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Abstract

The paper contributes to an emergent interest in strategy as a discourse that is understood to constitute as ‘strategic’ the world that it claims to represent. Strategizing activity is studied as an example of organizing conceived as a discursive practice. Material drawn from an intensive case study of ‘StitchCo’, a global retailing and manufacturing company, is deployed to analyse how strategy activity was articulated, mobilized and enacted; and, in particular, how accounting practices became discursively imbued with strategic significance in ways that contributed to what the strategy discourse contrived to invoke and prescribe. A mode of discourse analysis grounded in a Foucauldian power/knowledge framework is shown to offer an innovative and challenging supplement to established ways of analyzing strategic management.

INTRODUCTION

How are we to represent, and account for, organizing activity denoted as ‘strategic management’ – that is, the doing of strategy as a process of organizing? One seasoned response, which is also broadly consistent with our representation of strategizing at StitchCo (a pseudonym for a global retailer), characterises ‘strategic management’ as ‘a process that deals with the entrepreneurial work of the organization, with organizational renewal and growth, and more particularly, with developing and utilizing the strategy which is to guide the organization’s operations’ (Schendel and Hofer, 1979: 11). With an important proviso, ‘strategizing’ is, for us, about the doing – ‘developing and utilising’ - of strategy, which, in Schendel and Hofer’s terms, encompasses ‘entrepreneurial work’ (cf Lawrence and Suddaby, 2006) and is concerned with survival as well as with ‘renewal and growth’. The proviso is that what counts as strategizing is not restricted to practices most closely associated with those deemed responsible for its formation and architecture, or assessed to have a positive impact on whatever is deemed to be the organization’s strategy. The question of the effects and of the effectiveness of strategizing is not unimportant, but practices can be plausibly identified as ‘strategic’ irrespective of the assessment of the ‘success’ of their outcomes.

Agreement on the meaning of strategy and strategic management may, however, be deceptive as meaning does not exist in the outward form of words but in the intersubjective sense made of them. Differences of sense articulate more or less acknowledged divergences of ontological and epistemological commitment regarding the status of social objects (e.g. ‘strategy’) and the possibilities of knowledge(s) of them (see, for example, Mir and Watson, 2000, 2001 as well as the exchange between Powell 2002, 2003 and Arend, 2003 about ‘strategy without ontology’). In general, what we will term ‘mainstream’ literatures on strategy are underpinned by an assumption that such ‘philosophical’ issues are effectively settled or, at least, can be safely ignored for all practical purposes. It is assumed that ‘strategy’ exists “out there”, either in the variables that comprise or govern it (Porter, 1980; Barney, 1991), or in the meanings of the organizational members and others (e.g. consultants) who formulate and implement it (Pettigrew,1987; Mintzberg et al, 1995). Debate is
confined to the question of which approach and methodology best captures the key features of strategic management and/or provides for the most effective means of its disclosure and improvement. There is little interest in the constitutive effects of the development and use of strategy as a discourse. Our objective is this paper is to explicate and apply an alternative to mainstream analysis of strategy by advancing an approach guided by Foucauldian discourse analysis (see Knights and Morgan, 1991). The first half of the paper sets out the distinctiveness of this novel ‘take’ on strategy. The second half illustrates this approach through a study of StitchCo. We show how Foucauldian discourse analysis differs from mainstream thinking in a number of respects. Whereas mainstream studies are imbued with realism - that is, with delineating what are taken to be the actual configurations of organizations, strategists, strategy and strategizing – Foucauldian analysis attends to how strategy as a discursive practice emerges, is mobilized and deployed.

Mainstream strategy research, comprising what we characterise as rationalist (e.g. the design, planning, positioning, environmental and configuration- schools identified by Mintzberg, et al, 1998) and interpretive (e.g. processual Pettigrew, 1992; Mintzberg et. al., 1995; and strategy-as-practice, Jarzabkowski, 2005) elements, is concerned with specifying the material resources and capabilities or ‘social capital’ (e.g. cognitive schema) that are mobilized to accomplish or enhance strategizing practices. Foucauldian analysis, in contrast, is concerned with the discursive field within which resources are characterized and accorded significance; it is thus attentive to the constitutive and performative role of language. It is not (just) that ‘authors of traditional strategy frameworks virtually ignore the role of language in strategic decision making’ (Barry and Elmes, 1997: 432; see also Vaara et al, 2005) but that the conceptions of strategy developed by mainstream frameworks exclude recognition and exploration of how discourse ‘works to create some sense of stability, order and predictability and thereby produce a sustainable, functioning and liveable world from what would otherwise be an amorphous, fluxing and undifferentiated reality’ (Chia, 2000: 514, emphases added). Discourse, developed within power-knowledge relations, is here understood to give social existence to the objects (e.g. ‘opportunities’, ‘markets’, ‘competencies’) that researchers are urged to study; that students are expected to know about; and which managers are urged to act upon.

DISCOURSE ANALYSIS: ELEMENTS OF A FOUCAULDIAN APPROACH
Mainstream analyses of strategy and strategic management are dominated by a commitment to empirical realism where ‘environments’, for example, are viewed as ‘independent, external and tangible entities’ (Smircich and Stubbart, 1985: 724). Its objects of investigation, such as ‘competitive advantage’ are assumed to ‘reside somewhere in time and space, findable in the same way that we find a misplaced fountain pen’ (Powell, 2001: 885). An alternative is to study ‘competitive advantage’ as part of an evolving ‘language game through which strategy researchers and managers presently solve
their problems' (ibid: 886); or, to take a Foucauldian step, as a game in which such 'problems' are constituted as 'problems' through the discursive practices of strategizing. From this later standpoint, responses to the question of how to represent, or account for, 'strategies' and 'strategic management' are understood to depend, as with all organizing practices, upon the discourse that informs, guides and rationalizes their definition, scope and significance.

In response to such provocations, realist critics of discourse analysis have associated it with a 'postmodern' move in social science that they dismiss as irrational, subjectivist and ultimately solipsistic, on the grounds that emphasizing the importance of language necessarily denies or overlooks the rootedness of language in the materiality of the world (Reed, 2002). This blanket rejection of discourse analysis fails to appreciate that not all versions of discourse analysis subscribe to the idealist view that 'discourse' floats free of the 'world' that it aspires to order and construct. Those that treat elements of discourse as little more than a novel object of neo-positivist analysis merit scathing criticism when they pretend to offer an alternative to it. But others are less deservedly swept away by the same dismissive brush. Foucauldian analysis does not contend that the reality of strategy (or organization) is equivalent, or reducible, to the 'regimes of truth' that have been established to represent it. Rather, that reality is understood to be do-able-and-knowable only through the development of diverse, partial and ultimately *politically conditioned* discourses. When conceived as a discursive organizing practice, 'strategy' is understood to be “embedded in social practices that reproduce the dominant “way of seeing” as the ‘truth’ of the discourse” (Knights and Morgan, 1991: 253).

Our analysis of StitchCo has strong affinities with previous research that draws upon the ideas of Foucault (e.g. Rose and Miller, 1992; Miller and O’Leary, 1993, 1994; Knights and Morgan, 1991, 1995) but we extend it in a number of ways. Rose and Miller (1992) emphasize the importance of language and discourse, connecting rationalities (“the changing discursive fields within which the exercise of power is conceptualized”, ibid, p. 175), and technologies (“mundane programmes, calculations, techniques, apparatuses, documents, and procedures”, ibid, p. 175) through which ambitions are embodied and given effect. The depth and breadth of the material drawn from our case study enables us to explore interconnections between managerial strategic discourse, as a form of rationality, and accounting as a calculative technology mobilized by management to embody and give effect to strategic discourse. Miller and Leary (1993; 1994) also emphasise the value of taking a genealogical approach to the study of strategic discourse. A limitation of their study which we attend to here, however, is that it privileges managerial discourses without giving voice to those below senior management, nor to the disciplinary power of strategic discourse *vis a vis* senior managers who invoke and articulate the discourse and for lower-level managers who are directed to fulfil it.
Taking up Knights and Morgan’s (1991, 1995) challenge to apply Foucauldian discourse analysis to the study of strategy, we explicate and distil key elements of Foucault’s work relevant for analyzing (strategic) discourse - something that is largely absent from their seminal work. We also have some reservations about the consistency with which Foucauldian thinking is applied in their study of the financial services industry (Knights and Morgan, 1995). A Foucauldian “genealogical approach” (ibid, p. 197), as they note (ibid, pp. 197-198), is distinguished by the idea that any attempt to identify the conditions that account for the existence of new discourses and associated set of practices is itself provisional and can never be exhaustive. Yet, in their study there is some slippage into rationalist and interpretive forms of analysis when they identify they key features of what they term “the industry context” and the specific “organizational settings” in which strategy discourse in was taken up and developed, for example, “the regulatory conditions of financial services” are said to have “placed a strategic imperative on the demand for flexible and highly responsive information systems” (ibid, p. 206). In such passages, the identification of “conditions” and associated “imperatives” is not connected to mobilizing a particular strategic discourse. Lacking is a clear indication of the power/knowledge relations that are conceived to be productive of particular ways of accounting for strategic processes. Knights and Morgan’s genealogy tends to regress into positivist history in which there is little recognition in the text of how narrative exemplifies what it purports to analyze. This is a problem(atic) endemic to a paradox that bedevils post-realist analysis. In order to study a social object, such as ‘strategy’, as a discursive practice, it is necessary to proceed as if our knowledge of this object exists independently of the discourses that enable us to identify and explore it. Yet, it is precisely this ‘independence’ that is problematized in (Foucauldian) discourse analysis. In the account of the development of strategy at StitchCo, we acknowledge the impossibility of providing an authoritative narrative whilst realising the value of presenting a possible historical context, albeit a necessarily contestable one, to our study.

Discourse, Power/Knowledge and Resistance

Foucauldian theory understands discourses (e.g. of strategy) to be indexically tied to the phenomena that they aspire to construct. Emphasizing the performative power invested in language in producing ‘objects’ and ‘strategies’(see also Butler, 2004), and the intimacy of the relationship between knowledge and power, Foucault (1997: 27-8) contends that:

‘...there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations... it is not the activity of the subject of knowledge that produces a corpus of knowledge, useful or resistant to power, but power/knowledge, the processes and struggles that traverse it and of which it is made up, that determines the forms and possible domains of knowledge.’ (emphasis added)

Discourses are inscribed in power-knowledge relations where power is understood to operate through a plurality of relationships to form and institutionalize knowledge-claims - claims, for example, about
‘organization’, ‘strategy’, ‘knowledge’ and ‘power’. Moreover, power is neither exclusively negative nor zero-sum; it is productive, not just repressive, diffuse and relational:

‘...power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and the knowledge that may be gained of him belong to this production’ (Foucault, 1984: 204-5).

Power is not something that can ever be monopolised by elites since it is the very medium of social organization; and thus it is impossible to cleanse knowledge of power - for example, by endeavouring to remove bias from methodology so as to create a mirror image of our objects of study. In its formation of discourses of ‘self-knowledge’ - for example, a manager’s sense of herself as a ‘strategist’ - power exercises a disciplining effect. Moreover, power operates upon populations in ways that ostensibly ‘powerful’ human beings can never successfully ‘stand above’ or immunize themselves against; and the effect of power’s operation is never totalising since it operates upon recalcitrant material (humans) – as, for example, when the ‘objects’ of disciplinary technologies respond by ‘gaming the system’. Exercises of power are therefore endemically vulnerable to both overt and covert resistance that questions, and may ultimately displace, its ‘truth’ (Ezzamel, 1994). Efforts to mobilize discourses of ‘conscience or self-knowledge’ to discipline subjectivity are doomed to degrees of failure as they arbitrarily partition the world in ways that produce the conditions of possibility of their breach. Power is not analyzed as a possession deployed ‘episodically’ by actors to impose an obligation, or a prohibition, upon others. Rather, it is conceived as a medium of social relations that operates ‘systematically’ through forms of knowledge which simultaneously may empower and impede those who are disciplined by them.

Foucault's thinking has been particularly influential, in stimulating renewed interest in 'aspects of power that are tied less to the influence of organizational actors and more closely to the role of disciplinary systems that work to control organizational members' (Lawrence et al, 2001: 629). Power is 'productive', for example, in the generation of knowledge and techniques of modern management, such as the notion of 'strategic business units' (SBUs) and accounting techniques (Carmona et al, 1997) - as has been increasingly explored by students of strategy and organization (e.g. Knights and Morgan, 1991; Hendry, 2000). Equally, in the process of privileging particular models, techniques and procedures, particular exercises of power/knowledge exclude and antagonize other instruments and logics, thereby creating the possibility of their interpretation and application in ways that could be subversive of the favoured strategy and /or the authority of those identified as its chief architects and advocates. Foucault's (1990: 100-101) conception of discourse thus incorporates an appreciation of its ambivalent formation and use: discourse “can be both an instrument and an effect of power, but also a hindrance, a stumbling-block, a point of resistance and a starting point for an opposing strategy.”
Foucault’s Discourse Analysis

Foucault (1972: 47) urges that we ‘dispense with “things” as objects of study and, instead consider how such objects are formed and stabilized - or ‘fixed’ - within discourses. For Foucault, discourse consists of ‘practices that systematically form the objects of which they speak’ (ibid: 47, emphasis added). To be clear, Foucault is not making a solipsistic claim that the practices which comprise the social world are reducible to discourse. Instead, he understands ‘objects’ of analysis, such as ‘strategy’ and ‘experts’, to be constituted through discursive practices; it is in these practices that the self-evidence of ‘strategy’ objects is routinely affirmed (e.g. in textbooks and corporate presentations). An outcome of this affirmation is a tendency for those to whom power is attributed - such as senior executives and strategists - to become entranced by the alluring authority of such ‘positive knowledge’. Ironically, this knowledge is productive of their own sense of powerlessness in the face of ‘market forces’ and ‘strategic imperatives’ (Knights and Morgan, 1991).

Discursive practices are conceived as neither purely social phenomena nor properties of individuals, but rather as functioning both socially and within the self (Ezzamel and Hoskin, 2002). They ‘delimit fields of objects, define a ‘legitimate perspective’ for agents of knowledge, and establish norms for ‘the elaboration of concepts and theories’ (Foucault, 1997: 199). Such delimitation is simultaneously an exercise of power and a provocation to resistance. In everyday activities and routines, power is conceived to operate in a capillary manner - for example, by attributing sovereignty to human agency as a ‘natural entity’ to which interests are ascribed. Such discourse is productive of a sense of self, as well as associated beliefs about the location of power, either as a possession of subjects (agency) or as an enabling/disabling condition of agency (structure). But the discursive identification of such forces and imperatives may also stimulate reflection upon, and re-cognition of, what is excluded by such hegemonic forms of discourse. What is excluded is an awareness that precedes, and unpredictably intrudes upon, the politico-cultural construction of subject-object separation; such a construction is exemplified in objectivist enquiry by the supposition that (inter)subjectivity can be removed from the representation of the object (Rorty, 1979).

In sum, for Foucault, discourse is not a more or less imperfect means of representing objects but, rather, is performative in, for example, producing the widely taken-for-granted truth that ‘organization’ is separate from ‘environment’ which informs strategic management thinking. By highlighting the interdependence of knowledge and power, Foucault cautions against complacency about forms of knowledge that appear to be neutral and authoritative (that is, cleansed of power) but which are necessarily implicated in the formation and reproduction of power as a social relation.

Comparing Approaches to Studying Strategy
In this section, we briefly elaborate the differences between rationalist, interpretive and Foucauldian forms of analysis. Our intention is not to offer an exhaustive review of perspectives developed by students of strategy but, rather, to explicate the distinctiveness of a Foucauldian approach in relation to two well established currents of strategy analysis.

Rationalist Analysis
In rationalist analysis, we include diverse forms of economic and behaviourist studies of strategy that construct their object of study as something that is examinable independently of the social process and practices through which ‘strategy’ and its ‘management’ are identified and accomplished by their practitioners. In rationalist analysis, strategy is conceived as something that is, or should aspire to be, an outcome of impersonal forces, given resources and/or the calculations of rational decision-makers. It is an understanding of the dominant form of strategy analysis echoed by Smircich and Stubbart (1985: 725-726) who argue that ‘nearly all strategic management research and writing incorporates the assumption that "organization" and "environment" are real, material, and separate’; and that the objective is to develop a rational model of the key variables, including the values and schema of decision-makers (e.g. Child, 1972), so as to achieve the best fit between the organization and its environment by "meet(ing) the real demands and real constraints' that are presupposed to 'exist "out there"'. However, we do not share Smircich and Stubbart’s rather negative assessment of this research tradition. Instead of challenging the adequacy of the assumptions upon which it is founded, our emphasis is upon their particularity. They provide a necessary basis for developing the kind of (performative and prescriptive) knowledge that its proponents strive to produce. Our concern is not with the correctness of rationalist ontology or epistemology but with its politico-ethical conditions and implications (i.e. what are the effects of believing these to be truths?). We have no objection in principle to analyses where, for example, strategy is conceived to involve or require rational calculations in which organizational capabilities and structural forms are most closely aligned to, supply the most value-adding features for, the existing environmental conditions in order to achieve competitive advantage. We do not aspire to replace rationalist analysis with some alternative, such as interpretivism, but, rather, to develop an explication of its particularity and limits.

Interpretive Analysis
Interpretive analysis peels into the black box of strategizing as it examines the day-to-day (re)production of processes of strategizing that in rationalist analyses are treated as uninteresting epiphenomena of the variables that distil and determine their operation. Interpretive analysis explores how, for example, decision-makers' cognitive frameworks yield their sense of the context; and how these frameworks inform their actions in ways that impede and/or legitimise apparently ‘rational’ calculations about strategy. Mintzberg et al (1995: xi, our emphasis) commends its ‘sophisticated
understanding of exactly what the context is and how it functions. Such analysis, it is claimed, can faithfully capture the context that imbues the practice of strategic management with meaning; and can capture practitioners’ knowledge of the context. Such claims are pivotal to interpretive analysis because it is on the basis of practitioners’ complex, situated, locally honed knowledge, and not the knowledge fashioned by an ostensibly impartial, rational observer, that effective strategizing is done. As Pettigrew (1987:659) puts it, strategies are not “neutral, functional constructs connectable to some system need such as efficiency or adaptability” and he seeks “to give a central place to the processes and mechanisms through which strategic changes are legitimated and delegitimated” (ibid). However, insofar as interpretive analysts conceive of ‘the outer context’, for example, as something that is independent of action and which can be captured by applying an appropriate methodology (Pettigrew, 1992: 9), interpretivism retains a residue of the positivism that underpins rationalist analysis. When the ‘internal context’ (e.g. ‘structural, cultural and political environments’), together with the ‘external context’ are considered to ‘shape features of the process of strategic development’ (ibid), interpretivist analysis shares with rationalist analysis an understanding that strategic knowledge aspires to reveal the context of strategizing that exists ‘out there’.

In common with the versions of interpretive analysis discussed above, the strategy-as-practice approach shares an appreciation of the situated nature of practices of strategizing activities and an interest in ‘tools and artefacts’, such as accounting measures, ‘that people use in doing strategy work’ (Jarzabkowski, 2005: 8). There is also some attentiveness to the ‘language that strategists use’ (ibid: 9) and a concern to understand actors, such as strategists, as ‘part of the social’ (Whittington, 2006: 615). However, in the strategy-as-practice literature, the significance of the turn to language in social theory is pushed to the margins, even though the work of those claimed as ‘seminal theorists’ (ibid: 614) of the practice turn – notably, Foucault – have made a leading contribution to the turn to language. As a consequence, studies by proponents of the practice turn in studies of strategy more closely resemble reinventions of processual analysis (e.g. Pettigrew, 1992; see also Whittington, 2006: 628) than anything approximating Foucauldian analysis. As Chia and Holt (2006:638 et seq) comment, the practice turn in strategy research does not conceptualize ‘practice the way it is understood in the social theory literature’ as it does not adequately appreciate or embrace the latter’s relational ontology. Strategy-as-practice analysis incorporates little consideration of how engaging in practices is constitutive of practitioners as subjects (Whittington, 2006:620). Its theorizing of practice is imbued with a discourse of performativity where, for example, as ‘an artful and improvisatory performance’, praxis is significant only for ‘adapting existing practices’, ‘synthesis(ing) new practices’ and ‘introducing new practitioners and new practices’ (ibid). Foucauldian analysis, in contrast, addresses how, as a discourse, elements of strategy are mobilized to construct practices and actors as strategic. It is less concerned with disclosing and cataloguing ‘the detailed aspects of strategizing; how strategists
think, talk, reflect, act, interact, emote, embellish, politicise...’ (Jarzabkowski, 2005: 3) than with appreciating how strategy, as a discursive practice, operates to construct the (instrumentalized) world of work organization that realist forms of analysis aspire to capture.

Foucauldian analysis has some stronger resonances with Smircich and Stubbart’s discussion of ‘strategic management in an enacted world’ where they argue that knowledge of ‘the environment’, for example, is conceived to ‘depend upon the particular theories, and frameworks, patterns of attention, and affective dispositions supplied by the actor-observers’ (ibid: 726). They thereby foreshadow the (reflexive) concern of (Foucauldian) discourse analysis to appreciate how language - such as the terms ‘organization’ and ‘environment’ - is actively involved in the constitution of what interpretivist forms of analysis aspire to describe and describe. We agree with Smircich and Stubbart’s argument that the environment is not simply ‘perceived’, as if it were something that exists "out there" which can be apprehended and conveyed. However, we depart from their ascription of the making of the reality or pattern of activity labelled as ‘organization’ and ‘environment’ to the doings of strategists (ibid: 727). What organizational members ‘create’ – although, from a Foucauldian standpoint, this attribution of responsibility to actors is itself problematic as a sovereign conception of agential power is abandoned - is the (power/knowledge) representation of their activities using whatever characteristics (e.g. ‘M-form’; ‘turbulent’) happen to be attributed to ‘organization’ and ‘environment’, and which exert performative effects through their institutionalized use.

RESEARCH DESIGN AND DATA ANALYSIS

Our empirical material draws on an in-depth case study of StitchCo that was longitudinal, extensive and exploratory in design. Our focus was upon broad changes in the organization and direction of the company. Here we attend to a strategic initiative called ‘Simplify, Focus, Act’ (SFA) and, more specifically, its relation to changes in aspects of the make-up and influence of management accounting as an outcome, but also as a facilitator, of SFA. Semi-structured, open-ended interviews with staff were conducted over a period of three years (1992-1995), with further interviews undertaken subsequently to gain additional material on what emerged, through an analysis of the earlier transcripts, as key events and issues. It was anticipated that a study of this type would enable us to develop an understanding of StitchCo strategy that was not limited to a snap-shot or to the recollections of the company’s most senior managers. The nature of the data generated turned out to be highly suitable for a study of the emergence and disciplinary effects of strategic discourse, and specifically how a detailed calculative accounting technology was mobilized to embody and give effect to managerial strategic discourse.

The empirical material was collected from three main sources: secondary data drawn from StitchCo’s annual reports for ten years (1987-1996); internal documents, press articles and published case studies.
of StitchCo; and 3. semi-structured interviews. The diversity of sources comprised a variety of discourses on strategy and accounting technologies drawn from informants’ accounts provided in the interviews, formal pronouncements intended for both internal and external purposes, and the work of people external to StitchCo. The interviews, 37 in total, were conducted during visits to the company's major administrative and production sites and a number of its retailing outlets. Each interview lasted between one and one and a half-hours and was tape recorded and transcribed. Interviewees were: most senior managers, many middle managers, supervisors, team leaders and shop-floor operators, and they were drawn from the functions of finance and accounting, marketing, strategy, manufacturing, buying, retailing, merchandising, HRM, information systems, time and motion, and sales.

During the research period, a strong background interest in the relevance of Foucault’s thinking for extending organization studies (e.g., McKinlay and Starkey, 1998) led us to explore issues consonant with a number of central themes in his work, amongst which were the following: discourse as a manifestation of power/knowledge relations; discourse as constitutive of strategy and strategists; discourse as indexical; and resistance to discourse. Our interviews were broadly oriented by these theoretical concerns as we explored questions relating to aspects of strategic management and accounting. Substantively, these questions focused upon: informant’s understanding of StitchCo’s history and its standing in the industry; the discourses on current strategy and their operation on his/her level; how current strategizing discourses compared with those under the previous strategy; the impact of current and previous strategic discourse on the informant’s job, work practices and reward structure; the informant’s understanding of key management and accounting discourses related to strategy; and how strategizing was understood to have developed and changed – for example, in relation to the conceptualization of accounting, measures of key success factors, product costing, and pricing. Thus, informed by an interest in Foucault’s attentiveness to the constitutive role of discourse, our interviews probed the disciplinary and power effects of strategic and accounting discourses and yielded material relating to the production and dissemination of strategic discourse and the accounting technologies that accompanied it.

At the end of each interviewing day, the authors compared their understandings of the interviews and reviewed emerging topics and areas for further exploration. Subsequently, the transcript of each interview was read independently with a view to identifying material that related to the four themes identified above. The authors then discussed the significance of the content in relation to these themes and the research questions. Our emergent understandings of the data were then revisited, elaborated and revised through successive drafts of this paper in a way that has enabled us to connect the ‘telling’ of theory with the ‘showing’ of data (Golden-Biddle and Locke, 1997).
An explication, albeit post hoc, of the process of assembling a paper can be valued by readers. But there is, in our view, a limited extent to which authors can inform or influence the sensibilities of readers or provide an (inescapably idealized) account of the production of their narrative construction in a way that renders their analysis more credible or potent. Without seeking to evade accountability for our narrative, calls for a fuller explication or codification of how the construction of a narrative was accomplished can foreshadow a resurfacing of a (positivist) preoccupation with (the adequacy of compliance with) protocols (*methodological exactitude*) rather than stimulating attentiveness to how ‘strategy’ for example, is differently conceived and represented by alternative (e.g. Foucauldian) forms of analysis (*theoretical innovation*) or account of strategy is not ‘merely’ theoretical or speculative insofar as it has emerged from a struggle to interrogate (but not ‘test’) the theory in relation to the empirical data. Nor is it ‘simply’ grounded in, or emergent from, the data as if it is only their interpretation, and not their generation, that is theory-laden.

The analytical challenge posed by Foucault is one of how to excavate the power/knowledge relations that are productive of particular ways of accounting for complex processes. It is not simply that discursive practices (e.g. SFA) are selectively or contextually interpreted. Rather, they are *indexical* in the sense that such practices are rendered meaningful by connecting their claims to the discursively constituted contexts of their articulation. Accordingly, the status, purpose and effects of SFA are rendered intelligible by invoking a sense of context that informs their interpretation. Foucauldian discourse analysis fosters an awareness of how the identification and privileging of particular contextual conditions, for example, is necessarily the product of a contingent, discursively produced way of depicting organizational practices - such as the strategizing pursued in the name of SFA or the construction of narratives pursued in the name of traditions of analysis. In this respect, Foucauldian discourse analysis marks a radical and innovative departure from established ways of studying strategic management.

**STITCHCO: A POSSIBLE HISTORY**

In constructing our narrative of Stitchco’s development, we stress that it is a possible history. Our focus is primarily upon processes of strategizing, rather than accounts of the context that informed and served to justify or challenge efforts to accomplish strategic change demanded by SFA. However, we recognize that some account of the industry context (see Figure 1) as well as StitchCo is often appreciated by readers, especially those who associate narratives of strategy with a language game in which measures of growth, profitability, unique selling points, diversification, structural configurations, core competencies and the like are prominent. There is no incompatibility in principle between Foucauldian discourse analysis and the provision of such a history so long as its particularity is adequately registered.
Figure (1) StitchCo’s Changing Context

‘During the last two decades [1980-2000] consumers have become increasingly sophisticated, demanding more frequent innovation, greater exclusivity, more choice and better service. They have also become more discriminating on the total value for money package. At the same time, the growing trend towards more informal and active lifestyles has created demand for new fabrics and garments, while demand for more traditional formalwear has declined. These changes have not only increased the diversity of products on the market, but future needs have become more uncertain and subject to more frequent change. A high level of market segmentation has also occurred as niches and microsegments based on age, ethnicity, income, lifestyle and location have developed. Superimposed on these trends has been the emergence of international market segments. They have developed as a result of a convergence of lifestyles towards an industrialized, urban, consumer lifestyle model. Underpinning this movement has been continued trade liberalization and improved international communications. The ability to identify and exploit the above trends have been behind the international success of companies such as Benetton, Ralph Lauren, Laura Ashley, Nike, the Gap and Tommy Hilfinger’ (Kilduff, 2000: 5)

Accounts of StitchCo’s history present it as having been established in the early 1950s as a ‘kitchen table’, family business with a distinctive product range characterized as combining classical features with contemporary appeal. By 1985, it was reported that 171 stores existed, along with a number of production facilities and a turnover of £96m with after-tax profits of £14m. Despite the rapid growth and financial strength of the company, it was judged to have lacked basic financial management at this time, let alone an articulation of its strategy: “Nobody knew whether we had money in the bank, what was round the corner, nobody had a bloody clue. If money was there we spent it, if it wasn't we used to hide in corners” (Retailing Manager). In this respect, ‘management’ at StitchCo exemplified what Chia and Holt (2006) characterize as a ‘dwelling mode’ of strategizing where actions ‘emanate from an internalized modus operandi’ and which ‘unfold through everyday coping actions’ (ibid: 637). During this period, senior managers’ discourse presented StitchCo as a prosperous company that had become a household name, a success attributed to them ‘having the Midas touch’ (Buying Manager).

City interest in StitchCo was interpreted as providing as stimulus for the formulation of a growth strategy based upon the development of its product range through the acquisition of other brands to be financed by public flotation (which turned out to be oversubscribed over 34 times). In Chia and Holt’s (2006) theoretical framing, this involved a decisive move from an immanent, dwelling mode of strategizing to a ‘building mode’ where strategy is conceived as a ‘transcendent property that a priori unifies independently conceived actions and decisions’ (ibid:637). Central to the growth strategy was a discourse that characterized the retail market as expanding; with customers constructed as people who simply could not get enough of StitchCo’s distinctive, life-style products. Senior managers...
claimed that opening more stores would produce a corresponding increase in revenues, a claim supported in 1988 by the reported rise in turnover to £200m and an increase in profit to £23m, with the number of stores doubling to 360. A year later, the Annual Report stated that the number of stores had increased to 439, with a rise in turnover to £250 million but with a fall in reported profit to £20m. Instead of confirming (the self-deprecating conceit of) the ‘Midas touch’, the Annual Accounts cast doubt upon the company’s invincibility. Various explanations were offered but the object of blame was deduced from a strategy-structure framework in which (the legacy of) StitchCo’s centralized structure was held responsible for a failure to exploit market opportunities.

The strategic business unit (SBU) structure had become a fashionable idea during the 1970s and 1980s for stimulating and disciplining business development (Hall, 1978). It was identified in the literature as the way of combining ‘the micro flexibility of smaller, specialised firms in serving dynamic and fragmented markets with the financial strength and macroflexibility of large diversified groups able to invest in the latest technologies, exploit international market opportunities and transfer resources into or out of specific business sectors’ (Kilduff, 2000: 8). At StitchCo, senior management anticipated that the creation of five SBUs would enable managers to exercise greater entrepreneurship. More specifically, it was expected to ‘increase the level of financial awareness throughout the business and allow increased control over working capital and investment decisions’ (Annual Report, 1989). In Foucauldian terms, StitchCo was re-envisioned through discursive practices that reconstituted its objects and subjects. It was no longer ‘a family firm’ run as well as owned by its founders but a ‘global business’ with as-yet-untapped value, in the form of its brand-building expertise. The discursive practices of diversification were articulated by, and constitutive of, new subjects (e.g. multiple brand managers) who were hired to find and deliver the untapped value of the brand building capability attributed to StitchCo by establishing SBUs.

Central to the discourses articulating these developments was the constitution of StitchCo as a capitalist enterprise in which strategic management is properly and purposefully seeking out and exploiting profitable, growth-maximizing opportunities, rather than, say, a blind, if financially successful, pursuit of personal passions in a way that relied upon a paternalistic reproduction of custom and practice. In 1990, the company posted its first loss of £4m and an increase in trade creditors to over £80m compared to £8m in 1989. These unexpectedly poor results stimulated a re-examination of the company’s strategy. A shortage of ‘core competencies’ was invoked to account for the dissonance between expectation and performance: “What we tried to do was to manage brands that we didn’t know anything about” (Group Treasurer]). Any suggestion that StitchCo possessed a ‘Midas touch’ was discarded, as was the belief that its earlier success as a single brand company could be replicated by other business units. Enacting the SBU formula brought the company to the brink of collapse, resulting in a change of ownership and replacement of many senior managers. Post hoc, the
SBU structure was credited with producing fragmentation rather than innovation, and eclecticism rather than entrepreneurialism and, it was suggested, “led to three years of absolute turbulence. The damage it has done is still here today [1994]. There are still walls to pull down and bits to patch up” (Manager, Manufacturing.). More specifically, the failure was attributed to inadequate systems of accounting that failed to provide a connected overview of activities across the Group.

At a ‘general level of discipline’, the power-infused development of new knowledge and techniques, including those that commended and supported the formation and operation the SBU, had the effect of (re)forming organization(s) into ‘discursive locales of competing calculations’ (Clegg, 1998 : 38). Each disciplinary practice, such as those that fragmented the accounting systems across the businesses (the individual SBU accounting systems were criticized for lacking integration and coordination across the Group) provided a way of ‘calculate(ing) organizational rationality from distinct auspices of power and knowledge’ (Clegg, 1998: 39, emphasis added). We were told that SBU managers made, and acted upon, a complex of power-knowledge relations and associated calculations derived from the accounting system for their own SBU in ways that rendered them blind or indifferent to the effects of their actions upon other parts of the group. As a consequence, some SBUs lost business due to shortages in their stores, even though others had plenty of the same product. In the absence of available and reliable accounting numbers, managing, informant s claimed, was by anecdote and prejudice where the numbers would only be taken seriously when they confirmed widespread beliefs: “Somebody sews a seed of something. It’s not backed up with any figures or statistics or any reality but if enough people jump on the bandwagon, it becomes a reality’ (Manager, Distribution). This manager notes how ‘a seed’, in the form of a thought or a ‘vision’, can be highly influential if it is successful in gaining support. As people ‘jump on the bandwagon’, the idea (e.g. of SBUs) becomes reality. The manager’s comment also points to the disciplinary power of ‘figures and statistics’ whose absence was readily construed by critics of the SBU structure as resulting in management by command and prejudice. This situation was shortly to change, however, with the abandonment of the growth strategy – a development attributable to a truth invested by StitchCo’s bankers in a discourse of accounting which constituted the SBU strategy as a financial failure. This risk of collapse for StitchCo’s bankers prompted them to make further loans conditional upon the introduction of a retrenchment strategy deemed necessary to save their investment from financial meltdown. There followed an ‘inter regnum when, “the focus of the strategy had really been one of survival. No more, no less. It was purely aimed at keeping the company afloat” (Group Accountant). Borrowing was reduced substantially, in part through a major closure program that involved a large number of job losses and StitchCo relentlessly cut costs across its operations in an effort to stem the haemorrhage of borrowing at a time of high interest rates. Then, after an extensive search process, a new CEO was appointed who introduced the SFA strategy that prioritized the recruitment of knowledge experts who were entrusted to replace anecdotes with ‘fact’.
The above account, we emphasize, does not claim to trace out the trajectories of a definitive history and context of StitchCo. Rather, our account sought to disrupt any inclination to speak of ‘the’ history or ‘the’ context of the company as if they had a presence of their own independent of the discourse we employ to construct them.

ANALYZING THE SFA
Our access to StitchCo coincided with a phase in its development when, following the discrediting of a growth strategy based upon a restructuring of the company into a number of strategic business units, a new strategy, devised primarily by the recently appointed CEO, was being introduced and internally marketed. At this time many of the staff associated with the abandoned strategy left, or were “let go”. In their place, new managers were recruited who were expected to embrace, flesh out and influence the new SFA (Simplify, Focus, Act) strategy. SFA was presented as a remedy for the problems attributed to the failed growth strategy: complexity, lack of focus, and inability to act decisively. It also emphasized continuity with the early history of the company in its “return to basics” that involved a re-focussing upon, and re-affirmation of, StitchCo’s “unique global lifestyle brand”. The SFA discourse also incorporated a (renewed) celebration of in-house manufacturing as an integral, though slimmed down, element of StitchCo which, with the adoption of streamlined, just-in-time methods, could be transformed from a liability into a source of competitive advantage. By simplifying, costs would be slashed; by focusing, valuable expertise in the single brand would be exploited; by acting decisively, an effective response to customer demand would be promoted rather than endlessly debated.

The new managers drafted into StitchCo identified the existing organization, systems and logistics as chaotic and lacking in process management. Emergent SFA strategic discourse problematized the previous growth strategy as one of complexity that exceeded the skills of StitchCo’s managers; loss of focus; and inability to act decisively. SFA articulated a distinctive regime of ‘truth’ in which ‘facts’ and expert knowledge were pivotal. Managers portrayed themselves as experts commanding respect because they “knew” what was good for StitchCo. The vision of the SFA was communicated as being born out of objective knowledge:

“it’s not a question of going out there and trying to find customers. We know who the customer is, we know what they like, we know what they want, and, you know, above all else, if you’re going to cater for a relatively up-market niche customer, one of the things we have to have is absolutely brilliant service” (Group Accountant).
To substantiate this knowledge claim, the SFA construed the old style as having relied on “anecdotes”, and celebrated the new approach that was ostensibly based on “facts”: For example, the Group Accountant told us how in researching The Romany (pseudonym) project:

“...a lot of simplify was associated with working on facts. Where it was anecdote we’d try to get to facts and where it was a question of customer opinion we’d try and research it and therefore get the facts as opposed to the anecdotes or we’d trial it, we would actually put the products in and give the customer the chance to buy it.”

Claims to knowledge that were not deemed to be “factual” were considered liable to challenge or dismissal. “Facts” were understood to apply generally rather than being linked specifically to the incidental that is not susceptible to generalization. In contrast, the meaning and ‘roll-out’ of SFA was not precisely specified, articulated or systematically implemented. Nor, as far as we could tell, did managers intend it to have a specific or fixed meaning (see later). Our informants’ accounts of the operation of SFA strategy resonated with the Buying and Manufacturing Director’s assessment that SFA provided a broad recipe for corporate renewal that allowed senior managers, and the CEO in particular, to justify a wide range of actions by reference to its elements: “everyone can buy simplify, focus and act...it was essentially vision stuff”. In this light, the discursive practices that comprised the SFA strategy may be seen to have provided a new language (and discipline) of accountability and career progression within StitchCo. Of central importance, the process of negotiating a return from the previous strategic business unit (SBU) structure and strategy to a focus upon the core business was mediated by the meaning attributed to SFA by those engaged in different aspects of the business. Amongst these, the accounting function played a central role in shaping the new practices of strategizing.

**Strategizing : The Case of the Accounting Function**

SFA was translated into the accounting function in the form of a re-organization flagged as *simplifying* through the elimination of overlapping work across what, during the previous, failed diversification strategy had been a number of SBUs. In the process, the number of accounting staff and associated ‘overheads’ were reported to be substantially reduced. Centralized accounting, it was claimed, eliminated sectarian interests, *refocused* efforts on corporate issues and promoted *action*. To underscore the practicalities of the SFA discourse, the accounting function was renamed “The Commercial Function” with its staff re-titled as “Commercial Managers”. This re-designation operated to re-cast and also re-legitimize the role of accountants, as subjects, in the name of the new strategy, thereby facilitating an extension of the function’s relevance and influence across StitchCo. The image of the accountant as a bookkeeper was discursively replaced by a new image, carved out of the SFA strategy, that emphasized commercial awareness and customer focus. Accountants were reconstituted through the SFA discourse as advisors to managers, expected to help them realize the commercial
potential of the business: “the name of the game is not to keep the books. They (accountants) are basically commercial managers within a business and should be part of the team that are taking the day-to-day decision making” (Manager). More generally, accounting was reconfigured in a way that resonated with, and drew legitimacy from, key elements of the SFA. As one senior finance manager put it: “A lot of costs associated with the complexity were really unnecessary activities and the main thrust of the cost saving was gonna lie in simplifying the business, and taking those unnecessary activities out.” As the new strategy was disseminated throughout the company, interviewees related its diffusion to a variety of initiatives and developments including greater manufacturing flexibility, team working, empowerment, global stocking, quality circles, and new accounting practices.

In successfully striving to gain legitimacy in the name of the SFA strategy, the accountants embarked on developing new accounting practices aimed at improving visibility throughout the business and measuring and reporting ‘factual’ information; both being considered crucial to promoting decisive and informed action. Engendering visibility of StitchCo’s vertically-integrated activities and measuring their value-addedness was pursued through a newly minted set of key success factors:

“The whole purpose of it [accounting] to me is to make the business transparent, so that you can see through the business very clearly, very cleanly and understand where the success and where the failures are and where the opportunities for improvement lie. And so, if you like, in very crude terms, the thing to do is to define the key success factors that drive each part of the business.” (Group Accountant)

The ability to develop new, ‘factual’ calculations that seemingly made it possible for managers to see through costs and profit margins during various stages of manufacturing and retailing was paraded as a key contribution by the accounting function to the implementation of SFA:

“Our greatest contribution was looking at see-through costs. Our job as much as anything was to make the business visible to people so they could understand it and change it.” (Finance Manager)

Further, accountants’ ability to generate calculations endowed with ‘truth’-like qualities (objective, neutral, factually-based numbers) helped to reinforce the SFA strategic discourse:

“Accounting provided the platform on which a rational view of the way the business could operate could be taken.” (Manufacturing Manager)

Through the provision of “see-through”, rational, expert calculations, accounting was able to constitute parts of the business as worth keeping and other parts as a non value-adding burden that had to be shed. Accounting was construed as knowledge through which ‘objects’, such as ‘visibility’ and ‘added value’, could be operationalized and promoted as integral to the SFA discourse. Accounting was thus engaged to construct a new regime of truth based on claimed ‘factual’ and methodical
understandings of what were conceived to be key drivers for the operationalization and implementation of the SFA strategy. Production/retailing staff were generally enthusiastic supporters of this regime as they assessed the new calculations to be of a much better calibre than previously. One Buying and Manufacturing Manager said that the new accounting calculations “actually reflect the real world and the truth of what we are doing” (our emphases). It was also claimed that the new accounting calculations drove the company towards “better” strategy with regard to sourcing, logistics and inventory policies, including:

“By changing our accounting rules the way we did [detailing profitability by product], by taking out some of the artificial barriers that were in there, for example, we globalized all our home furnishing stock and took it down from about twenty-six weeks to four weeks.” (Buying and Manufacturing Director)

New accounting discourses articulated a shift in priority from a market-push orientation (producing for the shelves) to market pull (identifying and satisfying customer needs). Rather than concentrating primarily upon sales performance, profit margin was now constituted as a key performance indicator. This, it was claimed, motivated managers to act by managing their mark-downs strategically in a way that minimized the impact upon profit margins, in contrast to the previous practice of discounting prices to maximize sales revenue even if that resulted in a net loss to StitchCo. The meaning of mark-downs was coupled to practices aimed at strategic pricing of StitchCo’s products.

Strategizing discourse was also directed at maximizing the life time revenue gained from niche customers. New accounting measures were developed in the name of tracking the number of transactions per customer, the proportion of customer spend on StitchCo’ products, and the average transaction value. Discourses on accounting measures and marketing practices focused on achieving closer alignment with detailed knowledge of customer profiling, as accountants and merchandisers were enjoined to “work like hand in glove together to financially engineer the perfect mix for the store and to look at the optimum level of return per store and then to do comparative analysis between different stores” (Commercial Manager).

A number of Key Success Factors (KSFs) were developed and articulated as an embodiment of the customer focus built into the SFA strategy, because “the whole strategy of the business is based on the premise that we serve a niche customer who loves [StitchCo] and what [StitchCo] stands for” (Group Accountant). Core customer retention and the share of total core customer spend (capturing customer lifetime revenue) were singled out as prominent KSFs, as was speed of delivery. The KSFs were presented as linking the remunerations of employees to the results that they were thought they could immediately impact and to StitchCo’s results.
In summary, new accounting metrics were presented as an important manifestation and central plank of the SFA strategy, providing the means of securing its implementation by translating its appealing but vague sloganizing into specific yet pervasive practices. This raft of new, commercially focused accounting calculations contributed to the establishment of a new regime of truth based upon an investment in expert diagnoses of StitchCo’s ills and prognoses that anticipated an imminent transformation of its financial fortunes. At the centre of this regime of truth was the strategizing of accounting which was generative of, and informed by, psychological profiling of customers, repeated product trials, ‘factual’ costing, strategic product pricing, and explicit linkages between strategic objectives. By analyzing niche customer behaviour, visualizing activities and their added value, and measuring what was claimed to be ‘true’ product cost, staff were required and incentivized to take more timely and decisive action, strategically pricing their products and eliminating non value-adding activities. This new regime of truth was promoted and justified as a means of “get(ting) basic discipline into the business”(Director).

Resistance

We noted earlier how, for Foucault, power is the very medium of social organization and therefore impervious to monopolization by any individual or group; and discourse is both an object of resistance and a means of its pursuit. What were considered previously as defining features of the SFA - being loose, and lacking in detail - were now seen to contribute to its faltering application and eventual discrediting. One Director illustrated this point by reference to the core idea that StitchCo’s competitive advantage lay in building its distinctive niche brand:

“What I think might be the best thing for a customer and what you might think is the best for a customer may be two completely different things. No matter how hard you try to eliminate it through fact, at the end of the day there is a fair degree of qualitative aspects as to what a customer wants.”

As Zbaracki (1999: 630) notes, once discourses are ‘let loose’ in organizations, they can have all sorts of unanticipated consequences as diverse audiences bring with them ‘counter-rhetorics’ that also contribute to the constitution of objects such as ‘SFA’. A number of prominent StitchCo retailing staff challenged the SFA strategy by discursively constituting the SFA as being irrelevant to pressing operational problems and presenting their knowledge of the particularities of UK retailing practices as superior (‘factual’) compared to that of the (non-UK) CEO.

“Whatever was going on with strategy, the CEO had these major operational problems that undermined everything he was doing and then the solution to them was operational. That, I think, undermined not only the strategy, but the CEO as the strategist within the business” (Manager, the Futures Group)
The knowledge claims of these retailing staff were underpinned by their participation in forms of discursive practice that were actively promoted by the new accounting measures – measures that, as we noted, gave priority to bottom-line results rather than, for example, brand building per se. Coincidentally, an initiative spearheaded by the CEO to consolidate the development of the USA business was presented by senior retailing specialists as disastrous, rather than unlucky or unfortunate, because “we put too much change through at once” (Director). This ‘disaster’ was then connected to negative reactions voiced against widely publicized CEO-led initiatives, for example the abandonment of outsourcing StitchCo’s international distribution.

A discourse of disbelief articulated a growing perception of a large gap emerging between the features and benefits attributed to SFA and assessments of its transformation of the day-to-day operating activity. Increasingly, discursive practices championed by the CEO were used against SFA enactment; and he was criticized for losing focus and failing to act. Many of the new practices that had been developed as part of the SFA strategy contributed to the disciplining, and ultimate demise, of the CEO. Notably, the new accounting measures that were introduced to enhance the visibility of performance were deployed by his critics to provide a way of ‘seeing through’ his performance; they quantified and visualized the USA business as having a devastating impact on StitchCo’s financial position; and thereby provided a ‘factual’ basis for ousting the CEO and abandoning the SFA strategy.

DISCUSSION AND CONCLUSIONS

All strategy researchers provide accounts of what they endeavour to study. But many are inclined to treat language as comprising a series of signs that designate things, and thus to disregard and/or neutralise its constitutive force. Their narratives convey a self-understanding as engaged in reporting, rather than participating in the constitution of, the objects of analysis. The conditions and consequences of knowledge production are viewed dualistically as largely external to analysis. Limiting reflexivity is a prerequisite for the development of established forms of knowledge, as exemplified by variants of the rationalist and interpretive analysis discussed earlier. In contrast, from the perspective of Foucauldian discourse analysis, strategy and strategizing are organizing practices - in the sense of bringing into existence a (comparatively) stable and orderly array of objects. This does not mean - as those of empiricist and realist persuasion are inclined to claim - that (poststructuralist) discourse analysis disregards, or disbelieves in, any material world, and therefore is ‘subjectivist… and ideationist’ (Reed, 2002: 14). Foucauldian analysis is careful to apprehend how discourse is constitutive of objects without denying the existence of a materiality (e.g. the physical presence of
those identified as ‘managers’, ‘customers’, etc.) that such constitutive practices aspire to signify, and in which they participate in processes of reproduction and transformation.

In our study of StitchCo, we have presented an account of events (e.g. the appointment of a new CEO) and contexts (e.g. abandonment of the SBU strategy) that we believe to be relevant for analyzing the emergence of the discursive practices (managerial, accounting, etc.) promoted and justified by the SFA. However, from a Foucauldian perspective, neither ‘context’ nor ‘practitioners’ (e.g. managers, consultants) can be impartially or self-evidently identified in, for example, a narrative that reports StitchCo’s history and the role of its employees who enact its profitable survival. It is therefore relevant and salutary to acknowledge the constructed nature of our account of strategizing as a discursive practice. An account that acknowledges the impossibility of providing any definitively or conclusively authoritative representation of the ‘reality’ of (our) narrative(s) construction. Ultimately, a narrative’s plausibility and contribution depends upon the (power/knowledge) relation of its readers’ interpretive amenability to its discursive invitation. Does the narrative resonate with the readers’ socially organized concerns? Is it met with indifference? Or does it arouse their hostility?

Our main purpose has been to explicate and illustrate the distinctive contribution of Foucauldian discourse analysis to the study of social and organizational objects, such as strategic management, by conceiving of ‘strategy’ as a set of discursive organizing practices through which activities identified as ‘strategizing’ are accomplished. We have emphasized how, in Foucauldian discourse analysis, social objects of investigation - such as ‘organization’, ‘strategy’ and ‘strategizing’ - are conceived to be embedded in an on-going, political process of formation and potential transformation. In contrast, located within a realist regime of intelligibility, rationalist and interpretive approaches, respectively transcendental and immanent in orientation, tend to view each other, and to be viewed, as rivals in the production of credible, factual knowledge of strategy. Alternatively, they are apprehended as complementary perspectives that illuminate realist – ‘objective’ and ‘subjective’ - dimensions. In Foucauldian analysis, in contrast, ‘rationalist’, ‘processual’ and ‘discursive’ forms of analysis are understood to be different but not as necessarily rivalrous or complementary. They are propelled and directed by distinctive politico-ethical concerns that play a pivotal role in the production of different kinds of knowledge. Rationalist analysis exemplifies and supports the capacity of human beings to abstract from their immediate situation in a way that differentiates self (subjects) from its Other (objects). It excludes from consideration actors’ involvement, as imperfectly knowable subjects, in the practical reproduction of its objects of analysis. It thereby constitutes a world that is amenable to strategic control, and facilitates the development of some measure of (instrumental) control over the material and social worlds. Forms of interpretive analysis – processual and strategy-as-practice - are attentive to the practicalities of making and doing strategy and thereby address the capacity of human
beings to re-collect abstracted accounts of strategy by attending to the immanent process of their construction. Finally, Foucauldian analysis contributes to an appreciation of how (social) objects, such as ‘strategic management’, are constituted – by practitioners and academics - through discursive organizing practices whose operation is marginalized, if not excluded, from other accounts of strategy. Even when they are not overtly prescriptive, orthodox strategy analyses share background preoccupation with ‘pragmatic intervention on the basis of objectifications of organizations and managerial subjects derived from commonsense observations’ that is ‘unreflective of how this theory constitutes what it claims merely to represent – namely, strategy and its managerial agents’ (Knights, 1992:530). In their different ways, rationalist and interpretive analyses endeavour to disclose what strategic management is, and what it should be, but not what the discourse of strategy does.

Specifically, we have sought to advance discourse analysis of organizing practices in the following ways.

First, it has incorporated a recognition of how discourse, both lay and scientific, is constitutive of the objects of its study - objects which are routinely represented as external to their constitution of discursive practices. In rationalist and interpretive analysis, the performative effects of such practices – for example, in the production of strategies and strategists - are ignored; or, when they are glimpsed, they are not directly addressed.

Second, we constructed a Foucauldian-informed narrative that offered an account of how the discursive practices comprising the SFA were adopted at StitchCo, and how new accounting discourses and technologies were construed as exemplifying this new strategic discourse by demonstrating as well as visualizing the SFA.

Third, informed by a close reading of Foucault, our analysis has examined the relationship between power, knowledge and discursive practices. We have sought to show how discursive practices served to (re)construct StitchCo and its employees as a company that, for example, has a product niche that its employees must carefully protect; and as a retailer with a loyal customer base that its staff must dutifully serve. More particularly, we explored how accounting practices at StitchCo became discursively imbued with strategic significance in a manner that contributed to what strategic discourse sought to define and prescribe - a new power/knowledge regime identified as SFA.

Our commendation of Foucauldian discourse analysis is consistent with, and responsive to, the recommendation – for example, by Prahalad and Hamel, 1994 - that a variety of theoretical lenses should be deployed to examine strategy. The distinctiveness of this approach resides in its radical
departure from the agendas and ontologies of rationalist and interpretive analysis. Foucauldian discourse analysis does not aspire to offer an accurate or authoritative report of what happened at StitchCo. Nor does it seek to adjudicate on the question of whether, for example, the SFA strategy was a ‘failure’ or indeed whether it was appropriately characterized as a strategy rather than say, an empty or pregnant, slogan. Nor does it aim to provide a more effective technology of strategic-decision making or to supply a superior methodology for capturing and controlling the practicalities of choosing and implementing strategy. It is for this reason that to those who are exclusively concerned with generating positive knowledge of strategy (see Knights, 1992), discourse analysis may be judged an unproductive, inconsequential distraction (see Grant et al., 2001), if not ‘a form of irritating self-abuse’ (Pettigrew et al., 2001: 3). It is perhaps only when the limits and precariousness of all knowledge claims are appreciated – along with the political and ethical responsibilities accompanying their stabilizing effects⁶ – that the appearance of relevance and value of such analysis becomes more intelligible (Knights, 1992). Indeed, it has been suggested that it then becomes a necessity, not a diversion, as it alone is directly attentive and responsive to ‘the crisis of representation’ (Calas and Smircich, 1999: 650).

Accordingly, we have characterized discourse analysis as a ‘supplement’ to, rather than a replacement for, more established understandings of organizational phenomena, including the strategizing practices at StitchCo. By supplement, we do not mean or suggest that Foucauldian discourse analysis can be appended, or grafted on, to rationalist or interpretive analyses of strategy. Instead, we have shown how it serves to problematize and re-view the claims of mainstream approaches but without aspiring to provide a direct substitute for the knowledge that they produce.

Foucauldian discourse analysis is commended as productive of a radically different knowledge of strategy that is de-constructive of the truth claims advanced by other (e.g. rationalist and interpretive) approaches. Its key contribution is to raise awareness of the power-invested conditions and consequences of organizing as a discursive practice, including the activities known as ‘strategizing’. It thereby counteracts a tendency to marginalize the study of how discourses, including those concerned with strategy, are involved in constituting the objects - practices that they claim to examine - and subjects - strategy practitioners. It recalls how language, engaged in different forms of analysis, is never innocent in how it identifies and scrutinises organizing practices. This approach commends a shift in the study of social and organizational objects, such as strategic management, from a singular emphasis upon investigating elements of the world that a strategy is presumed to comprise to a fuller appreciation of the conditions of making such claims and the consequences of taking such claims to be true.
NOTES

1 This study draws on empirical material used in previous work by the authors. In Ezzamel and Willmott (1998a) our focus was on the impact that new management and accounting practices had upon shopfloor work practices and identity. In Ezzamel and Willmott (1998b) we were concerned with the design and implementation of teamwork reward systems. In this study we concentrate on the theorizing of strategy discourse and the mobilization of accounting as a calculative technology to embody and give effect to managerial strategic discourse.

2 For example, we recognise that labour process studies (e.g. Hyman, 1987) and Critical Theoretic analysis (see Alvesson and Willmott, 1985) lie outside of the rationalist and interpretive approaches.

3 Indeed, the three focal areas of practice theory - 'the practices of both organizations and their wider social fields; actual activity…; [and] strategy practitioners as integrated parts of a whole' (Whittington, 2006: 615) could be readily distilled from the opening chapters of Pettigrew’s The Awakening Giant (1985), though these areas of interest are then weakly articulated in the body of the study.

4 What SFA ‘meant’ was negotiable within the contexts of its attribution to particular plans and actions. In relation to manufacturing, it was associated with closure of some factories (simplify), concentration on those products with greatest added value so that these could be restocked quickly (focus) and the reorganizing of production processes so that productivity was raised (act). For buyers, SFA was translated into reducing the number of suppliers (simplify), developing improved relations with these suppliers (focus) and ensuring that suppliers delivered on time (act).

5 The new strategy was communicated through the company using a variety of media, including a series of lectures. The SFA strategy was subsequently inscribed in documents, copies of which were circulated throughout StitchCo, and was also transformed into numerous written accounting metrics (as discussed later).

6 Differences or affinities identified between rationalist, interpretive and discursive forms of analysis are understood to be an effect of the particular discursive practices within and through which such assessments, or ‘truths’, are produced (see also Mizruchi and Fein, 1999). Our conjecture has been that such differences are attributable primarily to the politico-ethical concerns which promote particular forms of knowledge production – rather than to a claimed capacity to capture or reflect the ‘objective’ or ‘subjective’ dimensions of reality.
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