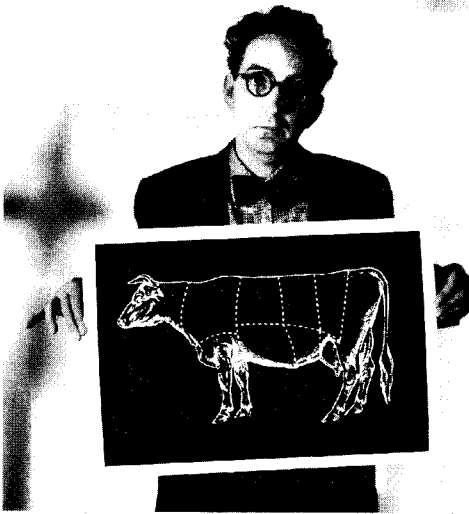


—12—

**“HANG ON, LADIES AND GENTLEMEN
YOU HAVE YET TO MEET
THE WHOLE BEAST”**

This is not a cow.



This is an organizational chart that shows the different parts of a cow. In a real cow, the parts are not aware that they're parts.

They do not have trouble sharing information. They smoothly and naturally work together as one unit. As a cow. And you have only one question to answer. Do you want your company to work like a chart?

Or a cow?

Like many other safaris, we cannot deliver quite as much as we may seem to promise. So this chapter is not an elephant.

We warned in Chapter 1 that only you, the reader, can see the whole elephant. It can exist, not on these pieces of paper, but only in your mind's eye. As Robert Ornstein wrote in *The Psychology of Consciousness*:

Each person standing at one part of the elephant can make his own limited, analytic assessment of the situation, but we do not obtain an elephant by adding "scaly," "long and soft," "massive and cylindrical" together in any conceivable proportion. Without the development of an over-all perspective, we remain lost in our individual investigations. Such a perspective is a province of another mode of knowledge, and cannot be achieved in the same way that individual parts are explored. It does not arise out of a linear sum of independent observations. (1972:10)

These pieces of paper have been about the conventional mode of knowledge—words in linear order. That other mode takes place beyond words, as some kind of image perhaps, in the mysterious reaches of the human mind. So we cannot even show you the elephant. But maybe we can help you to find it. This is the purpose of this final chapter.

We begin with a review of various attributes of the ten schools, to provide a summary of the material of the preceding chapters. Then, in a vain effort to tame the wilds of strategic management, we address various issues that cut across the whole field. Finally, we discuss some ways in which glimpses of the whole beast might be caught.

Of Tails and Tusks, Plans and Patterns

An elephant is body and legs, trunk and tusks, ears and tail. It may be more than the sum of these parts, but as we noted at the outset, you also have to understand the parts to appreciate the whole. Accordingly, we draw together here various attributes of our beast of strategy formation.

Actually, we begin by describing wholes—various beasts we have encountered on our safari, each a metaphor for one of the schools.

Then we plot the development of these schools over time, to show their comings and goings—the attention each received and how some replaced others as prominent. And third, we offer a massive table that summarizes a whole host of attributes of the ten schools.

A METAPHORICAL BEAST FOR EACH SCHOOL. Why just elephants? Who goes on a safari to see a single animal? Clearly we have been coming across all sorts of beasts along the way. Now it is time to name them, which is done below and listed on the first line of Table 12–1 (see p. 354), school by school.

First thing we saw on our safari was a spider, that solitary figure so carefully designing its web, strong enough to exploit its distinctive competences. Nearby was a squirrel, gathering and organizing its resources in preparation for the coming months. A water buffalo ignored all this, sitting contentedly in its carefully selected position. What could possibly disrupt that?

A lone wolf thought he could. Why compete with the lions for the gazelles when he could have that water buffalo all to himself. Risky? The owl sitting up in the tree thought so. She took everything in. But did she get it right? Maybe she was creating some kind of fantasy world of her own.

As we moved on, we saw a whole troop of monkeys, leaping in and out of the trees, playful and adaptive, responding to what each other picked up. Meanwhile, the lions were eyeing the gazelles, picking out the one they would try to run down. Some of the younger lions seemed to be eyeing each other too, wondering who would get to eat first.

The peacock was oblivious to all this. All he cared about was looking beautiful. He never changes. So too the ostrich, except that this bird did not want to look at all—at anyone else let alone himself. Very dangerous behavior in the wilds of strategic management.

Finally, did you catch sight of the chameleons darting around? They seem to change a lot, but you have to wonder if they really end up being so different.

Come to think of it, we never did see an elephant.

THE EVOLUTION OF THE SCHOOLS. An elephant is a complex system that grows and develops. That is true of each elephant as well as the species called elephant. The beast that the blind men stumbled upon was the product of a long process of evolution. Imagine, then, the problem biologists have in trying to build a coherent picture of the evolution of all species, from the rather simple to the remarkably complex.

Likewise, although somewhat more quickly, the field of strategic management has come a long way since the early 1960s. A literature and practice that grew slowly at first, then faster but in a one-sided way in the 1970s, and another-sided way in the 1980s, took off on a variety of fronts in the 1990s. Today it constitutes a dynamic if disparate field. Early schools that were easy to identify have given rise to later ones that are more complex, and more nuanced, one with the other.

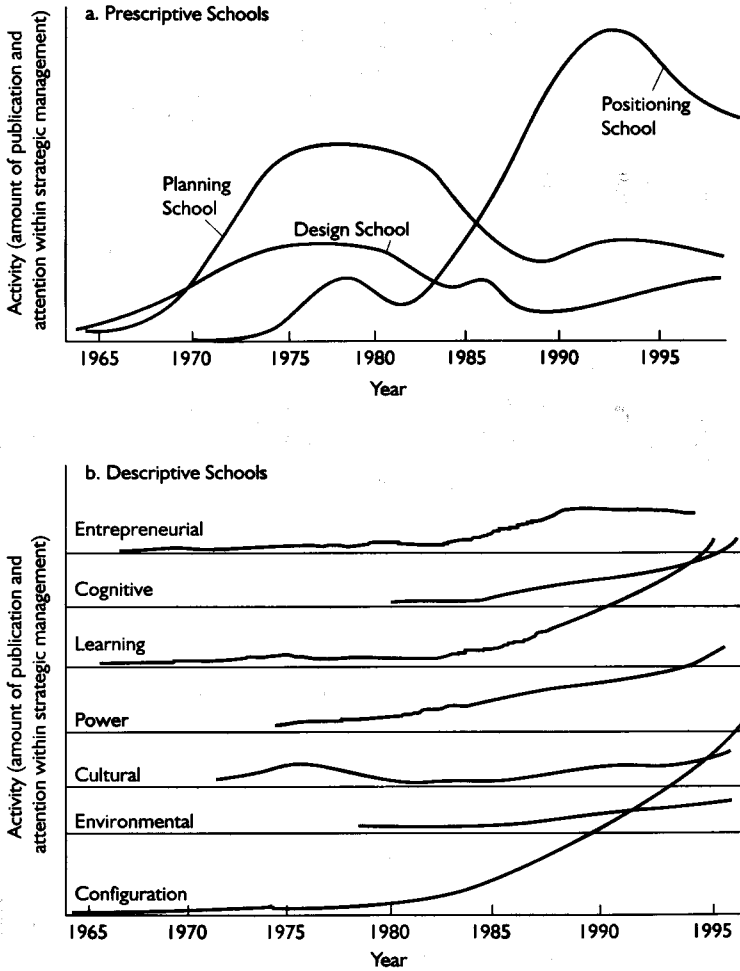
Figure 12-1 seeks to capture this development by plotting activity in the ten schools. These graphs are impressionistic, our own subjective estimates of the amount of attention each school has received from writers and practitioners.

The graphs show the successive dominance of the three prescriptive schools—design in the early years, then planning in the 1970s, followed by positioning in the 1980s, which has since lost some of its popularity but remains highly influential. In the 1990s, the field became far more eclectic, with all the other schools gaining in importance.

There has been growing attention of late, especially in practice but also in scholarship, to the macro side of the power school, namely alliances, collective strategy, and the like, and in research associated with the cognitive school. But two other schools have really taken off in recent years—configuration and learning. Of course, no one runs around talking about the configuration approach to strategy making—as they did earlier about planning and then positioning. But academics talk a lot about types of strategy processes and stages in strategic development, while practitioners in many quarters have become almost obsessed with strategic transformation. On a rather different front, learning approaches have come into great prominence too, especially under the guise of the “learning organization” and “core competence.”

FIGURE 12-1

EVOLUTION OF THE TEN SCHOOLS



DIMENSIONS OF THE SCHOOLS. Table 12-1 lists all sorts of dimensions of the different schools. The table is offered as a summary as well as a reference source; do not feel obligated to read it all!

Some of this material is for the record—early writers,* base disciplines, key words, and the like for each school. Other material

*For a time line of some of the main writers, see Gaddis (1997:41).

TABLE 12.1

DIMENSIONS OF THE TEN SCHOOLS

	DESIGN	PLANNING	POSITIONING	ENTREPRENEURIAL	COGNITIVE
A Metaphorical Beast for Each School	Spider	Squirrel	Water Buffalo	Wolf	Owl

ROOT DIMENSIONS OF THE SCHOOLS

Sources	Selznick 1957 (and perhaps earlier work, for example, by Newman), then Andrews 1965	Ansoff 1965	Purdue work (Schendel, Hatten) mid 1970s; then notably Porter 1980 and 1985	Schumpeter 1950, Cole 1959, others in economics	Simon 1947, 1957, March and Simon 1958
Base Discipline	none (architecture as metaphor)	(some links to engineering, urban planning, systems theory, cybernetics)	Economics (industrial organization), military history	none (although early writings come from economists)	Psychology (cognitive)
Champions	case study teachers (especially at or from Harvard), leadership aficionados, especially in America	"professional" managers, MBAs, staff experts (especially in finance), consultants and government controllers; especially in France and America	as in planning school, especially analytical staff people, consulting "boutiques," and military writers; most notably in America	popular business press, romantic individualists, small business people everywhere, but most decidedly in Latin America and among overseas Chinese	apostles of information systems, philosophical purists, those with a psychological bent, pessimists in one wing, optimists in the other
Intended Message	fit	formalize	analyze	envision	frame
Realized Message	think (strategy making as case study)	program (rather than formulate)	calculate (rather than create or commit)	centralize (then hope)	worry or imagine (being unable to cope in either case)
Homilies	"Look before you leap."	"A stitch in time saves nine."	"Nothin' but the facts, ma'am."	"Take us to your leader."	"I'll see it when I believe it."

	LEARNING	POWER	CULTURAL	ENVIRONMENTAL	CONFIGURATION
A Metaphorical Beast for Each School	Monkey	Lion	Peacock	Ostrich	Chameleon

ROOT DIMENSIONS OF THE SCHOOLS

Sources	Lindblom 1959, 1968; Cyert and March 1963; Weick 1969; Quinn 1980; Prahalad and Hamel, early 1990s	Allison 1971 (micro); Pfeffer and Salancik 1978; Astley, 1984 (macro)	Rhenman and Normann late 1960s in Sweden; no obvious source else- where	Hannan and Freeman 1977; contingency theo- rists (e.g., Pugh et al., late 1960s)	Chandler 1962, McGill group (Mintzberg, Miller, etc. late 1970s; Miles and Snow 1978)
Base Discipline	none (perhaps some pe- ripheral links to learning theory in psychology and education); chaos theory in mathematics	Political science	Anthropology	Biology, Political Sociology	History
Champions	people inclined to exper- imentation, ambiguity, adaptability, especially in Japan and Scandinavia	people who like power, politics, and conspiracy; especially in France	people inclined to the so- cial, the spiritual, the col- lective; especially in Scandinavia and Japan	population ecologists, some organization theo- rists, splitters and posi- tivist in general; especially in the Anglo- Saxon countries	lumpers and integrators in general, as well as change agents; configuration per- haps most popular in Hol- land, maybe Germany, transformation in the USA
Intended Message	learn	grab	coalesce	cope	integrate, transform
Realized Message	play (rather than pursue)	hoard (rather than share)	perpetuate (rather than change)	capitulate (rather than confront)	lump, revolutionize (rather than nuance, adapt)
Homilies	"If at first you don't suc- ceed, try, try again."	"Look out for number one."	"An apple never falls far from the tree."	"It all depends."	"To everything there is a season. . . ."

TABLE 12.1 (continued)

	DESIGN	PLANNING	POSITIONING	ENTREPRENEURIAL	COGNITIVE
ROOT DIMENSIONS OF THE SCHOOLS (continued)					
Key Words	congruence/fit, distinctive competence, competitive advantage, SWOT, formulation/implementation	programming, budgeting, scheduling, scenarios	generic strategy, strategic group, competitive analysis, portfolio, experience curve	bold stroke, vision, insight	map, frame, concept, schema, perception, interpretation, bounded rationality, cognitive style
CONTENT AND PROCESS DIMENSIONS OF THE SCHOOLS					
Strategy	planned perspective, unique	plans decomposed into substrategies and programs	planned generic positions (economic and competitive), also plays	personal, unique perspective (vision), as niche	mental perspective (individual concept)
Basic Process	cerebral, simple, and informal, judgmental, deliberate (prescriptive)	formal, decomposed, deliberate (prescriptive)	analytical, systematic, deliberate (prescriptive)	visionary, intuitive, largely deliberate (as umbrella, although emergent specifics) (descriptive)	mental, emergent (overwhelming or constrained) (descriptive)
Change	occasional, quantum	periodic, incremental	piecemeal, frequent	occasional, opportunistic, revolutionary	infrequent (resisted or constructed mentally)
Central Actor(s)	chief executive (as "architect")	planners	analysts	leader	mind

LEARNING

POWER

CULTURAL

ENVIRONMENTAL

CONFIGURATION

ROOT DIMENSIONS OF THE SCHOOLS (continued)

Key Words	incrementalism, emergent strategy, sense making, entrepreneurship, venturing, champion, core competence	bargaining, conflict, coalition, stakeholders, political game, collective strategy, network, alliance	values, beliefs, myths, culture, ideology, symbolism	adaptation, evolution, contingency, selection, complexity, niche	configuration, archetype, period, stage, life cycle, transformation, revolution, turnaround, revitalization
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CONTENT AND PROCESS DIMENSIONS OF THE SCHOOLS

Strategy	patterns, unique	political and cooperative patterns and positions, as well as ploys, overt and covert	collective perspective, unique	specific positions (called niches in pop. ecol.), generic	any to the left, in context
Basic Process	emergent, informal, messy (descriptive)	conflictive, aggressive, messy; emergent (micro), deliberate (macro) (descriptive)	ideological, constrained, collective, deliberate (descriptive)	passive, imposed, hence emergent (descriptive)	integrative, episodic, sequenced, plus all of those to the left, in context (descriptive for configurations, deliberate and prescriptive for transformations)
Change	continual, incremental or piecemeal, with occasional quantum insight	frequent, piecemeal	infrequent (resisted ideologically)	rare and quantum (in pop. ecol.), piecemeal (in contingency theory)	occasional, and revolutionary (at other times, incremental)
Central Actor(s)	learners (anyone who can)	anyone with power (micro), whole organization (macro)	collectivity	"environment"	any to the left, in context (chief executive especially in transformation)

TABLE 12.1 (continued)

	DESIGN	PLANNING	POSITIONING	ENTREPRENEURIAL	COGNITIVE
CONTENT AND PROCESS DIMENSIONS OF THE SCHOOLS (continued)					
Organization	ordered, acquiescent (for "implementation"), font of given strengths and weaknesses	structured, decomposed, acquiescent (for programming)	source of competitive advantages, otherwise incidental	malleable, simple	incidental
Leadership	dominant, judgmental	responsive to procedures	responsive to analysis	dominant, intuitive	source of cognition, passive or creative
Environment	expedient (whether source of threats or opportunities)	acquiescent (checklist of factors to be forecast or controlled)	competitively demanding but economically analyzable, ultimately acquiescent when understood	maneuverable, full of niches	either overwhelming or else constructed
CONTEXTUAL DIMENSIONS OF THE SCHOOLS					
Situation (best environmental fit)	delineable (into economic, technical, social, etc.) and stable	simple and stable (and so predictable), ideally controllable	simple, stable, and mature (therefore structured and so quantifiable)	dynamic but simple (so comprehensible by leader)	incomprehensible
Form of Organization (implicitly favored)	machine (centralized, somewhat formalized)	large machine (centralized, formalized; also divisionalized)	large machine, preferably in commodity or mass production (centralized, formalized); also divisionalized and "global"	entrepreneurial (simple, centralized)	any
Stage (most likely)	reconception	strategic programming	assessment	startup, turnaround, sustained small size	original conception, reconception, inertia

	LEARNING	POWER	CULTURAL	ENVIRONMENTAL	CONFIGURATION
CONTENT AND PROCESS DIMENSIONS OF THE SCHOOLS (continued)					
Organization	eclectic, flexible	conflictive, disjointed, uncontrollable (micro); aggressive, controlling or cooperating (macro)	normative, cohesive	acquiescent, simple	any to the left, periodic changeful, plus so long as categorical
Leadership	responsive to learning (of self and others)	weak (micro), unspecified (macro)	symbolic	powerless	periodic change agent, plus any to the left, so long as categorical
Environment	elaborate, unpredictable	contentious (in micro), acquiescent or negotiable (in macro)	incidental	exigent	any to the left, so long as categorical
CONTEXTUAL DIMENSIONS OF THE SCHOOLS					
Situation (best environmental fit)	complex, dynamic (and so unpredictable), novel	divisive, malevolent (in micro), controllable or cooperative (in macro)	ideally passive, can become exigent	pat, competitive, delineated	any to the left, so long as categorical
Form of Organization (implicitly favored)	adhocracy, also professional (decentralized)	any, but especially adhocracy and professional (micro), closed machine or networked adhocracy (macro)	missionary, also stagnant machine	machine (obedient)	any to the left, so long as categorical, preferably adhocracy and missionary for transformation
Stage (most likely)	evolving, especially unprecedented change	political challenge, blockage, flux (micro), domination, cooperation (macro)	reinforcement, inertia	maturity, death	special focus on transformation (e.g., turnaround, revitalization), otherwise any to the left, so long as isolatable, preferably ordered into identifiable sequence

describes the strategy process as seen by each school: the basic process, the central actor, the view of organization and of environment, the favored situation and stage, and so on. You may want to take a special look at some of the columns, in particular one that lists the champions of each of the schools, those kinds of people who tend to favor it. For example, people who love order are drawn to the planning school, while people who believe in leadership are hardly fans of the environmental perspective. Birds of the same academic or consulting feather are thus drawn together, to form their various networks, or "invisible colleges." Their clashes can, therefore, be seen as battles of personalities. Experience also plays a role here. People who have taught cases for years can hardly be expected to eschew cerebral approaches, while those raised in the consensual society that is Japan will be naturally attracted to decentralized learning.

Other columns worth a special look are the ones that list a homily for each school and the two that compare the intended message of each school with what we take to be its realized message—what it really seems to be saying.

Taming the Wilds of Strategic Management

Moving ever closer to the whole beast, if never quite there, we now consider a set of issues that cut across our schools—for example, how generic should a strategy be and how controlled the process to create it. These issues are raised by the schools (really by the contradictions between them), but cannot be resolved by them. All are fundamental to our understanding of the strategy process.

Each issue is introduced under a label, by a question, and as a dilemma. But in each case we reject the extreme answers—the "whethers"—in favor of the "whens" and the "wheres." In other words, we claim the answers usually lie not at the extremes, but in how the contradictions are reconciled in practice, whether by lumping or by splitting. We discuss eight issues in all, the first three related to strategy content, the other five to the strategy process. Each begins and ends with a question. To quote the sage words of Sam Goldwyn, the movie mogul: "For your information, let me ask you a few questions."

COMPLEXITY ISSUE. How complex should a good strategy be? On one hand, we are directed by Ashby's "Law of Requisite Variety" (1970) to ensure that a system contains sufficient variety to meet the challenges it faces. Complex and unstable environments, for example, call for considerable requisite variety in responses. That means strategies often have to be complex, and nuanced. On the other hand is the equally plausible KISS imperative ("Keep It Simple, Stupid," as in Peters and Waterman, 1982). Thus Andrews (in Christensen et al., 1982) argued in the design school for strategies as simple informing ideas, while Pascale (1982), in the spirit of the learning school, criticized Americans for "getting off" on simplistic notions of strategy the way the Japanese get off on sumo wrestling.

Kenneth Boulding has addressed the dilemma well: "Somewhere . . . between the specific that has no meaning and the general that has no content, there must be . . . for each purpose and each level of abstraction, an optimal degree of generality" (1956:197–198). The complexity issue has hardly been addressed in strategic management: how elaborate, how nuanced, how comprehensible, how general do we want our strategies to be, when and where?

INTEGRATION ISSUE. How tightly integrated should a good strategy be? In the positioning school, especially concerning the growth-share matrix and shareholder value, the impression is given that strategy is a portfolio, a loosely coupled collection of components. The planning school, despite its use of the word "synergy," takes a similar view—in its capital budgeting techniques (strategic choice as a set of independent investment decisions) and especially in its decomposition of strategies into corporate, business, and functional. Others, however, have made the case for strategy as the integration of components, as in Porter's (1985) writings on "horizontal strategy" (to knit a portfolio of diversified businesses together). And then there are those, especially in the entrepreneurial and cultural schools, who see no components at all, only strategy as one fully integrated perspective—"seamless," to use the currently popular expression.

A variety of mechanisms to integrate strategies have been proposed: plans to integrate formally, cognition or vision to integrate mentally,

culture to integrate normatively, mutual adjustment to integrate collectively, and so on. How much integration is desirable, of what kind, when and where?

GENERIC ISSUE. How unique or novel should a good strategy be? Is the number of available strategies infinite, or is there a “generic” set from which organizations must choose? Correspondingly, do organizations succeed by respecting the rules or by breaking them? The positioning school tells us that strategies are generic, that they exist a priori, clearly defined. Strategic positions are like pears, to be plucked off the tree of environmental opportunity. (In the environmental school, the pear falls on your head and knocks you senseless.)

No doubt, there are many industry recipes out there, and no shortage of “mainline” and “me-too” strategies. But the entrepreneurial and cultural schools, in particular, tell us that strategies are unique—perspectives particular to the vision of one person or the culture of one organization. No two can be alike. The learning school adds that all strategies are the products of idiosyncratic adaptive processes. And the design school claims that strategies are unique because they are *created* in a personalized process of design (even though this school refers repeatedly to the “choice” of strategy).

So the question becomes not just which is it—novel or generic—when and where, but how do the two interrelate? When and how do novel strategies become generic, how do strategic groups (as clusters of generic strategies) form, and so on?

Note how our three content issues themselves combine. Generic strategies would seem to be simpler, less integrated (as portfolios of components), but perhaps more flexible. They are also easier to articulate. Novel strategies are likely to be more complex, presumably more integrated, and therefore less flexible (because if you change any part of an integrated strategy, you risk *disintegrating* it). They may also be more difficult to articulate, yet once done, more easily remembered. Moreover, if strategies are generic, then their content becomes the natural focus, while if they are unique, then the focus must turn to the process of creating them. So let us now turn to the issues of process.

CONTROL ISSUE. How deliberate or emergent should an effective strategy-formation process be: how predetermined, how cerebral, how centralized? To what extent is there a need for a priori control as opposed to a posteriori learning? We discuss this first among the issues of process because it is also one of content—concerning strategies as intended plans as opposed to realized patterns. (Indeed the more emergent the strategy, the more a central management must treat content as process—in other words manage people and structures deliberately in the hope that they will come up with the desirable strategies.)

The three prescriptive schools aggressively promote deliberateness, as does the entrepreneurial school (although less formally). One side of the cognitive school raises doubts about the power of the strategist's mind over strategic matter, while the learning school dismisses the deliberate in favor of the emergent. But, as we noted in Chapter 1, no real world strategy can be purely deliberate or purely emergent, since one precludes learning while the other precludes control. So the question becomes: what degree of each is appropriate, where and when?

COLLECTIVE ISSUE. Who is the strategist? How do we read the "organization's mind"? In Table 12-1, we listed the candidates for the job of strategist—each school has its own. At one extreme, it is the *him* or *her* of the design and entrepreneurial schools; at the other extreme, the *them* of the learning, political, and cultural schools. Or perhaps the strategist is the *it* of the environmental, planning, positioning, and cognitive schools—the world out there, procedure, analysis, or the biological brain. To put all this in another way, is strategy formation fundamentally a personal process, a technical process, a physiological process, a collective process, even a nonprocess? Maybe it is all of the above. If so, which, or how much of each, when and where?

CHANGE ISSUE. Here we really wish to discuss three different issues related to strategic change—its presence, its pattern, and its source.

First, how do strategists reconcile the conflicting forces for change and for stability? How do they maintain alignment and promote order, efficiency, pattern, and control, while having to reconfigure and adapt, respond, innovate, and learn? To repeat an earlier point, despite the

impression conveyed in most of the literature, strategy is a concept rooted in stability, not change. Organizations pursue strategies for purposes of consistency. But they sometimes need strategic change too—they have to discard their established directions in response to a changed environment.

The planning school claims that organizations can have stability and change concurrently: they can set course by explicit plans, yet change every year, on schedule. Very convenient. But very questionable. Other schools come down clearly on one side or the other: organizations are either changing all the time or else they hardly ever change. Under politics, strategies are in a constant state of flux, as new challenges arise. Likewise, strategic learning is a never-ending process: patterns may form, but since initiatives are always forthcoming, strategies can never quite settle down. But to the environmental and cultural schools, also a part of the cognitive school, strategies rarely if ever change: the organization, or its strategist, slots into a niche, settles on a culture, slips into a mental frame, and then holds on for dear life. (In the environmental school, they would rather die than switch.) But surely real-world behavior must fall largely between these extremes.

Next, we consider the pattern or pace of change. The configuration school makes a strong case for occasional but quantum and revolutionary change. A similar pattern of change is implied in the design and entrepreneurial schools, where strategy appears as some kind of immaculate conception. Even the cognitive and cultural schools support this pattern, but on the other side: to them, strategies hardly ever change. In contrast, the learning school permits change that is incremental, as strategists come to know a complex situation through experimentation (although they can sometimes leap when struck by a sudden insight). The planning school also tends to promote incremental change, in fact if not by intention, while the political school (micro) describes the disjointed, piecemeal change that arises from conflict.

All of these views seem plausible. Indeed, we have discussed empirical evidence in support of various ones. For example, the quantum theory shows that organizations usually change incrementally in the direction of their established strategies but occasionally shift direction

in revolutionary fashion. This may be especially true for entrepreneurial and mass production organizations, while the more innovative ad-hocracies may tend to alternate more balanced cycles of change and continuity. A variety of patterns of change is thus possible; questions remain as to which, when, where, and why.

A last issue of change concerns its source. Where do new strategies come from? Extending the concept of learning beyond just one school, do organizations learn by doing (as in the learning school), by thinking (as in the design school), by programming (as in the planning school), by calculating (as in the positioning school), or by arguing (as in the power school)? While the learning school suggests that organizations learn with ease, the cognitive and cultural schools imply that they learn only with great difficulty. And the environmental school suggests that organizations don't learn at all. How much, then, do organizations learn, how easily, and how, when, and where?

CHOICE ISSUE. We have discussed this issue at some length already: the question is not whether there exists strategic choice out there, but how much. Hence, we rejected the pure determinism of the environmental school as well as the closely related views of the cognitive and cultural schools, that the circumstances overwhelm the strategists. Likewise, we rejected the easy voluntarism of the design and entrepreneurial schools, in which the "great leader" can do almost anything. As for the assumed voluntarism of the planning and positioning schools—a world ripe for plucking by those clever planners and analysts—on closer examination we found a planning school upset by unexpected change and a positioning school wary of real choice, with determinism parading under the guise of free will.

Perhaps it is the macro side of the power school that achieves a good balance here, with its notion that the power of an organization reflects its dependency on the environment for resources. Some organizations must largely acquiesce, at least some of the time, while others can sometimes dominate. (Some, of course, acquiesce while believing they dominate, like the king in Saint-Exupery's *The Little Prince* who could order the sun to set, but only at a certain time of the day.) A balance is also struck in the learning school, which suggests that strategists cope

with a difficult world by learning over time, occasionally even achieving leaps of insight that belie their supposed cognitive limitations. The question then becomes: what, when, and where is the power of proactive leadership, personalized intuition, and collective learning against the forces of environmental demand, organizational inertia, and cognitive limitation?

THINKING ISSUE. Finally, we come to perhaps the most intriguing issue of all, related also to deliberate control. Pascale (1982, 1984) poses it as how much strategic thinking do we want anyway, implying that organizations obsessed with the strategy-formation process lose control of it. Approaching this from the perspective of the learning school, Pascale believes organizations should get on with acting.

But again, the issue need not be dichotomized. Certainly, we need to think—we are cerebral animals—and even sometimes to formalize. Yet, as we critiqued the prescriptive schools, we can become too conscious at the expense of our ability to act (“paralysis by analysis”). Indeed, conscious thought did not fare so well in the cognitive school, although ironically, it did get redeemed somewhat in the learning school (through the acknowledgment of insight and inspiration). Perhaps Karl Weick strikes the right balance here with his point that we need to act but then we need to make sense of our actions. That is why we reviewed his work in both the learning and cognitive schools.

Given that this book has, we hope, encouraged a good deal of thinking about strategy formation, perhaps we should convert Pascale’s point into the following question, which remains largely unaddressed in the literature of strategic management: What is “strategic thinking” anyway? And what forms of it—what “strategic styles”—are most effective? How is thought best coupled with action in strategy making: in other words, how is the specific made to inform the general and the general brought to bear on the specific? When and where?

Toward Seeing the Whole Beast

Our safari is now heading back to base, which means you will soon be back home with only your images of the trip. So let us try to draw together some of its loose ends.

There has been at least one consistent ambiguity throughout this book: whether these schools describe different processes or different parts of the same process. Even in this chapter, we have already alluded to strategy making as one species and as many. Should strategists pick and choose from among all these ideas, like diners at a buffet table, or should they try to combine them into palatable dishes, as chefs do back in the kitchen?

We have gone both ways on this question for one good reason: the answer has to be "yes" both times.

Every strategy process has to combine various aspects of the different schools. Can anyone possibly imagine strategy making in any serious organization without mental and social aspects, without the demands of the environment, the energy of leadership, and the forces of organization, without tradeoffs between the incremental and the revolutionary? And can any strategy process be realistically pursued as purely deliberate or purely emergent? To deny learning is as silly as to deny control.

Yet practice tilts too. Sometimes it becomes more individually cognitive than socially interactive (in much of small business, for example). Some strategies seem to be more rationally deliberate (especially in mature mass-production industries and government), while others tend to be more adaptively emergent (as in dynamic, high technology industries). The environment can sometimes be highly demanding (during social upheavals), yet other times (even the same times) entrepreneurial leaders are able to maneuver through it with ease. There are, after all, identifiable stages and periods in strategy making, not in any absolute sense but as clear tendencies.

Of course, the very format of this book has favored the latter interpretation—of different processes. Ours has been a book mostly about lumping, not splitting—about the various species of the strategy process. This made it easier to write, and, we hope, easier to read. Bear in mind too that this has been a review of a field, and the field of strategic management has been a rather lumpy one these past thirty years—from planning to positioning to learning, and so on. This most likely reflects the influence of the academic writers and the consultants: it is they who have been driving the thinking in this field. Like butchers

(and here we include ourselves), they chop up reality for their convenience, in some cases using one part of the beast while ignoring the rest, just as poachers grab the tusks of the elephant and leave the carcass to rot. Of course, the further back we look, the lumpier it all appears in retrospect. The nuances get lost.

But those who have ultimate responsibility for all this—the managers of our organizations—can allow themselves no such luxuries. They have to deal with the entire beast of strategy formation—not only to keep it alive but also to help sustain some of its real-life energy. True, they can make use of the process in various ways: an elephant, after all, can be a beast of burden or a symbol of ceremony—but only if it remains intact as a living thing.

Why then write this book (other than for the historical record)? Why not leave the field to the splitters, who weave together all the nuances? Because they do not seem to have the necessary impact, at least on practice. It is not that managers do not appreciate nuance—these people live nuance every day. Rather, like the rest of us, they seem to understand the world more easily in terms of categories, at least initially. Categories strike us all more sharply. The nuances can follow.

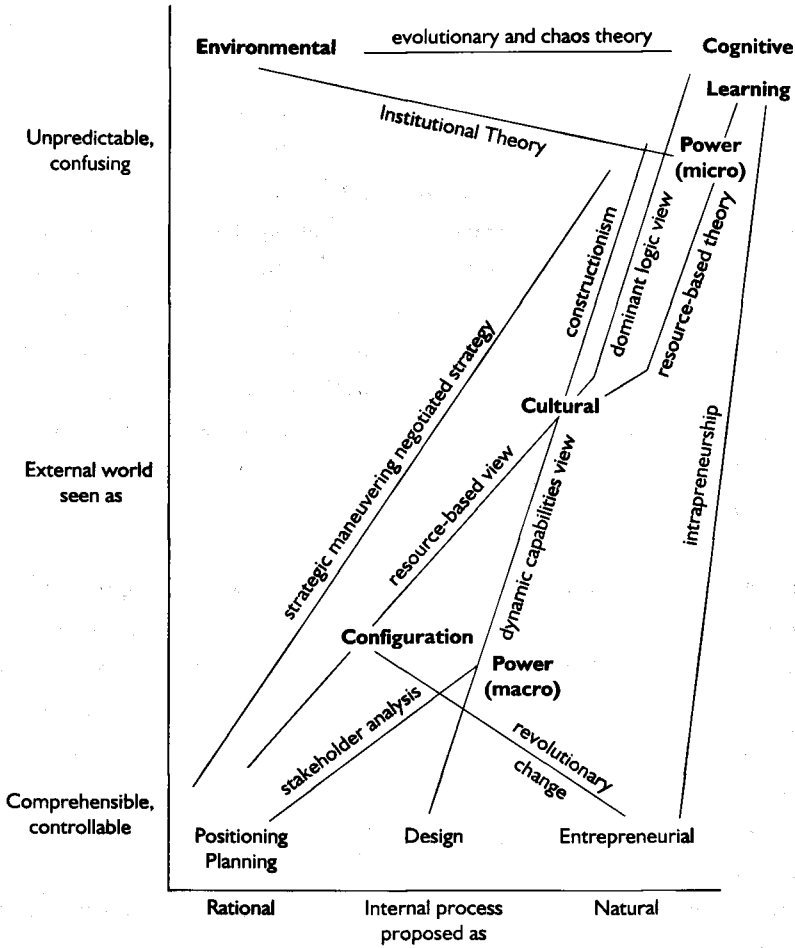
The trick, of course, is to make use of this simplicity while distrusting it, as we earlier cited Whitehead. We all have to appreciate the categories and we have to get beyond them.

As we tried to point out in our critiques of the different schools, at times rather harsh, the greatest failings of strategic management have occurred when managers took one point of view too seriously. We had our obsession with planning. Then everything had to be generic position based on careful calculation. Now the learning organization is all the rage, somehow to be reconciled with perpetual transformation. “Learn, all of you,” the pundits seem to be saying, “but damn well do it quickly and dramatically.” No wonder there is so much confusion.

By having juxtaposed the messages of all ten schools, we hope we have revealed the fallaciousness of all this. In other words, it is this whole book that matters, not any single chapter. There are categories out there, but they should be used as building blocks, or, better still, as ingredients of a stew.

Two figures follow. One illustrates different perspectives of the strat-

FIGURE 12-2
MAPPING THE SPACE OF STRATEGY FORMATION



egy-formation process, the other, strategy formation as a single, integrated process. Together they may help to see the whole beast better.

MAPPING THE LUMPS. Figure 12-2 identifies the various approaches to strategy formation along two dimensions—how controllable the external environment seems to be (ranging from comprehensible to confusing), and how open-ended is the proposed internal process

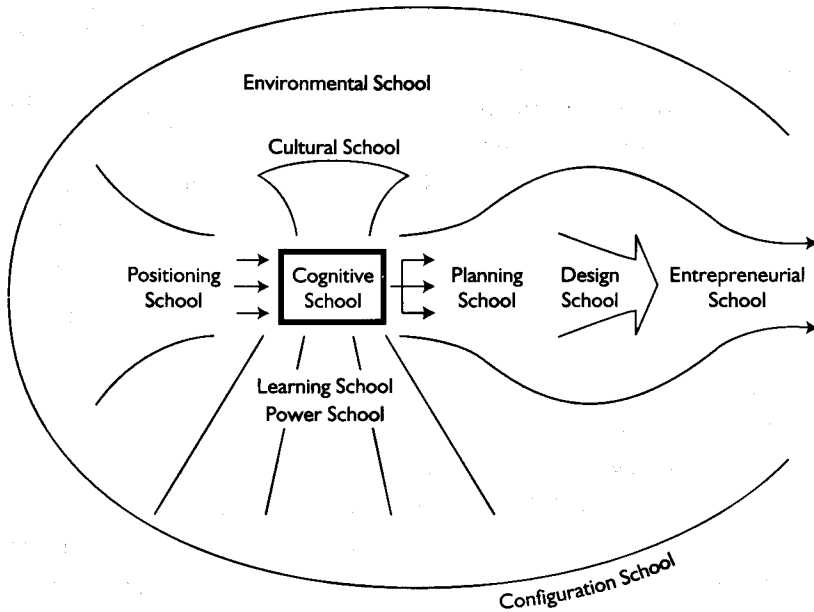
(ranging from rational to natural). The lumps are mapped on this space of strategy formation. (We could have selected other dimensions; our purpose here is simply to show how the different approaches spread out, consistent with the conditions we have described at various points of our text.)

All four corners are filled. Planning and positioning are seen at one corner—rational processes in supposedly controllable environments, faced at the opposite corner by the cognitive and, nearby, learning and power (micro) approaches—more natural or organic processes in environments considered to be unpredictable. In the other two corners, entrepreneurship is an open-ended process in a part of the environment that can ostensibly be controlled, while the environmental school expects the organization to respond rationally to an environment it cannot possibly hope to control. All the other schools fit somewhere in between. So do some of the hybrid views we have discussed, shown by lines joining pairs of the schools.

SPLITTING THE PROCESS. Figure 12–3 shows the schools taking their place around and within the single process that is strategy formation. At the center is the actual creation of strategy, shown as a black box, to indicate how it is in fact treated by most of the schools. Only the cognitive school really tries to get inside, but, as we noted in Chapter 6, without much success. The learning and power schools make tentative efforts in this regard. All the other schools, in our view, take their place around this black box, whether above, below, before, after, or beyond it (which brings this diagram back to the one about “strategic thinking as seeing,” presented in Chapter 5).

The positioning school looks *behind*, at established (historical) data, which it analyzes and feeds into the black box of strategy making. On the other side, coming out of the black box in succession, are the planning, design, and entrepreneurial schools. The planning school looks *ahead*, but just ahead, to program the strategies somehow created in other ways. The design school looks *farther ahead*, to a strategic perspective, while the entrepreneurial school looks *beyond* as well as *beside*, past the immediate impediments to a unique vision of the future.

FIGURE 12-3
SPLITTING THE PROCESS*



*Our thanks to Patricia Pitcher, who suggested a similar diagram.

The learning and power schools look below, enmeshed in the details. They concentrate on trees more than forests. Learning looks on the ground, sometimes into the grass roots. Power, in a sense, looks lower (but not deeper): under the rocks, sometimes even underground, to places that organizations do not always like to expose.

Looking down from *above* is the cultural school, enshrouded in clouds of beliefs, while well above that is the environmental school, looking *on*, so to speak. And in contrast to the cognitive school, which tries to look *inside* the process (through the microscope, as opposed to the reversed telescope of the environmental school), the configurational school looks *at* it, or, we might say, *all around it*.

We can conclude that our ten schools look at the same process every which way. Together, we hope, they can help managers see *through* all this.

BEYOND THE PARTS. It is convenient that strategic management has, for the most part, slotted so neatly into these ten categories. That has made all of our jobs—as writers, readers, researchers, consultants, managers—that much easier. Unfortunately, it may not have been the best thing for practice.

That is why we are pleased—now that we have completed this book, at least—that the field is becoming more eclectic, more nuanced. We celebrate its newfound messiness—so much better than its old order. Some bemoan this. The field is out of control, they say. Bring on some sort of dominating “paradigm.”* But we have already had that, thank you, in the strategic planning of the 1970s. Was having people running around filling out those silly forms some sort of strategic utopia? Later everyone had to be obsessively positioning. Now passionately learning, or else constantly transforming. But who needs this? We need good practice, not neat theory. The appearance of various hybrids of the schools is thus a welcome sign. (Of course, they are hybrids only in our terms. Reverse the perspective, like that famous image of a wine goblet that becomes the profile of a woman, and the schools become the hybrids.) This means not only that the field is coming of age, but also that the practice is becoming more sophisticated.

The blind men never saw the corpus colossum of the elephant, the tissue that joins the two hemispheres of the brain. Nor did they see the ligaments that connect the different bones. But we are beginning to get that perspective in strategic management. Good thing, because without these parts, all elephants would be dead elephants, and all strategies dead strategies.

Not that it will be easy. Strategy formation is a complex space. And ten is a big number for brains accustomed to seven plus or minus two. But the fault, dear Brutus, lies neither in the stars nor in ourselves, but in the process itself. Strategy formation is judgmental designing, intuitive visioning, and emergent learning; it is about transformation as

*For a related debate, concerning organization theory in general rather than strategic management in particular, see the case proposed by Pfeffer (1993, 1995) and the counterargument by Van Maanen (1995a and b).