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Strategy Research in the German Context: The Influence of Economic, Sociological, and Philosophical Traditions

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The present paper takes a look at the particularities of German strategy research over the last three decades. In contrast to much of the Anglo-Saxon research, which has focused on competition as a guiding concept in theorizing about strategy, German research has typically been concerned with more fundamental questions about the general relation between organizations and their environments and, as a result, tended to be more conceptual than empirical. Researchers have been particularly influenced by the German sociological and philosophical theoretical traditions, specifically by the critical theory of Jürgen Habermas and by the systems theory of Niklas Luhmann. Also, there are authors who draw on the economic tradition of the Austrian school in order to develop a competence-based theory of the firm. Another branch builds on Anthony Giddens’s structuration theory and Jacques Derrida’s philosophy of deconstruction. As we will demonstrate, much of the research has been concerned with fundamental theoretical tensions: evolution vs. planning, selection vs. compensation, cognitive-instrumental rationality vs. moral-practical rationality etc. We note that, as a consequence, much of German strategy research shows a particular interest in paradox and oxymorons (such as “planned evolution”, “productive misunderstandings” or “unfocused monitoring”). This paper will identify and explore important strands of German strategy research and discuss its particularities compared to mainstream strategy research in the US.

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Introduction

While the historical development of strategic management can be traced back to the Old Testament and even beyond that (Bracker 1980), its relation to business organizations originates in the second half of the 20th century (Mintzberg 1990, Knights and Morgan 1991, Knyphausen 1995). After the Second World War, corporations – particularly in the US – were confronted with a new situation: their originally stable and predictable environments started to become increasingly competitive and turbulent (Ansoff 1969). This required a new approach to the management of organizations and as a result the passive administrators at the top turned into proactive strategists. As Knights and Morgan (1991) show, this development was driven very much by academic writers in the US (e.g. Ansoff 1965, Learned et al. 1965, Andrews 1971, Uyterhoven et al. 1977, Hofer and Schendel 1978) calling for strategic management as a response to the new environmental challenges. The legendary conference at the University of Pittsburg on “Business Policy and Planning: The State of the Art” (Schendel and Hofer 1979) marked the establishment of strategic management as a separate field in its own right. Against this background, strategic management – both as a particular field of practice and as an academic discipline – can be characterized as an originally North American phenomenon.

Towards the end of the 1970s strategic management started to spread also to other countries, including Germany (e.g. Hinterhuber 1977, Schmalenbach-Gesellschaft 1977, Steinmann 1981). Yet, the academic context in which the US research was received at that time was somewhat different from that in the US. Three aspects appear particularly important in this respect: first, the structure of the academic system that is peculiar to German universities – the Lehrstuhl system, where each “professor is a ‘department’ in his or her own right” (Clark 1983, Meister-Scheytt and Scott 2009, p. 55). In practice, this meant that professors had to cover entire academic fields (e.g. organization studies, human resource management, or accounting) both in research and teaching (Muller-Camen and Salzgeber 2005). Typically, professors were called to prove their command of the entire field through their Habilitationsschrift (a lengthy post-doctoral thesis) prior to being appointed to a full professorship (Meister-Scheytt and Scott 2009, p. 55). As a result of these peculiarities, the scope of research and respective theoretical frameworks of German professors generally tended to be broader than those of their American counterparts (for an overview, see Gaugler and Köhler 2002). This was reflected in the tendency of German professors to publish predominantly books rather than isolated articles. These frameworks were often developed
across generations of researchers who formed schools around eminent scholars (e.g. Edmund Heinen, Hans Ulrich, Werner Kirsch, Horst Steinmann). On the whole, management research in Germany at the time was characterized by more holistic approaches covering all aspects of management (e.g. Kirsch 1973).

Second, it has been pointed out (Galtung 1979, 1981) that there are fundamental differences between the approach to social science in German academia (the “Teutonic intellectual style”) and that prevalent in other countries (including the US): the ideal-type “Teutonic” approach to research is conceptual rather than empirical and is aimed at grand rather than mid-range theories, also, theoretical developments tend to be “deduced” from central principles (Knyphausen 1995). In addition, Teutonic research is particularly concerned with “paradigm analysis”, i.e. “looking into the foundations of what one does, of exploring the limitations of one’s own intellectual enterprise” (Galtung 1981, p. 821). This particular intellectual style might be partly a result of, or at least supported by, the way in which the German Lehrstuhl system was traditionally understood – and still is at some universities: until recently university professors were typically expected to build their reputation by developing overarching conceptual frameworks that would guide the subsequent work of their (often quite large) entourage of research assistants. The assistants themselves – being largely dependent on their professor (Clark 1983) – would typically be expected to develop these frameworks further or apply them to concrete issues or problems (as part of their PhD theses or postdoctoral research), until they qualified for being appointed to a chair in their turn, after which they could go on to develop their own conceptual frameworks (Muller-Camen and Salzberger 2005).

Third, the reputation in the international academic community tended to be much less important to German management scholars than that in the national community (Muller-Camen and Salzgeber 2005, p. 277) with promotions being based primarily on the evaluation of publications in German journals (Schlinghoff 2001). This was supported by the particular university system according to which PhD theses and post-doctoral theses [Habilitationsschrift] were typically supervised and examined by the professors at the respective university (Muller-Camen and Salzgeber 2005). Hence, while there was an intense debate on management issues among German researchers, until the middle of the 1990s there is little evidence of any exchange of ideas between German academics and academics from other countries (Simon 1993, Muller 1999). There were, of course, some exceptions, where
researchers actively sought to publish their work internationally (e.g. Schreyögg and Steinmann 1987), however it received little attention by US researchers. Consequently, while German researchers tended to pick up on research published (in English) outside Germany, their own research received little international attention, not least because it was predominantly published in German.

Against this background the present paper aims to point out aspects that have been peculiar to German strategy research over the last three decades, and which distinguish it clearly from mainstream research in the US. This study is in line with earlier work that examined the particularities of European strategy research (e.g. McGee and Thomas 1986, Snow 1986). However, so far the particularities of strategy research in Germany have not been systematically examined – with the notable exception of Knyphausen (1995), who touched on this question in his book on the state-of-the-art of strategy research in the mid 1990s.

Given the circumstances in which German strategy research developed (including many aspects not covered here – e.g. the particularities of German management practice, described in Knyphausen 1995) – perhaps it is not surprising to find that, at least initially, there were some significant differences between Germany and the US with relation to how strategy research was conducted. German strategy researchers were aware of strategy research in North America (Knyphausen 1995, p. 263) but tended not to build on it directly. Instead, they often integrated it into their own theoretical frameworks. Since very little of that (German) research found its way back into US academia, Germany and the US followed – at least initially – quite separate discourses. Certainly, over the last few years things have changed considerably in Germany – researchers are getting actively involved in the international discourse, the “Saxonic intellectual style” (Galtung 1981) is taking hold in Germany as well, and the old Lehrstuhl system is beginning to get dismantled. As such, the differences between the two strategy discourses are becoming less prominent and the number of more mainstream, US-style contributions by German researchers is increasing. Nevertheless, the differences are still visible in much of the current research.

In order to identify the particular characteristics of German strategy research we will take a closer look at the important streams of strategy research in Germany, as they developed over the last three decades. We will focus on those research endeavours that can be seen as substantial contributions to the strategy discourse. While our approach yields inevitably a
somewhat rough selection, and certainly does not do justice to all noteworthy works in the field, it is nevertheless useful for identifying the aspects that characterize the central streams of research activity. As we will show, the principal contributions to strategy research in Germany tend to cluster around particular theoretical perspectives, primarily, prominent sociological and philosophical theories. Of course, not all works fall into these clusters but such exceptions tend to constitute smaller, individual research projects.

The rest of the paper is structured into seven sections. The next five sections will present important streams of strategy research in Germany, which have formed around five particular theoretical perspectives. We start with the two most prominent ones: the perspective associated with the Munich School of Strategic Management draws on the works of Jürgen Habermas, while that of the Steinmann-Schreyögg School grew out of the ideas of Niklas Luhmann. We will then present the three smaller and more recent streams of research, which draw on the Austrian School, Giddens’s structuration theory and Derrida’s theory of deconstruction respectively. After that, we will point out the particularities of these streams of research, which differentiate them from North American mainstream research. We conclude with a brief section, in which we reflect on this paper’s main contribution to the existing body of research.

2. Jürgen Habermas and the “Munich School of Strategic Management”

Probably the most eminent proponent of strategy research in the German context is Werner Kirsch at the University of Munich, the leading figure of the so-called “Munich School of Strategic Management”, which has even published its own book series, comprising more than one hundred volumes. Kirsch, whose initial interests focused on organizational planning and change, became one of the founding members of the Strategic Management Society in the early 1980s. The main aim of his strategy research, which is typical of most German endeavours in this field, was to provide a holistic, conceptual-theoretical foundation of strategic management, rather than focus on specific aspects of strategy. After experimenting with a range of different theoretical perspectives (for example, the perspectives of March and Simon 1958, Lindblom 1965, Etzioni 1968), he started exploring the potential of Jürgen Habermas’s theory of communicative action (1984), which has since become the primary theoretical basis of the “Munich School”. Kirsch drew primarily on Habermas’s concept of the “lifeworld” as the shared cognitive and communicative horizon of our everyday life,
within whose scope we experience and interpret the world (for other German researchers who have experimented with Habermas’s theory in strategy research see e.g. Steinmann and Schreyögg 1990 or Wüthrich 1991). While Habermas himself originally considered corporations as places dominated by systemic rationalities that have driven out the lifeworld, Kirsch and his school argued that Habermas’s view of corporations was exaggerated and simplistic (Kirsch 1990, Kirsch and Knyphausen 1993).

Overall, the Munich School’s approach to strategy has four characteristic aspects, which we will present in more detail below: (1) the systematic differentiation between the internal and external perspective, (2) the integration of strategies as a separate element of the organizational lifeworld, (3) the conceptualization of the “ongoing process” as the primary location of the genesis of strategies and (4) the exploration of alternative forms of rationality.

Based on Habermas’s concept of the lifeworld, the Munich School differentiates systematically between two complementary approaches to strategic phenomena: the internal and the external perspective (Knyphausen 1988, Kirsch 1991). Observing an organization from outside allows one to observe patterns of behaviour that constitute strategic manoeuvres (e.g. a company’s merger with another company or its entry into a new market), yet, whether these strategic manoeuvres are intended or not cannot be established from outside. In order to understand what really drives such actions, i.e. the real strategy, one needs to switch to the internal perspective and take part in the “lifeworld” of an organization and its members. Only from within it is possible to capture the intentions that underlie specific actions. Whether or not these strategies lead to particular manoeuvres is another question.

In order to relate the notion of strategy to the concept of the lifeworld, Kirsch developed the concept further (1991), adding strategies (defined as programmatic orientations) to the original components: personality (the cognitive and psychological structures of individuals), institutional order (the system of norms and roles that are taken for granted), and culture (the reservoir of interpretative schemas). Strategies stand in a recursive relation to the other three elements: on the one hand, new strategies typically emerge from personality, institutional order and/or culture, as these three elements form the context for thinking and acting within the organization. On the other hand, new strategies, if effective, will be sedimented into the three other elements affecting and thus changing them (Kirsch 1996).
A further consequence of focusing on the lifeworld is that the decision-making process ceases to be regarded as the primary location of the strategy-formation process (Obring 1992, Kirsch 1996). More specifically, while episodes of decision-making might produce *strategy formulations*, i.e. strategy documents, these are not of primary interest. Instead, the focus is on the development and change of strategic orientation as an element of the lifeworld. This requires reflections about the underlying orientations of action, this would typically take place in the ongoing process of organizational activities, rather than in the abstract contexts of strategic decision episodes. Strategic decision processes are not treated as irrelevant, but their influence on strategy is regarded as more indirect: they can merely trigger reflections in the ongoing process but not determine the outcome. Strategy formation, in this sense, is more of a by-product of decision-making.

Finally, the influence of Habermas can be seen clearly in the way that the concept of rationality is treated in the theory. In line with Habermas, Kirsch (1990, 1991, 1996) puts forward a communicative notion of rationality. According to this, rationality manifests itself in the way in which validity claims are raised and substantiated in communicative actions. Thereby, three different types of validity claims are distinguished: the claims of *theoretical truth*, of *normative rightness*, and of *expressive truthfulness*. While the first type of validity claim corresponds to a cognitive-instrumental form of rationality (i.e. the claim that propositions are correct or that teleological actions are effective), the other two correspond to moral-practical and aesthetic-expressive forms (i.e. the claim that the norms underlying one’s actions are right, and the claim that the opinions and wants expressed are authentic respectively). According to Kirsch, different organizational lifeworlds exhibit different degrees of rationalization. Some lifeworlds are dominated by purely cognitive-instrumental rationality. Yet, the more progressive (in a Habermasian sense) the lifeworld, the greater the importance of other forms of rationality compared to the cognitive-instrumental one. In other words, it becomes legitimate to reflect on and discuss the various normative and aesthetic dimensions of different strategic orientations. In order to enable such communicative rationalities to come to bear, organizations have to allow enough space for ideal-speech situations, which are free of attempts of dominating each other.

Kirsch discusses the different components of his theory of strategy with regard to a more general interest in the evolution of organizations in their societal contexts and the possibilities of shaping that evolution. Thereby, organizations are conceptualized as being embedded into
a wider, societal “ecology of ideas” (Bateson 1972), and emerging and developing in the mutual observations between the different actors within and around the organization (e.g. employees, competitors, suppliers, customers, consultants, academics). The mutual observations lead to an evolutionary dynamic that is beyond the direct control of any of the actors involved. In this sense, all actors, including the organization, are faced with a “radically open future” (Kirsch 1991, Seidl and van Aaken 2008) in the sense that the world develops in ways that go beyond the presently given cognitive and communicative categories. In view of that, Kirsch (1991, 1996) argues that strategic management faces the dilemma of being supposed to plan into the future, while at the same time being at the mercy of evolutionary dynamics. This requires a concept of strategic management as “planned evolution” (Kirsch 1990, 1997), which combines evolutionary incrementalism with a more comprehensive long-term plan.

3. Niklas Luhmann and German strategy research

Besides the body of scholarly works that have been drawing on Habermas, there is another strong research tradition in strategy that mobilized the systems theory of Niklas Luhmann (1973, 1995 [originally 1984], 2000). In contrast to the former, this strand of research is not the output of a single school but has sprung from a number of universities. One of the first to explore the potential of Luhmann’s work in strategy research was the school of Horst Steinmann and his disciple Georg Schreyögg, who wanted to contribute to the development of a “general theory of strategic management” (Schreyögg 1984, p. v). Drawing on the complexity approach of the early Luhmann (1973), before his “autopoietic turn”, Schreyögg, and later Steinmann (Schreyögg 1984, Steinmann and Schreyögg 1986a, Schreyögg and Steinmann 1987), conceptualized organizations as systems that operate on the basis of lower complexity than their environment. In other words, organizations react selectively to their environment. Against this background, the role of strategic management is conceptualized as one of selection, i.e. selecting from the multitude of possibilities that the environment presents. Selection typically takes the form of strategic planning, which is conceived as an “ambiguity-reducing selective process of filtering and processing information through which organizations are provided a clear and a workable scheme for taking action” (Schreyögg and Steinmann 1987, p. 94). While selection is necessary for the organization to be able to operate at all – otherwise the organization would be paralyzed by complexity – it poses at the same time a potential threat, the so-called “selection risk” (Steinmann and Schreyögg 1986a, p.
747). Selection might obstruct the observation of and reaction to crucial events in the environment that could endanger the survival of the organization. As a consequence, the second role of strategic management is strategic control, as “a counter-balancing activity to strategic planning and the question of whether or not the strategic plans are still valid” (Schreyögg and Steinmann 1987, p. 94). This concept of strategic control differs fundamentally from the conventional notion of strategic control as a secondary function involving simply checks on whether performance is in accordance with plans. Schreyögg and Steinmann explain:

Guaranteeing the survival of a system requires a continuous process of both selection and checking to see if this selection is going to work. The reason for this is simple: creating a greater clarity and order (selection) is merely a way of handling environmental ambiguity, and not a way of removing it. However well designed the handling mechanism, ambiguity continues to be a threat to the system. […] To repeat: the problem of systems survival cannot be conceived merely as a problem of selection, as is often done in cognitive psychology (Weick 1979), at the heart of the matter is the duality of selection and compensation. (Schreyögg and Steinmann 1987, p. 94)

The duality of selection (planning) and compensation (control) is a very delicate one as the two functions tend to contradict each other: while planning means a selective exclusion of possibilities (i.e. reduction of complexity), control means the re-inclusion of the excluded possibilities (i.e. increase in complexity). How this dilemma is dealt with in organizations becomes a central question in strategic management. Schreyögg and Steinmann explore different answers to this question both conceptually (Steinmann and Schreyögg 1986a) and empirically (Steinmann and Schreyögg 1986b). In particular, they are interested in how the conflicting functions can be combined within the same organization without dissolving it or paralyzing it.

One aspect of their work that has received particular attention is the question of how to survey the environment for potential signs that the strategic plans (selections) are no longer adequate. Steinmann and Schreyögg (1986) point out the problem that one does not know and cannot know what to look for and where to look for it. This problem is a variant of the search paradox – the Menon paradox, named after the interlocutor of Plato in the famous Menon dialogue (the search for something new is in inherently paradoxical, in the sense that one cannot know where to search for it, precisely because it is new). The act of scanning needs at
least some focus and direction. One needs to but cannot know in which direction to scan. Moreover, concentrating in one particular direction of perception implies disregarding others. The narrower the focus of perception, the greater the danger of failing to see important signs. What befits such situations, argue Schreyögg and Steinmann (1985), is what they term “ungerichtete strategische Überwachung” – unfocused strategic control. This is paradoxical because every observation is selective, that is to say, directed to or focused on something, at least to a certain degree. So, Schreyögg and Steinmann’s request is similar to being urged to keep your eyes wide shut. “Unfocused monitoring” is an oxymoron. Addressing this issue, Schreyögg and Steinmann write:

At first glance the idea of an unfocussed control mode seems paradoxical and impractical. How does one control if there is no defined control object? (Schreyögg and Steinmann 1987, pp. 97–98)

They argue that, in a strange way, in the case of unfocused control the typical logic of control is reversed. In other control activities one has a definite point of reference (e.g. the implementation targets of a plan), according to which something unspecified (e.g. the current level of implementation) is evaluated. In the case of unfocused control, however, it is the unspecified (i.e. the potential threat to the survival of the organization) that is used as a point of reference for evaluating the specified, i.e. the strategic plan (Steinmann and Schreyögg 1986a, p. 750). This paradox, however, is resolved through time: unfocused control works on the basis of “wait and see” (Steinmann and Schreyögg 1996a, p. 750). In given moments, concrete signs of crisis might emerge that can be used as specific points of reference for evaluating a strategic plan.

While Schreyögg and Steinmann drew mainly on the early work of Luhmann, there were others who explored particularly Luhmann’s later work on autopoietic systems (1986, 1995 [originally 1984]). The first to do so was Dodo zu Knyphausen (1988), who was also a member of the Munich School, and who tried to combine the perspectives of Luhmann and Habermas. Knyphausen (1988, 1991, 1992) starts out with the observation that at the heart of strategic management is the generation of novelty – new visions, new strategies and so on. Yet, a look at the literature in strategic management reveals that the generation of novelty is not adequately explained. Conventional approaches to strategy cannot capture the generation of novelty as it constitutes a paradox: if something is new, it is not derived from something
that already exists (otherwise it wouldn’t be new), but if it is not derived from something that already exists, it cannot come into existence (otherwise it would have emerged from nothing). Knyphausen (1988) perceives Luhmann’s theory as a particularly suitable theoretical framework for strategic management as it can capture such paradoxes. Drawing on Luhmann, he argues that the paradox of the generation of novelty can be resolved theoretically by designing the theory in such a way that it allows switching between perspectives: the systems perspective, which treats the organization as a self-reproducing (autopoietic) system, and the action perspective, which highlights the communicative contributions of individual members (allopoietic). Knyphausen writes:

The genesis of novelty is the result of a continuous back-and-forth between an inside and an outside perspective, a back-and-forth between the input of the subject (the individual) and the intersubjective communication in the context of a social system. (Knyphausen 1992, p. 153, our translation)

In other words, in order to capture the central aspect of strategy, i.e. novelty and change, Knyphausen proposes a new theory that is based on an oscillation between a systems approach and an action approach.

While Knyphausen did not develop his systems-theoretical approach much further, later on Seidl and his colleagues (Hendry and Seidl 2003, Seidl 2005, Jarzabkowski and Seidl 2008, MacIntosh et al. in print) picked up on this initial research question, i.e. the explanation of the generation of novelty. Although those later studies drew on Luhmann’s theory as well, they addressed the question slightly differently. Rather than proposing a theoretical approach that involves a continuous back-and-forth between a systems perspective and an action perspective, they drew on Luhmann’s concept of episode (1990, 1995) as a way of resolving the paradox. An episode is a sequence of events structured in terms of its beginning and ending, e.g. meetings or away-days. Such episodes allow organizations to routinely suspend their normal routine structures of discourse and communication, and in this way create the opportunity for reflexive strategic practice. Metaphorically speaking, episodes constitute temporary islands within the organization, which provide opportunities for stepping out of organizational routines and reflecting on them as if from outside. In this way, alternatives to the established strategic orientation become available, which can then be fed into the organizational processes and thus initiate strategic change.
Taking the research question a step further, Seidl (2007) used a Luhmannian perspective to discuss the possibilities for introducing strategic novelty and change from outside the organization. Based on Luhmann’s concept of autopoietic communication-systems, the author argues that the field of strategy should be conceptualized as being fragmented into a multitude of autonomous discourses, different companies, different consulting firms, different business schools and so on. As a consequence of this autonomy, no transfer of meaning between the different discourses is possible. This has significant implications for the way in which strategic management is perceived. In particular, it makes necessary a re-conceptualization of what we mean when we say that an organization “adopts” a new strategy concept, such as TQM or core competences. Because of the incommensurability of the different strategy discourses, organizations cannot draw on general strategy concepts. Instead, any strategy concept that is used within a particular organization has to be understood as the organization’s own product. At most, strategy discourses might “perturb” or “stimulate” each other but there cannot be any kind of direct input. Seidl writes in this respect:

> Strategy concepts developed and propagated in other discourses (e.g. in a consulting discourse or in a business school) can stimulate organizations to develop their own strategy concepts in response, but they can never enter the organization as such (Luhmann 2000, 2005). Consequently, what appears as the adoption of a general strategy concept would have to be treated as an *illusion* based on the fact that organizations use the same labels, or sets of labels, for their own constructs. (Seidl 2007, p. 206)

The transfer of such labels from one discourse to another is associated with a change of the meaning behind the labels. When introducing a new label from outside, the organization – usually inadvertently – re-interprets the meaning of the label according to its own communication logic and in this way creates a new strategy concept. This phenomenon is described as “productive misunderstanding” and constitutes “the way out of this paradox” (Teubner 2000, p. 408). In that respect, the original strategy concept is *misunderstood* but this misunderstanding is *productive* in the sense that it leads to the creation of something new.

4. The Austrian School and German strategy research

German strategy research paid keen attention to the concepts of and debates about the resource-based/knowledge-based/competence-based view of strategic management. Some recent publications attest this in particular: the yearbook for strategic competence
management, edited by leading German researchers in this area (Freiling and Gemünden 2007, Freiling et al. 2008, Proff et al. 2009), as well as the series “Strategisches Kompetenzmanagement” (“strategic competence management”), which was launched in 2008 (first volume: Eisenkopf et al. 2008) as part of the Gabler Edition Wissenschaft (the science imprint of the most important German publishing house for management and business administration).

The most recent development is the attempt of Jörg Freiling and colleagues to establish a competence-based theory of the firm, founded on market process theory, as developed by Mises (1949), Hayek (1978), and Kirzner (1973). In 1992, Jacobson already suggested that strategy research should be included in the framework of Austrian market process theory in order to account for change, uncertainty, and disequilibrium. In a similar vein, Foss (1993, 1996, Foss and Ishikawa 2007) built upon Austrian economics. Freiling et al. (2008) have written extensively about strategy research and a theory of the firm that is built on the philosophy of science and in particular on a Lakatosian framework. Their proposal is to transform the cornerstones of competence-based views of the firm into a hard core on the basis of Lakatos’s ideas (1970). These cornerstones, according to Freiling et al. (2008, p. 1147), are (1) an economic framing, with (2) economic agents “equipped with scarce and in many cases not perfectly mobile factors (Barney 1991)” (Freiling et al. 2008, p. 1147), (3) incomplete, asymmetric information, (4) learning that results in idiosyncratic capabilities, (5) organizational path dependencies (“history matters”), (6) heterogeneous, unique bundles of factors created through specification processes in the sense of Penrose (1959) and (7) leeway for entrepreneurial action, in spite of a constraining business environment. In order to prove that their competence-based theory of the firm is compatible with Austrian economics and market process theory, Freiling et al. (2008, pp. 148–149) suggest the following six hard-core elements (HCEs):

- **HCE 1: Subjectivism** (differences between economic agents in terms of knowledge, motivation, expectations and abilities/skills, which induce asymmetries or underlie the idiosyncratic nature of the firm)
- **HCE 2: radical uncertainty**

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2 In what follows we deal mainly with this article which is the most recent one. See, however, already Freiling (2001), (2004), (2005), Sanchez, Freiling (2005), moreover: Simon et al. (2008). These contributions address, among others, issues such as competence-based management, marketing, co-location, and internationalization.
• **HCE 3: methodological individualism** (including an understanding of entrepreneurship in the sense of Mises [1949, p. 246]: every member of a firm is/should be able to perform entrepreneurial functions – to be what is now called an “intrapreneur”)

• **HCE 4: “homo agens”** (economic agents as proactive players, permanently looking for new opportunities)

• **HCE 5: moderate voluntarism** (agents have some, though restricted, impact on their environment)

• **HCE 6: time matters** (historicity implies possible irreversibilities, path-dependencies, and lock-ins, as well as lock-outs, asset mass efficiencies and the like).

The authors claim that these elements make it possible to avoid or overcome the tautology problem that the resource-based/competence-based view of strategic management entails (Priem and Butler 2001). This problem is known to arise when the competitiveness of a firm is attributed to its idiosyncratic resources/competencies and at the same time these very resources/competencies are identified as the source of competitive advantages. Freiling et al. (2008, p. 1150) claim that they avoid this inherent tautology by concentrating on explaining an organization’s “striving for competitiveness”. For Freiling, competitiveness (2004, p. 33) consists of competences, i.e. the ability to prove oneself in market processes with customers and suppliers (vertical level) and to withstand the competitive forces of rivals in the market (horizontal level), in other words, to overcome the opposition of the market-based view on the one hand, and the resource-based view on the other. “Striving to avoid tautological reasoning [...] CbTF’s [Competence-based Theory of the Firm] epistemological aim is therefore the explanation of current and future firm competitiveness due to inhomogeneous availability of competences and resources.” (Freiling et al. 2008, p.1151) Significantly, here the authors define resources or competences without reference to competitive success and in this way avoid tautological reasoning: “In particular, it is not necessarily the case that the activation of competences guarantees success in the market process” (Ibid.).

In our view, this approach has certain remarkable characteristics:

1. It is a robust attempt to develop a theory of the firm based on a concept of entrepreneurship as strategic management that is characterized by alertness in making use of and paying attention to the resources and competences of the firm.
(2) It emphasizes the dynamic character of these resources and competences. These are grasped as a potential modified/improved/enlarged by and through its actualization and other ways of organizational learning.

(3) It claims that it adds a “missing chapter” to market process theory, a chapter concerning intra-organizational process and locating the competence-based theory of the firm in management and organization theory.

(4) In this volume Powell, Rahman and Starbuck explore the theme of competitive advantage in 19th and 20th century economics and the intellectual genealogies of the contemporary strategic management discourse. They distinguish three views of competitive advantage³: the industrial economics’ view focussing on market positions (Porter), the resource-based view putting the emphasis on intangible resources (Penrose) and competences, and the evolutionary (Schumpeterian) view stressing entrepreneurial innovation. Freiling and colleagues make an attempt to combine the latter two of these views. The New Austrian Economics, they argue, “deals with trial and error processes resting upon entrepreneurship, knowledge and skills (such as alertness) as the cutting edge in competition” (Freiling et al. 2008: p.1155). The German authors add that their theory, however, “goes one step further and addresses the aligned interplay of skills by the competence construct” (ibid.). This conceptualization is in line with Jacobson (1992). In a way it entails a paradox: either the economic development and market processes are subject to evolution (i.e. to selection processes that are independent of or beyond the intentions, plans and designs of homo agens), or the rationality, competence, alertness of homo agens is decisive. In this respect, the attempt of Freiling et al. intends to overcome oppositions widely taken as insuperable.

(5) It proposes that a fertile ambience provided by the firm is a decisive factor, which explains the existence and the nature of the firm. This, in our view, is the authors’ most important and most original message, as this factor transcends structures, routines, and competences: the “firm offers an ‘ambience’, consisting of stability, reliability, and tight asset and resource couplings, nurturing competence building and leveraging” (Freiling 2004, p. 35). The ambience is effective because

The firm as a stable institution ties entrepreneurial forces together and helps to overcome individual mental barriers. [...] Paths can be created or opened up by pooling ideas and other kinds of assets within the scope of the firm. (Freiling et al. 2008, p. 1158)

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³ Note that all the three views, as shown by Powell and colleagues, in some way or other go back to Austrian (Viennese) economists such as Carl Menger, Eugen Böhm-Bawerk, Joseph A. Schumpeter, Ludwig Mises and Friedrich A. Hayek.
Issues such as tacit knowledge, mutual understanding, grammars of routines, intrinsic motivation and “social complexity” (Barney 1991) are also important in this context, as they “explain why firms can be a preferred institutional mode” (ibid., p. 37). Depending on a firm’s ambience, transferring knowledge may be either difficult or quite easy. The “stickiness” of knowledge and the firm’s absorptive capacity (Cohen and Levinthal 1990) are functions of the firm’s ambience. Not only contracts, but also such elements as tacit agreements, trust, and commitment are important, all of which transcend a narrow economic perspective. To introduce the concept of ambience into a competence-based theory of the firm means that sociological reasoning has to be included in economic and management theory. In that respect, the theory of Freiling et al. differs from that of Foss, who adheres to a more narrow economic perspective.

5. Anthony Giddens and the German strategy research

In Germany, certain authors have tried to use Anthony Giddens’s structuration theory as a basis for a theory of strategic management, as Richard Whittington or Paula Jarzabkowski have done in the United Kingdom. Albrecht Becker (1996) examined strategic decision-making and the supposed rationality of strategic planning with reference to structuration theory. Ortmann and Zimmer (1996) dealt with what they called “recursive regulation” – the strategic influence that big firms and their associations exert on legislation, politics, regulation bodies and their regulatory measures. The idea is that firms do not tend to look on passively while legislative bodies or regulation commissions structure (enable or restrict) their action fields but try to influence these bodies, or, in other words, try to “regulate” these regulations. Recursive regulation is dealt with as an important, though often neglected part of strategic management. A reader edited by Ortmann and Sydow (2001) offers an overview of German contributions to strategic management that draw on structuration theory. Duschek (2001a) elaborates on Giddens’s concept of modalities in his discussion of “modalities of strategic management”. Other authors emphasize the strategic management of inter-firm networks (Duschek et al. 2001, Sydow 2001) and “cooperative core competencies” (Duschek 2001b). The concept of recursive regulations is developed in more depth by Zimmer (2001a, 2001b). Ortmann and Sydow (2001, pp. 421-447) suggest that structuration theory should be used as a kind of meta-theory so as to reduce to some degree the much lamented diversity of paradigms in organization and management theory. They maintain that structuration theory can
potentially integrate well-known oppositions such as (1) action and structure, (2) strategy content and process, (3) the market-based vs. the resource-based view (4) resources and their services à la Penrose (1959), and (5) signification and legitimation – what Mintzberg et al. (1999) call the “cognitive” and the “cultural” school of strategic management, respectively. Basic concepts such as “reflexive monitoring of action”, “unintended consequences”, and “unrecognized conditions of action” are considered to provide valuable elements to every analysis of strategic management.

One further development of structuration theory is “strategy-as-practice”, which has been tackled by Richard Whittington and his colleagues (see e.g. Whittington in print), Paula Jarzabkowski (e.g., 2003) and others and which will be the topic of the forthcoming Cambridge Handbook of Strategy-as-Practice (Golsorkhi et al. 2010, see also Jarzabkowski’s and Kaplan’s contribution in this volume). Strategy-as-practice has also attracted the attention of German structuration theorists (see, e.g. Jarzabkowski et al. 2007, Rasche 2008, Ortmann 2010a, 2010b). Ortmann, however, has been somewhat critical of the concepts of action, praxis, and practices, which according to him need further elaboration. To that end, interactions can be regarded as gesture-response chains, as Ralph Stacey (2001) suggests: “Every gesture is a response to some previous gesture, which is a response to an even earlier one, thereby constructing history” (Stacey 2001, p. 79). To interact means to respond and receive a response, more to the point of strategic management, it means to respond to the challenges that rivals, customers, risks and opportunities pose.

Manfred Moldaschl (2006), referring to Giddens’s distinction of rules and resources, argues vividly that concepts such as competence, capabilities, and knowledge, all of which are said to be factors of competitive advantages, should not be used tautologically. He prefers a more rule-based (rather than competence-based) concept of institutional reflexivity to account for strategic innovations.

Another complex analyzed by means of structuration theory is (strategic) controlling and accounting. Becker (2003) focused on controlling and management accounting practices, distinguishing two aspects: reflexive monitoring and rationalization of organizational action. More precisely, he analyzed controlling, accounting, and devices such as the balanced scorecard in the three dimensions of the social, borrowed from Giddens: signification, domination, and legitimation.
In the most recent contribution Ortmann (2010a) conceptualizes strategy formation as a specific kind of structuration. Strategies, in this view, are temporary, short-lived rules (and distributions of resources) with long-term reference. The reason they are short-lived is that the life span of strategies is short, compared to that of other organizational rules. Rules determined by strategies concern the behaviour of the firm and its members with relation to the future and/or the environment. Rules are determined here as “generalizable procedures of praxis” (Giddens 1984, pp. 20–21). Strategy formation, then, is the structuring of present and future action in order to do justice to expected future events and/or to take into account the possible actions and manoeuvres of others – competitors, customers, co-operators, the state and other individual or corporate actors in the environment.

In the light of the above, it is possible to overcome the opposition of structure and strategy. First, both, strategy and structure are now understood as kinds of structure. Second, instead of having to choose between either “strategy follows structure” or its reverse, these supposedly exclusive alternatives are now considered to be linked in a recursive circle. Structures in the traditional meaning – long-lived organizational structures with short-term reference – not only follow, but also are followed by strategies (see Figure 1).

The insight that structures, in the traditional sense, not only follow, but also determine or influence strategies – e.g., determining information channels, conflicting interests, responsibilities, decision-making powers, and the “micro-politics of strategy formulation” (Narayanan and Fahey 1982) – is not new. However, within structuration theory it can become clarified, and therefore better comprehended, as a kind of recursive constitution of structures through strategies and vice versa.

This approach overcomes the opposition of strategy and structure, as well as that of “planning vs. flexibility”, which are often identified as two diametrically different means for dealing with the uncertainty of the future. To achieve this, it introduces a comprehensive concept of

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Responsiveness as a decisive competence of strategic management into the theory. Responsiveness, in this sense, includes (1) perceptive faculty, (2) sensitive reactions, and (3) responsibility with respect to “the others”. Within organizations, responsiveness means to be prepared to listen to the “voice” in the sense of Hirschman (1970) and to respond appropriately. Being responsive to the environment, on the other hand, may mean being open to advice and customer complaints, or willing to communicate (Freiling 2005, p. 146). Responsiveness is necessary in strategic planning and involves what Ansoff (1984) called “flexible response”. Emphasizing the element of time in distinguishing strategy (short-lived, long-term reference) and structure (long-lasting, short-term reference), , allows defining planning and flexibility not as exclusive alternatives but as (1.) a matter of graduality and (2.) as complementary means of dealing with uncertainty.

6. Jacques Derrida and the German strategy research

Giddens’s concept of structuration is indebted to Jacques Derrida’s idea of *différance*. Although later on Giddens was very critical of Derrida (Giddens 1987), he once postulated that “the theory of the structuration of social systems should be based upon [a] threefold connotation of différance” (Giddens 1979, pp. 45–46). In Giddens’s concept of structuration, however (1984), Derrida’s thinking became invisible (though not ineffective).

A central aspect of interest in the Derridian stream of strategy research is the concept of rules and their application, which are seen as instances of *différance* (Ortmann 2003a). This is because following rules is about iteration and iterability. The idea that rules self-deconstruct in and through praxis means that the application of rules, which is traditionally thought to derive from rules, is, in a sense, constitutive of the meaning of the rule To use Derrida’s term, the application of rules is a dangerous *supplément* (i.e. supplement and/or substitute). Application means to fulfil, supplement, or substitute the rule. This implies that following rules entails necessarily deviating from those rules – though imperceptible in “normal” cases. As Heraclitus put this paradox of iteration: “One cannot step into the same river twice.” *Différance* means a differing and deferring force.⁵

⁵ See also Dupuy (1994). Another aspect of Derrida’s thinking that space does not allow us to deal with here, although it is highly relevant in our context, is his reflection on the paradoxality of making decisions, especially *strategic* decisions. Strictly speaking, this is a paradox of reasoning. When one is required to make a strategic decision, one needs to provide convincing or even compelling reasons, which are, however, usually missing. Moreover, one needs “reasons for reasons”, which leads to an infinite regress. For more details, see Ortmann (2003a, 2003b).
From this perspective, strategies are considered to be specific sets of rules and resources, namely rules concerning the behaviour of firms and their members, with regard to the future and/or the environment. What can be said about rules and their application in general also applies to strategies and their realization in practice as well. Ortmann and Salzman (2002) analyzed the “emptiness, fullness and recursiveness of strategic management” in terms of deconstruction, à la Derrida. The central idea is that strategies are characterized by a certain necessary emptiness that has to be filled by and through translating them into action. Several researchers have explored this stream, including, for instance, Khurana (2001) and Simon (2001) who were particularly concerned with strategic management consulting.

Much of what is described above forms the background to Andreas Rasche’s ambitious attempt (2008) to deconstruct basic concepts of strategic management. His intention was not merely to deconstruct theoretical texts, but to show strategic management in practice as being always in a process of deconstruction. Rasche, building on Pettigrew’s distinctions between strategy context, process, and content, criticizes the conventional wisdom of strategy research and praxis and identifies three dominant logics – the “necessity of adaptation” (strategy context), the “primacy of thinking” (strategy process), and the “fullness of strategic rules and resources” (strategy content). In doing so, he uncovers the underlying oppositions that reside within these dominant logics: environment–organization, formulation–implementation, and rules/resources–application.

Rasche maintains that the traditional way of dealing with these oppositions within strategy discourse and praxis obscures paradoxalectics by privileging one pole in each pair, namely the environment, strategy formulation, and rules and resources, as opposed to “organization”, “implementation”, and “application”. More precisely, the paradox in this case is that the environment, regarded as independent of and even opposite to the organization, which is supposed to adapt to it, in fact depends on its being enacted by the very organization and its strategy. The implementation or realization of a strategy, which is traditionally regarded purely as a derivative of its formulation, in fact is constitutive to its meaning, “constitutive” possibly in the sense of “deferring”/“differing”, analogously to what has been said above about rules/resources and their application. Dealing with these concepts as independent and just opposing therefore aims at impossibilities.
It is widely thought that deconstruction is concerned mainly with texts, so it may come as a surprise that the practical implications of Rasche’s ideas lead to the concept of strategy-as-practice (see also Rasche and Chia 2009). Nevertheless, it is not quite as surprising in view of his critique of the primacy of thinking and his emphasis on the role of strategy application. In particular, he recommends thinking about “communities of strategy formation” as an object of strategy research – and, one might add, as an object of organizing or managing strategy formation.
7. Commonalities in the central streams of strategy research in Germany

In the preceding sections we presented central streams of strategy research in Germany, as they have developed over the last few decades. While the cited works are quite different in terms of specific research questions, approach and line of reasoning, they share some general features, which we will discuss in this section.

A first aspect that is also reflected in the structure of our paper is that the central streams draw heavily on grand theories and that they aim at developing more holistic conceptualizations of strategic management. The Munich School and the second research stream are based on the two eminent German sociologists discussed above, Habermas and Luhmann, who influenced significantly the general intellectual debate in Germany in the last decades of the 20th century. Similarly, the structurationist and the deconstructivist streams presented here are based on Giddens and Derrida, who represent equally fundamental theoretical perspectives. A central contribution of each strand of research is, first of all, that strategic issues are framed within a particular theoretical perspective. This is obvious especially in the cases of Luhmann and Habermas, who were initially hardly noticed outside Germany. The same goes for Derrida who has not received any attention in strategy research in the Anglo-Saxon world (apart from Clegg et al. 2004). The case of Giddens is somewhat different. There were already scholars who had started experimenting with Giddens in strategy when he was picked up in the German strategy discourse (e.g. Whittington 1990). Yet, the German research strands did not build directly on their work but started out afresh. Giddens was used directly serving as the starting point from which research questions sprang and theoretical results were derived. A somewhat special case is the stream of strategy research based on the Austrian School. In contrast to the other streams, the Austrian School was already quite prominent in strategy research (Jacobson 1992) before its ideas were taken up in Germany. This particular theoretical perspective had been used in the US for more than a decade before it was taken up by the German researchers Freiling and colleagues. While they built directly on existing work in the field by colleagues in the US, the focus of their own work was on elaborating the basic theoretical concepts of the approach.

A second aspect we should note is the interest in developing general theories of strategic management rather than focusing on more specific questions or aspects of strategy. This may
reflect the influence of grand theories on the research streams discussed here. All the cited streams of strategy research stated that they aimed at developing a general theoretical foundation for strategic management. Although there are works outside these principal research streams that address more specific points, these are not central to the German strategy discourse. The thrust of the German strategy research is clearly conceptual-theoretical. It is worth mentioning that in all research streams, empirical studies, where available, are of rather secondary importance, often merely illustrating the potential of the conceptual considerations.

The aspects described so far reflect strongly Galtung’s characterization (1979, 1981) of the Teutonic intellectual style more generally, which we mentioned in the introduction. As Galtung (1981) wrote:

> It can be maintained that teutonic theory-formation is above all purely deductive. It is guided by the basic idea of *Gedankennotwendigkeit*: if one accepted the premises and certain rules of inference, then the conclusion follows. The goal is to arrive from a small number of premises at a high number of conclusions covering as vast an area of inquiry as possible. (Galtung 1981)

What can be seen very clearly in this stream is the deductive mode of theorizing, which typically starts from a central concept or idea that leads to a pyramidal development of the theory. This deductive mode of theorizing is always the same but the central concepts are different: lifeworld (Munich School), selectivity of planning or system/environment (Steinman-Schreyögg school), the paradox of novelty (Knyphausen, Seidl), the tautology problem of competence (Freiling), recursiveness in strategic management (research stream based on Giddens’s ideas), supplement and *différance* (Ortmann, Rasche). In line with that, strategy research tends to be driven by more fundamental questions about organizations rather than more narrow questions concerning market competition, which are driving much of the North-American strategy research.

This conceptual-theoretical approach in strategy is often combined with reflections on the underlying philosophy of science, echoing the general interest in “paradigm analysis”, which characterizes the Teutonic intellectual style as a whole (Galtung 1981). In the case of Freiling and his colleagues, setting the theoretical approach within a Lakatosian framework is even an explicit aim of their research. Similar discussions on the philosophy of science can also be found in the other four streams covered in this paper. The Munich School, for example (e.g.
Kirsch 1996), reflects on the recursive relation between strategy theory and strategy practice, and its theoretical underpinnings take the form of an evolutionary theory that co-evolves with the development of strategy praxis. The Steinmann-Schreyögg school (Scherer 1995) draws particularly on the philosophy of science that is associated with the so-called Erlangen school (Lorenzen 1987). Similar reflections, even though less elaborate, can also be found in the other streams (e.g. Ortmann and Sydow 2001, Seidl 2007, Rasche 2008).

A further particularity of much of German strategy research concerns the concept of rationality. Knyphausen (1995, pp. 268–269) argues that differences in research style between Germany and the Anglo-Saxon world are partly the result of particular notions of rationality. While Anglo-Saxon research is dominated by notions of cognitive-instrumental rationality, alternative concepts of rationality are explicitly discussed in the German research community and shape its theoretical developments (e.g. Schreyögg 1984, Kirsch 1991, Becker 1996, Seidl and Aaken 2008). German research explores a wide variety of different forms of rationality: moral-practical, aesthetic-expressive, occasional, narrative, evolutionary systemic etc. This interest in alternative forms of rationality can be seen as a consequence of the general interest in fundamental concepts in theory development, which, as mentioned further up is characteristic of the Teutonic intellectual style.

A final aspect of the described streams of strategy research is the interest in dilemmas, paradoxes and oxymora. Of course, we don’t want to suggest that thinking in terms of paradoxes and making use of oxymora is exclusive to the German strategy discourse – there has been a long-standing interest in paradoxes in Anglo-Saxon research as well (see Smith and Berg 1987, or Quinn and Cameron 1988). What we want to suggest, however, is that German strategy researchers have a certain affinity for this type of thinking. In our description of the different research streams we have already highlighted some of the principal paradoxes and oxymora. A first example is Kirsch’s concept of “planned evolution”, which tries to resolve the dilemma of having to plan into the future, while acknowledging that one cannot even conceptualize future developments. A second example is Schreyögg and Steinmann’s concept of “unfocussed monitoring” which is almost an oxymoron. We compared this concept to the idea of having your eyes wide shut. In a sense, the concept of unfocused monitoring is meant to bridge the gap between alternative solutions to the problem of dealing with uncertainty, which are supposed to be mutually exclusive: either planning or flexibility. A third example is Knyphausen’s and Seidl’s concern with the paradox of newness, which is
dealt with through an oscillation between a systems approach and an action approach, and loose coupling of episodes respectively. Seidl (2007) looked closely at the paradox of the continuation of meaning between different systems or discourses, which is solved theoretically through the concept of “productive misunderstandings”. As Teubner – another Luhmann scholar – explains: “Between the discourses [or systems], the continuation of meaning is impossible and at the same time necessary. The way out of this paradox is productive misunderstanding” (Teubner 2000, p. 408).

In the research stream represented by Freiling and his colleagues several paradoxes or oxymora are addressed. First of all, Freiling et al. (2008, p. 1160) propose “to take some steps back in order to move forward” in theorizing strategy. By this, the authors, as mentioned above, mean that one should go back to market process theory and complement it with a competence-based view – which in turn can profit from the Austrian School. Market process theory takes research “back to the future” of a competence-based theory of the firm, so to speak. In addition to that, Freiling and his colleagues are particularly interested in ways of reconciling the opposing concepts of market and organization with various concepts like intrapreneurship or virtual organizations that consist of networks of firms.

In the case of the Giddensian research stream there are multiple dilemmas that were already pointed out by Giddens himself, such as structure vs. action. The authors who follow this research stream maintain that structuration theory can be used to deal with many of the much lamented oppositions in strategy research, like content and process, market- vs. resource-based views, and the like. In particular, they argue that to think of strategy formation as structuration may help resolve the opposition between strategy and structure. It is probably to be expected that in the Derridian research stream many paradoxes and dilemmas are discussed. The most far reaching is Rasche’s project (2008) of “deconstructing” the dominant logics of strategy context, process, and content and its underlying oppositions, i.e. environments/organization, strategy, formulation/implementation, rules, and resources/application. Derrida’s message to strategy research is that it should accept its paradoxical foundation and challenge its deeply held assumptions, such as “the primacy of thinking”. The list of examples of paradoxes and oxymora discussed in the context of the central research streams could be extended considerably. Yet, our purpose was not to provide a conclusive list but merely to demonstrate that researchers in these streams have a particular affinity to thinking in paradoxes and oxymora.
At this point, it might be worth emphasizing some parallels between the tendencies in German research on business strategy, described further up, and the attempt of the Prussian military theorist Carl von Clausewitz to develop a philosophy of strategy. Although Clausewitz wrote about strategy in a military context, his work (1984, originally published in 1832–34) is generally considered of much broader relevance – particularly to business strategy (Ghyczy and Bassford 2001). Like the authors mentioned earlier, Clausewitz too aimed at developing a general theory of (military) strategy rather than focusing on particular aspects. He had a holistic perspective, treating strategy in the wider context of politics and political aims, he drew on a range of different disciplines, and – not surprisingly, being a contemporary of Hegel – had a dialectical approach to reality, taking a particular interest in antithetical tensions. Despite Clausewitz’s prominence, his ideas had hardly any impact on German business strategy, and were not taken up by the strategy researchers mentioned further up. Yet, the parallels noted here might be no mere coincidence. Instead, one could argue that Clausewitz and those strategy researchers share a common root, i.e. the particular “Teutonic” intellectual style.

So far we have pointed out the particularities of five important research streams in Germany over the last three decades. On the basis of these particularities, strategy research in Germany can be seen as quite distinct from mainstream research in the US. In view of this, while other researchers like Snow (1986) and McGee and Thomas (1986) come to the conclusion that the European perspective on strategy is not very different from that in the US, we would argue that the central streams of research in Germany differ significantly from their US counterparts. This is in line with Knyphausen’s earlier conclusion (1995) that German strategy research provides alternatives to mainstream strategy research in the US. At the same time, however, one has to acknowledge that our review of the literature focused only on central streams of strategy research in Germany.

As mentioned above, there are many other works outside the streams described here, which are much closer to the North-American mainstream. Furthermore, there are researchers in North America who think along similar lines as the German strategy researchers presented in this paper, and who have also drawn on grand theories addressing fundamental questions (e.g. Hinings and Greenwood 1988), aimed at developing fundamental approaches to strategy (e.g. Ansoff 1965), reflected on the philosophy of science underlying their approach (e.g.
Shrivastava 1986), been concerned with the concept of rationality (e.g. Gilbert 1992) and with paradoxes (e.g. Quinn and Cameron 1988). Yet, we would argue that these aspects are typical of research in Germany, while they are the exception, rather than the rule in North America.

We should note, however, that in the course of time, differences between German and Anglo-Saxon research become less prominent as the boundaries between different styles of research start to fade. German researchers increasingly collaborate with their Anglo-Saxon colleagues and their publications now reach a more international readership. In addition to that, because of international movements towards new forms of accreditation, audit and evaluation there is considerable pressure on the established German university system to change (Muller-Carmen and Salzgeber 2005). As a consequence, strategy research in Germany is becoming increasingly “Saxonic” (Galtung 1981) in style. At the same time, however, there appears to be also an opposite trend: the most obvious example of this is the recent rise of the so-called strategy-as-practice research tradition (Johnson et al. 2003, Jarzabkowski et al. 2007, Golsorkhi et al. 2010) in the UK and slowly in the US as well (Jarzabkowski and Kaplan 2010), which shares many of the aspects that characterize the German research stream we have described here. Perhaps it is not surprising that many German strategy researchers are highly involved in the strategy-as-practice community.

Conclusion

The aim of this paper was to identify the particularities of German strategy research that distinguish it from US mainstream research, which has always been dominant in this field. For our purpose, we examined central streams of strategy research although, admittedly, we have not been able to include all strands of current German strategy research. In the process, we identified several aspects typical of the central streams: strategy researchers tend to draw on grand theories, and especially on the sociological and philosophical traditions associated with prominent figures such as Habermas, Luhmann or Giddens. Also, they develop more holistic approaches to strategy and are concerned with fundamental questions about organizations in their environments. The research itself is predominantly conceptual-theoretical, and theories are derived deductively from central principles or concepts, which reflect the underlying philosophy of science. Furthermore, German researchers are concerned with forms of rationality that go beyond the classic cognitive-instrumental form and have a particular affinity to thinking in terms of paradoxes and oxymora.
While these aspects can also be found in some North American research, in that case they tend to be the exception rather than the rule, whereas in German strategy research they play a central role. We explained these particularities on cultural grounds, especially the general intellectual style of German academia (which has been dubbed the “Teutonic” intellectual style, Galtung 1981), the structure of the German academic system (i.e. the Lehrstuhl system), and the limited exchange between German researchers and their colleagues from outside Germany. Nevertheless, we concluded that, in the light of increasing mobility among researchers on an international scale, increasing collaboration between researchers from Germany and their colleagues from other countries, institutional pressures on the German university system due to new forms of accreditation, audit and evaluation, and an increasing focus on publishing for an international readership, the distinctiveness of German strategy research is fading.

It goes without saying that this increasing collaboration is desirable. Both sides, German strategy research and US mainstream research, can benefit: the former, from the more empirical, more rigorous and more down-to-earth orientation of US mainstream research, the latter, from the strengths of “German” or “Teutonic” deductive thinking and its inclination towards a thoroughly conceptual foundation. Undeniably, however, international cooperation goes hand in hand with the international unification of methods and ways of thinking, writing and talking, which may threaten the diversity necessary for creativity in strategy research. Moreover, there is a discernible danger of losing touch with important philosophical or theoretical traditions other than the Anglo-Saxon ones. For instance, many of the German students of strategy we dealt with are, in one way or another, knowingly or not, committed to the phenomenological tradition which goes back to Edmund Husserl and his concept of “Lebenswelt” (“life-world”). This is because Habermas, as well as Luhmann, Giddens and Derrida themselves are, in some sense, committed to Husserl’s work. The approach labelled “strategy-as-practice” in particular is based on a concept of practice which in part – e.g. in the cases of Giddens and Bourdieu – goes back to Husserl but could be significantly elaborated through phenomenological thinking and pertinent concepts such as “relevance structures”, “being-in-the-world” or “entwinement with others and things” (see Sandberg and Dall’Alba 2009, Ortmann 2010a). Another example is the concept of “responsiveness” noted above: it is present within the strategic management discourse (e.g. in Kirsch 1992 and in the “flexible response”, as expounded by Ansoff 1984) but can benefit considerably from the insights of
the German philosopher and phenomenologist Bernhard Waldenfels. His opus magnum, Antwortregister (1994), is about answering and responding (“antworten”) as an important dimension implied by human action – and by “passion” in the sense of suffering or of being subject to what happens to one, e.g. to strategists (Ortmann 2010a). There is a considerable danger of forfeiting the richness and national diversity of European thinking in the course of what we referred to as international “unification”. (Needless to say, this applies to, say, French or Danish philosophical traditions as well, e.g. to Bergson’s approach to time or Michel de Certeau’s idea of “consumption as production of usages”, or to Kierkegaard’s concept of decision, respectively.) Given these entanglements of international collaboration it may be appropriate to end with another oxymoron: let’s live and work apart together!

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6 See de Certeau (1988). Ortmann (2003b, pp. 185–209) and Suominen and Mantere (2010) made use of this idea in order to conceptualize the practices of strategists and other actors as creative and possibly deviant ways of “consuming strategies” (see also Whittington 2003, p. 121). We consider this as a more fruitful conception, compared to the more deterministic concept of habitus in the sense of Bourdieu.
References:


Fig. 1: Strategy and structure: recursive relationship

strategy
(set of rules and resources with strategic relevance; short-lived, temporary)

structure
(set of rules and resources with operative relevance; long-lasting)