The availability of rules within an actor's social context tends to be more apparent than within the entities of tools and division of labour. Any organisational structure takes precedence over a social structure. An individual, who is dominantly influenced by the communal field, as seen in terms of Whittington's (1992) framework for the influence of social context on managerial agency, may not have the same position in a capitalist structure. For example, an individual who is an elder in a religious organisation will not automatically have the same decision-making power in a capitalistic organisation. The influence of rules from the individual's dominant social context dimension will still prevail, however. If the generally socially accepted rule suggests that fraud is not accepted, it will also be present and applied in the individual's rules applied in the organisation.

The pre-existing political elements to which Maitlis and Lawrence (2003) refer are most apparent in the division of labour and tools utilised. Eisenhardt and Bourgeois (1988) define politics as the observable actions by which people enhance their power in order to influence the process of decision making. Such actions include behind-the-scenes coalition formation, the withholding of information, the control of agendas and offline lobbying. These actions can be regarded as tools in terms of the activity system, since they provide a verbal method of mediation and of gaining mutual understanding. A negative view is held of political power, especially if it is used for illegitimate reasons or for personal gain. Mintzberg (1985) sees both sides of the argument. On the one hand, legitimate political power can be derived from using the means, authority, ideology and expertise employed to pursue illegitimate ends. On the other hand, political power, which is normally seen as illegitimate, can be used to achieve totally legitimate ends. For example, somebody may use his or her power to mobilise authority at a higher level to unravel unethical behaviour.

Mintzberg (1985) cites a few consequences of political power in an organisation. Even with its sometimes positive outcome, the application of political power and confrontations cannot always correct a situation that has gone wrong. Such a situation cannot be sustained for long, is costly and uses energy negatively.

Pettigrew (2001) refers to situations where the possession of political power might aggravate a situation: a complex organisational structure; uncertainty as regards the issue under discussion; the relative importance of the issue within the wider organisation; and external pressure. The framework caters for pre-existing political elements in its incorporation of tools and division of labour.

The first episode will then be concluded if all actors agree on the position to be taken in regard to the issue at hand. A definite ending is obtained, fulfilling Hendry and Seidl's (2003) demand for it in the process of strategising.

The second episode is the heart of the process, the place where it all happens. The outcome of the second episode will determine which route will be taken to resolve the question or issue at hand. Where the decision is taken over hastily, or where misunderstandings exist between actors, the negative long-term effects on the organisation may be serious.

Of the three types of agency, according to Wilson and Jarzabkowski (2004), the practical-evaluative and projective dimensions seem most appropriate. The actors partaking need to consider all present realities and complexities, as well as to have a future perspective, involving an imaginative view of the organisation and its surroundings.

Two entities of mediation in the activity system are operational in this episode: tools and rules. The most obvious may seem to be the existence of operating procedures or rules. The presence of such operating procedures, which may be applied to satisfy the objective at hand, facilitates all the participants defining what is necessary.

The position of division of labour as a mediator is less dominant, since the previous episode dealt with taking position or stance on the issue. By now, what needs to be discussed should already

have been affirmed. However, less significant influences of political elements, such as preventing important issues from being given their due, could still exist. Horton (2003) defines this constraint as one of the less noticeable dimensions of power.

The mediating effect of tools now takes centre stage. During the episode devoted to constructing objects, actors use dialogue as their most important means of explaining, advertising or convincing each other of their specific points of view. Hendry (2000) esteems strategic discourse as not only being the medium through which decisions are discussed and recorded, but also of being the appropriate vehicle for interpretation, development and strategy implementation, facilitating the taking of initiative or the granting of authorisation. This places the communicative function of strategic discourse at the centre of the strategising process. Ford and Ford (1995) also stress the importance of communication as being the place or context where change occurs. The activity of communication brings a new reality into existence, entailing an adaptation to the context from where discourse comes.

Hendry and Seidl (2003) mention the pre-existing discursive elements present during the “defining the concept” episode. They further support the importance of discourse through voicing the notion that communications define social systems. Ford and Ford (1995) also state that communication is the cause and vehicle of social change.

The influence, if any, of an actor’s social context has still to be seen. Only the presence of the tool of skilful communication appears in both the organisational context and in the actor’s social surroundings.

Heracleous and Hendry (2000), however, feel that not only discourse ensures mutual understanding. Communicative action can achieve a specific outcome, but still exist within a socially constructed reality. During discourse, an individual will not automatically accept all that is said. Allowance must be granted to an individual's acting in a different, yet nevertheless still acceptable, way. Individual choice is not constrained by an individual's existing social structure that is not pre-determined by the structures themselves. The rules within the specific social structure will then dictate the individual’s behaviour.

Whittington's (1992) framework of influence of social context on managerial agency, as seen in Table 1, gives an excellent account of the typical social structures within which a person may act. Table 1 is a good starting point for gaining an understanding of the rules of generally accepted behaviour that exist within a personal social structure. The table also refers to the typical structure prevailing in the social environment. An actor with a strong political influence in his or her social context will, according to Table 1, patriotically defend his or her national state, even in any organisation of which he or she forms a part. The effect of such patriotism during the process of strategising may be his or her unwillingness to vow allegiance to another viewpoint. A strong allegiance to a specific dimension mentioned in Table 1 could act as a source of misunderstanding and jeopardise the outcome of the entire episode. Other mediating factors, such as division of labour and hierarchical power, could smooth the way forward through helping to ensure enforcement and understanding.

All individuals taking part in the process of strategising can be assumed to have a mixture of all the dimensions of social context in their make-up, no single dogmatic approach suffices.

Carpenter (2002) found that the length of tenure impacts on top management in that, the longer the time spent together, the less the negative effect of diversity and therefore social culture is on cohesion. He states that seasoned management teams have developed routines and a shared understanding that facilitates leverage as regards differences in social backgrounds.

During discourse the social context supporting a person's reasoning is of paramount importance. Mutual understanding will only be achieved if and when two or more actors come from more or less the same social background, characterised by approximately the same rules and structures. In the case of an opposing social context, the suspension of existing operating procedures or rules, as encountered by Hendry and Seidl (2003), will come into play. Thereafter the remaining mediators of tools, which in this case consist of discourse or division of labour and hierarchical authority, will ensure further progress. The closure of the second episode is now possible, provided that all participating actors agree on the definition of the concept concerned.

The third episode strongly features division of labour and roles and responsibilities. Maitlis and Lawrence (2003) mention the existence of political elements during the episode marked by assigning responsibility and accountability. The assignment of responsibility normally occurs by way of organisational structure, due to the supervising authority that is accustomed to assigning

tasks to specific positions within the organisation. The assigning of accountability is usually not easily transferred and usually rests with the manager of a specific department. The mediating function of the division of labour entity is seldom seen to play a fully active part, since the norm consists of the supervising authority assigning work and the subordinate accepting it. Here the rules of authority situated in the organisational structure, together with the structure itself, ensure progress.

The existence of rules alone will not ensure that responsibility is taken, or that rules are followed. Blair-Loy and Wharton (2002), as mentioned previously, indicate that supervisory intervention is necessary for ambiguous procedures to be followed. Floyd and Lane (2000) also stress the importance of clearly defined roles for the successful implementation of strategy. Unclear and overlapping roles lead to distrust, reducing actor interaction and the possibility of mutual understanding, resulting in the strategic session so affected being set for failure. Horton (2003) links the social context with political elements within an organisation, since one of the dimensions of power that he identifies lies in the relationship between individuals. People are advantaged or disadvantaged by a less clear notion that resides in the acceptance of certain values, traditions and structures of an institution in society. Joint membership facilitates maintenance of the relationship between individuals. The influence of social context is even seen in the very innocent relationship causing an inclusive or exclusive culture. Similarities in social context dimension between individuals will automatically be part of a network. An individual with different dimension will not necessarily be part of the network. As earlier mentioned, Pfeffer (1991) feels that social behaviour is also influenced by the distribution of individuals within a social space, which may, of itself, constrain behaviour. The social context of which the actor is part influences his behaviour.

The end of the third episode is easily identifiable. When all actions for the subsequent steps have been assigned to specific individuals, the next step forward to constructing the object can be taken.

The fourth and final episode involves bringing the entire process to a close. With the heart of the process of strategising consisting of a discursive episode, a more practical way of resolving the specific issue within the wider organisation may be necessary. Episode two addressed the specific “what” and “how”, while episode three addressed the “who”. The entire exercise now has to coalesce.

Here again the practical-evaluative agency plays an essential part. Practical experience of what resulted in a positive outcome in the past is of great value. The discursive elements, as discussed by Hendry and Seidl (2003), become clearly apparent, but more in the manner of suggestion and acceptance, with less risk apparent than in episode two.

The availability of rules and tools and the way in which strategic plans are communicated from a corporate perspective make lengthy discussion unnecessary. The mediating function of both rules and tools can easily be identified. If written documentation is the generally accepted route at this point, such documentation will be accepted and applied.

The influence of the actor's social context is less visible in the final episode, which reaches closure by way of a constructed object, as defined in episode two.

A detailed account of the influences on strategising, tracing all the micro activities and agencies at play, indicates that the social context, or what is sometimes otherwise known as the social institutions, of an individual, plays a larger than expected role. During a strategising episode, where the dominant activity is discourse, the influence of the social context is even more apparent than in the case of a more politically orientated episode.

The importance of strategic discourse, though being apparent in both episodes one and two, is more significantly present in episode two. Mutual understanding is established by way of the ability to reason, convince, explain or advertise a specific opinion. Also of assistance may be the mutual understanding obtained via the other mediation entities, especially rules. Similarity of social context plays a powerfully persuasive role when mutual understanding cannot be achieved in any other way.

Up until now, the importance of discourse and what it actually entails has been given less attention than it deserves. Heracleous and Hendry (2000) confirm that actors can, indeed, achieve change through purposive communication, but that they must do so within a socially constructed reality. Barry and Elmes's (1997) narrative investigation of strategy was able to capture diverse and complex situations and statements that facilitated communication with participants. Speech acts can include analogies to known situations, people or figures, thus encouraging participation by all actors who are familiar with the context. In this way, the social environment of the actors plays an

important role. Unfamiliarity with specific motives and figures characteristic of specific social contexts is likely to hinder the development of understanding in a strategising session. Discourse should be handled carefully. Just as unknown analogies will not make a positive contribution, likewise a well knowledgeable person will not necessarily ensure collaboration and progress in a strategising session.

In concluding the application of the proposed framework, the current researcher finds that the specific process under investigation, consisting of the specific sequential step in the process of strategising, may differ from case to case. The importance of criteria, such as obtaining a shared understanding and the achieving of a set goal, appertains to any strategising session. Similarly, any strategising session has a goal or objective by default. The aforementioned activity theory (Blackler, (1993); Engeström, (2000a) and David & Victor, (2002)), together with the structurational theory of Giddens, as defined by Whittington (1992), has provided the framework for the current investigation. The major influence of social context is situated within the proposed framework, which can be used to investigate any process.

7. CONCLUSION

Chapter 6 discussed the process of strategising as depicted by Maitlis and Lawrence (2003) and the importance of social context. This concluding chapter explores the applicability of Engeström's (2000a), David and Victor's (2002) and Blackler's (1993) interpretation of activity theory as a framework. Discussion of the application of the framework focuses on a central factor of influence and the important criteria for obtaining a shared understanding. The future research potential of continuing the practice theory of strategy to explore its potential as practice within the broader field of sociology concludes the chapter.

7.1 Overview of the Research Conducted

Whittington's (2004) appeal for a sociological agenda to be used in understanding strategy and a managerial agenda for an approach to understanding the method of acquiring skills regarding strategy is partially addressed in a framework that incorporates the social environment of strategy and supplies a starting point for investigating strategy as practice.

Pettigrew (1992) also brings together the process of strategising with the context in which it occurs by establishing a set of requirements for strategy process analysis. He urges cognisance of the enabling and constraining effects of both context and content, the interconnectedness of which is important for establishing an investigative framework. Pettigrew (1992) also recognised that the different levels at which action takes place, together with the different rates at which development occurs, could serve a source of change. The proposed framework views the content of the process of strategy in accordance with the outlook of Maitlis and Lawrence (2003) and the context in terms of the activity theory (Blackler, 1993; David & Victor, 2002; Engeström, 2000a).

The influence of social context is subconsciously accepted in the form of values, traditions, rules and structures of a given social institution, as referred to by Horton (2003). The individual subconsciously bases his or her decisions on the rules of behaviour evident in his or her dominant social structure, adhering to its structures of authority secondary to the organisational structures, as visualised in terms of activity theory, as interpreted by Blackler (1993) and Engeström (2000a).

An enhanced and adapted framework for investigating the influence of a wider context on the micro processes of strategising can be achieved through the combination of activity theory, which consists of a detailed object-motivated process of strategising, with an institutionalised social structure surrounding the process supplying rules, structure and tools to the process necessary in terms of activity theory.

Different mediating entities have different roles to play, depending on the nature of the objective to be achieved. A discursive episode is more open to influence from the social context of the different participating actors than is a political episode. During a discursive episode, different motivations or rules residing in the actor's social context influence the achievement of mutual understanding. The tool of discourse is helpful for achieving understanding, when used for bridging the divide between different opinions. The influence of the division of labour is less evident during a discursive episode.

The influence of division of labour is strongest during a political strategising episode. The roles of division of labour reside in the organisational context, with the social context being of secondary importance. Discourse as a tool has little power in politically natured episodes, since existing role and rules will dominate any discussion.

During an episode of strategising where existing procedures do not act as a positive influence on the strategising process, the social context that is marked by specific legitimate behaviour patterns will act as the mediating entity. The social institution within which an individual acts during a strategising session will act as a source of mutual understanding.

7.2 Recommendations for Future Research

Whittington (2004) argues for sociology as a framework for future investigation of the strategising process. Sociology is relatively unconstrained and already has some tools in place, such as the capacity to determine who has the strategy-making power. Sociology can explain the division of labour in strategising exercises, as well as accommodate determination of the place of skill within strategy. Sociological appreciation of the place of strategic discourse is growing. In practical terms, strategy as a discipline has much to gain from the field of sociology.

A second future research topic should consist of understanding the processes followed during strategic sessions, such as decision making, in relation to activity theory as its framework of analysis. (Dutton, Walton and Abrahamson, (1989) and Brunsson, (1990)). The researchers describe decision making in terms of its three different roles: action mobilising, responsibility distribution and the granting of legitimacy. They also discuss the different dimensions of decision making: its analytical characteristics; issue content and action mandated in terms of the source of the issue.

Regarding strategy as discourse is also an approach that may ensure better understanding of the process of strategising than it has previously received. Barry and Elmes (1997) investigates strategy management using the narrative approach, suggesting that an understanding of how strategy creators will be able to create credibility where participants must be convinced that a narrative is plausible is important for future progress, How to defamiliarise participants of existing procedures or narratives to maximise innovation and progress is yet another topic that requires investigation.

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