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Applying Critical Discourse Analysis in Strategic Management Research

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Critical discourse analysis has become an increasingly popular methodology in organization and management studies. In this article, the authors explore the potential for this methodology to be more widely used in strategic management research. They begin by identifying three research approaches that, to a greater or lesser extent, share a concern with the relationship between language and the formulation and implementation of strategy—strategy as a system of shared meaning, strategy as text and talk, and strategy as truth. They then discuss how critical discourse analysis can be used to extend and develop these approaches by exploiting their underlying complementarities. Finally, using the example of a recently completed case study of strategic change in a large banking and financial services institution, they explore the practical implications of applying critical discourse analysis in strategic management research.

Keywords: strategy; social construction; critical discourse analysis; power; strategic change

Discourse analysis provides a theoretical and methodological framework for exploring the social production of organizational and interorganizational phenomena (e.g., Alvesson & Kärreman, 2000; Hardy, 2001; Phillips & Hardy, 2002). In addition to an ever-growing number of articles (see Figure 1), there is now a conference dedicated to organizational discourse,¹ a handbook devoted to the subject (Grant, Hardy, Oswick, & Putnam, 2004), and several special issues have been published (e.g., Organization Studies Vol. 25, Issue 1). All in all, it is clear that “discourse analysis has become an increasingly popular method for examining the linguistic elements in the construction of social phenomena. . .[and] has been increasingly adopted by organization and management scholars” (Vaara, Kleymann, & Seristo, 2004, p. 3).

Although there are several distinct approaches to discourse analysis, they all share an interest in exploring how organizations, industries, and their environments (i.e., their broader social contexts) are created and maintained through discourse. As Hardy (2001, p. 25) argued, “Scholars are increasingly conceptualizing societies, institutions, and identities as discursively constructed,” and discourse analysis provides tools for investigating this process. Discourse analysis not only involves “practices of data collection and
analysis, but also a set of meta-theoretical and theoretical assumptions and a body of research claims and studies” (Wood & Kroger, 2000, p. x). It focuses on the production of texts as a fundamental part of the construction of organizational reality and provides a theoretical frame and methods of data collection and analysis (Gergen, 1999; Phillips & Hardy, 2002).

Although discourse analysis has become increasingly common in many areas of organization and management research, the same level of influence has yet to be felt in strategy research. In this article, we discuss how one form of discourse analysis, critical discourse analysis (see Fairclough, 1992, 2005), has significant potential to inform strategic management research. We identify three approaches in strategic management research that we believe are particularly amenable to the application of critical discourse analysis. We also show how critical discourse analysis can help us to understand the common themes addressed by these approaches through an engagement with their underlying interest in language and meaning as they pertain to strategy formulation and its implementation. Ultimately, our aim is to show how critical discourse analysis can provide a methodological framework for developing and extending these approaches, both individually and in combination. Our first step along this path is to set out our understanding of critical discourse analysis.

**Critical Discourse Analysis**

Critical discourse analysis was developed by Norman Fairclough and his colleagues (Fairclough, 1992, 2005; Fairclough & Wodak, 1997) as a response to earlier analytical approaches that he felt either focused too narrowly on the micro-linguistic aspects of discourse while neglecting its more macro social aspects or vice versa. Fairclough holds up researchers such as Sinclair and Coulthard (1975) and Potter and Wetherell (1987) as examples of the former tendency. Although their work is helpful when it comes to analyzing the micro processes of communicative interaction, it is much less useful in explaining how the social world is produced through acts of intersubjective meaning making.

In contrast, Fairclough identifies Foucault as an author who has much to say about the connection between discourse and the dynamics of social systems—in particular, power relations (see Clegg, Courpasson, & Phillips, 2006)—but without addressing the everyday processes of language use and meaning making. This is particularly the case with Foucault’s earlier “archaeological” method that deals with broad historical sweeps of discourse and, therefore, operates at a very high level of abstraction (Dreyfus & Rabinow, 1982).

To establish a methodological link between the micro scale of everyday language use and the macro scale of social structure, Fairclough (1992) has treated language use as a form of social practice—discourse is shaped and constrained by social structures, whereas discursive practice will simultaneously shape the social structures that constrain it. In this way Fairclough is positioning himself in close proximity to Foucault’s “genealogical” approach as it is through discourse as social practice that social structure becomes manifest. In other words, discourse contributes to all of the levels of social structure that act
back to constrain it, and there is a complex and recursive relation between the texts produced in social interaction, discourse, and social structure.

This insight allows Fairclough (1992) to bring together three methodological traditions: (a) the close textual and semiotic analysis of linguistics, (b) the analysis of social practice in relation to the social structures associated with macro-sociology, and (c) the interpretivism of micro-sociology whereby social practice is actively produced by people sharing commonsense procedures. The resulting framework (see Figure 1) is a theoretically and methodologically parsimonious attempt to combine an interest in textual production with an interest in social structures through the addition of the intermediate concept of a discourse as both a collection of texts and the social practices through which they were produced, distributed, and interpreted. The relation of discourse and social structure is dialectical and mutually constituting because discourse can be considered as both an object and a practice. Similarly, discourse is continually and recursively acting on individual meaning making through the operation of texts.

Critical discourse analysis posits three categories of social phenomena that are produced out of this relationship between text, discourse, and social context. First, subject positions are locations in social space from which actors produce texts. Different subject positions are
associated with different rights to produce new texts (Laclau & Mouffe, 1985; Parker, 1992), with some individuals warranting a louder voice than others, whereas others may warrant no voice at all (Potter & Wetherell, 1987). Inhabiting certain subject positions affords actors a degree of agency in producing texts that may subsequently affect discourse.

Discourse also produces the “expressive sphere of culture” (Harre´, 1979)—that is, the set of concepts through which we understand the world and relate to one another. Critical discourse analysis regards these as social constructions that arise out of structured sets of texts that exist solely in the realm of ideas. Discursive acts that are intended to redefine concepts are attempts to fashion preferable social relations and depend for their success on resources—such as access to channels of dissemination and writing or rhetorical skills—that are available to the actors producing the text.

Finally, when concepts are brought into play to make sense of social relations or physical objects, then the discourse has constituted an object. Objects and concepts are obviously closely related. The primary difference is that although concepts exist only in the expressive sphere, objects are part of the practical order—that is, they are real in the sense that they are afforded a particular status in the material world. For example, there is something substantially different between the concept of a “false memory” (i.e., a psychological condition that advocates would like to see formally recognized as a psychiatric syndrome) and a particular individual’s false recollections of childhood abuse (Hacking, 1999). Importantly, the emergence of the concept of false memory precipitates a proliferation of previously unreported false memories by individuals who are subsequently diagnosed as having false memory syndrome. Here, the constitutive relationship between concept, object, and subject becomes clearer: There are significant practical implications for those who see themselves as having false memories (i.e., they take up the subject position) and are seen by others as having false memories (i.e., they become defined as an object) because they report experiences that satisfy the diagnostic criteria of false memory syndrome (i.e., the application of the concept).

In a similar way, organizations and other social phenomena can be seen to depend on the discursive construction of complex sets of concepts and the application of these concepts by members to make sense of their experience. By successfully modifying the discourses that underlie important concepts and/or important objects, the social relationships that depend on these concepts and objects can be influenced. Engaging in discursive practices such as creating and disseminating texts is, therefore, a highly political act: a struggle for power in and around organizations that seeks to determine the nature of concepts and subject positions and to control how the resulting objects are understood and treated. Importantly, subjects who have the right to produce texts—that is, to engage in discursive practice—also have the possibility of shaping concepts, objects, and subject positions (Hardy, Palmer, & Phillips, 2000). The result is, not surprisingly, an ambiguous and contested set of discursive structures full of contradiction and subject to continuous negotiations as to their meaning and application. Interposing discourse as the connection between texts and social context (as shown in Figure 2) provides a frame for the consideration of how the production of sets of texts leads to change or stability in the social context and vice versa.

In management research more generally, discourse analysis has been applied in a number of areas. For example, Munir and Phillips (2005) examined how the meanings and uses of new technologies were discursively constructed. Other important examples include
Tienari, Soderberg, Holgersson, and Vaara (2005), who used discourse analysis to examine the construction of understandings of gender inequalities in corporate hierarchies; Doolin (2003), who applied ideas from discourse analysis to understand processes of organizational change; and Phillips, Lawrence, and Hardy (2004), who used discourse analysis to develop a theory explaining the process of social construction underlying institutionalization.

Despite this growing enthusiasm for discourse analysis in management and organization studies more broadly, its application of strategy has lagged behind some other areas of the discipline. This observation leads Vaara et al. (2004, pp. 1-2) to the conclusion that strategy research has paid little attention to the discursive processes involved in strategizing. Many scholars have probably felt that the social construction of reality is outside the core of strategy research and
should be left to the sociologists. Others have viewed the rhetorical or discursive as interesting side issues, but not as important as the “real” processes involved in strategizing. In fact, few strategy scholars have explicitly taken up the role of discourse in strategy work.

It is this gap in the application of discourse methods that provides us with the opportunity we will exploit in this article. In the following section, we identify three approaches to the study of strategy that together provide us with a solid grounding in matters relating to the language and practice of strategy. Our intention is to use these approaches as points of departure for an extension of critical discourse analysis in strategy research.

Discourse and Strategy: Three Distinct Approaches

In examining the strategic management literature, it is clear that discourse analysis has more of an affinity for some streams of research than others. In particular, areas of research with a concern for language and meaning are obvious candidates for the application of discourse analysis. Beginning with this premise, we began to examine the literature and discuss among the authors which areas of strategy were most conducive to this approach. We also discussed our query with several experts who provided us with further ideas and helped us to refine our list. In the end, we chose three areas of research: strategy as a system of shared meaning, strategy as text and talk, and strategy as truth (see Table 1). We believe that, despite their important epistemological and methodological differences, critical discourse analysis can both contribute to the individual development of these three approaches and also allow us to combine them in the study of strategy formulation and implementation. Each individually focuses on only one of the levels of analysis that Fairclough identified. Critical discourse analysis provides a framework for expanding the view of each of the approaches as well as indicating underlying commonalities of interest that point to a broader approach to the study of strategy from this perspective.

Although we identified the three approaches deductively—that is, we used our knowledge of discourse theory and strategy research to predict their existence—we also undertook a simple bibliometric analysis to submit our claims to a degree of validation and to identify exemplary articles. This revealed three articles representing our three approaches that had each been cited by other authors more than 100 times as of November 2006, according to the Social Sciences Citation Index: for Barry and Elmes (1997), 108 citations; for Knights and Morgan (1991), 133 citations; and for Prahalad and Bettis (1986), 321 citations. These three articles will be used as exemplars when discussing the three approaches.2

Strategy as a System of Shared Meaning: Organizational Logics and the Level of Social Context

According to Prahalad and Bettis (1986), a dominant organizational logic is “a mindset or a world view or conceptualization of the business and the administrative tools to accomplish goals and make decisions in that business” (p. 490; emphasis added). The use of terms such as mindset, world view, or conceptualization suggests that creating an organizational logic involves the use of concepts taken from the expressive sphere of culture.
Table 1  
The Ontological, Epistemological, and Methodological Characteristics of the Three Approaches to Strategy Research

<table>
<thead>
<tr>
<th>What does it study? (ontological concerns)</th>
<th>How is this operationalized? (epistemological/methodological concerns)</th>
<th>Methods adopted</th>
<th>Exemplary Conceptual References</th>
<th>Exemplary Empirical References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy as a system of knowledge that rules in and rules out what organizations can and can’t do</td>
<td>“Genealogical” study of strategic texts Ethnographic study of talk &amp; practice as a response to strategic texts</td>
<td></td>
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</tbody>
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and, in this way, Prahalad and Bettis demonstrate some weak ontological affinities—and we would put it no more forcefully than that—with approaches like social constructivism (Van de Ven & Poole, 1995), and its variants such as neo-institutional theory (DiMaggio & Powell, 1983), that emphasize the formation of shared cognitive structures.3

This lends weight to our basic claim that organizational logics can be studied as cases of intersubjective meaning making that use discursive resources from outside the organization to achieve consensus around its strategic ends and the means adopted to achieve those ends. This is consistent with Prahalad and Bettis’s (1986) conception of a dominant logic as a shared cognitive structure or template of how a particular firm should conduct itself that, in turn, leads managers to see the world in particular ways and, on that basis, go on to choose familiar solutions to similar problems. Thus, a dominant logic creates consistency in action and similarities in outlook among managers that can be operationalized using methods able to reveal structures of cognition or cultures that are, at least in part, external to the organization. One example of this would be a study of the assimilation of management fashions by
organizations (e.g., total quality management) under the influence of societal norms of rationality and progress (Abrahamson, 1996).

Interestingly for us, Prahalad and Bettis (1986) appear implicitly to acknowledge the possibility of developing a constructivist account of how logics emerge through intersubjective meaning making when they point to the usefulness of using a “historical approach” to appreciate the influences acting on senior managers as they formulate and implement strategy. However, their own research is firmly located in the positivistic methodology of the strategic management mainstream. This is expressed through their contention that the most pressing challenge facing researchers (indeed, the challenge they urge other strategic management researchers to take up) is to identify those aspects of a logic that are critical to a firm’s success using quantitative comparative research (Prahalad and Bettis, 1986).

It is clear from our bibliometric analysis that Prahalad and Bettis’s (1986) approach has had a significant impact on the thinking of other strategy scholars, although subsequent efforts have tended to concentrate on theoretical refinement rather than empirical investigation. The small amount of empirical work that has taken up Prahalad and Bettis’s challenge to operationalize dominant logics in empirical research has been primarily quantitative (as they predicted)—for example, Lampel and Shamis’s (2000) study of General Electric’s joint ventures between 1984 and 1993 used quantitative data to assess the effect of the corporation’s dominant logic on the success of its joint ventures. We contend, however, that strategy researchers can augment their quantitative research by emulating qualitative and historical studies (e.g., Thornton & Ocasio, 1999) that follow the development of organizational logics as systems of shared meaning that, in part, have their origins outside the organization. This would generate findings on the formation and ongoing maintenance of those social practices that create and sustain a particular organizational logic over time—such as the complex relations of power and knowledge that, in Prahalad and Bettis’s terms, impinge on the mindset, worldview, or conceptualization of the business and the administrative tools it uses to make effective decisions and accomplish its goals. From a critical discourse perspective, such research would align with Fairclough’s level of social context, leaving open the opportunity for it to be combined with other interpretive approaches at the levels of text and discourse.

Text and Talk: The Rhetoric of Strategy and the Level of Text

Our second approach is exemplified by the work of Barry and Elmes (1997). They seek to address questions such as the following: Who gets to write and read strategy? How are these acts of reading and writing linked to power? Who is marginalized in the reading/writing process? They take their inspiration from the “narrative turn” in organizational research (e.g., Boje, 2001). Like Prahalad and Bettis (1986), strategies are seen as systems of meaning making that compete for influence in the organization, but the focus is on how characteristic rhetorical skills and devices increase or undermine the credibility of a strategy by, for example, making it appear “authoritative” and objective (Barry & Elmes, 1997). In this way, their research focuses on the construction, through the rhetorical deployment of interwoven texts, of strategy as a social object sui generis rather than its role as an independent variable that may have some measurable impact on organizational performance. Thus, this approach is interested in how strategy gets written, by whom it
gets written (i.e., the “authoring” process), and how it is disseminated (i.e., the “texts and talk” that surround strategy).

We have identified Suddaby and Greenwood’s (2005) study of a merger between an accountancy and law firm as an operationalized exemplar of this approach. They focused on the construction of strategies by examining the competing text and talk that were deployed in each firm that built up “institutional vocabularies”—that is, the key identifying words and referential texts that conveyed the competing “institutional logics” of what it means to be a professional in each of the respective firms. This was augmented by a study of the politically contested development of the different theorizations of how the merger should proceed.

To examine the authoring and dissemination of the change strategy, Suddaby and Greenwood (2005) almost exclusively restricted themselves to studying transcripts of testimony to the American Bar Association Commission to Study Multi-Disciplinary Practice and to the Securities and Exchange Commission Public Hearings of Auditor Independence. A two-stage content analysis of the transcripts was conducted using a proprietary software package. Adapting Merton’s (1957) nomenclature, the first stage focused on manifest content—that is, the explicit vocabularies present in the text. The second stage then focused on classifying latent content—that is, implicit meaning—using a range of contemporary and classical rhetorical categories that indicated the source of the texts’ persuasive force. It is important to note that these formalized texts were taken to be proxies for the rhetorical strategies that were played out in the merging professional firms.

From our perspective, this approach’s use of characteristic textual and sociolinguistic methods (such as conversation or content analysis) firmly locates it in within Fairclough’s micro tradition of social research, and therefore it primarily operates at critical discourse analysis’s level of texts. Thus, it provides a clear example of how research can proceed to consider the rhetorical construction of texts, and from a critical discourse perspective, it necessarily has an implicit concern for organizational power and politics. It does not, however, engage directly with the broader social context and so does not directly address how these texts combine to inform a strategy as a system of shared meaning that has a causal impact on the conduct of organizational members. There is, therefore, a gap between research at the level of social context (cf. Prahalad and Bettis, 1986) and research at the level of text (cf. Suddaby & Greenwood, 2005) that can be filled by studies operating at critical discourse analysis’s intermediate level of discourse.

**Strategy as Truth: Working Between Text and Social Context Through Discourse**

Research operating at the intermediate level of discourse came to prominence as part of the groundswell of interest in “critical management studies” that occurred in the 1990s. Although this movement encompasses diverse theoretical positions, from the perspective of discourse, it largely takes its inspiration from the work of Michel Foucault, especially his identification of a discourse as a coherent system of knowledge that rules in certain ways of thinking, doing, and being (and rules out alternatives). In this way, strategy has “truth effects” that those who make it, enact it, or even study it often fail to recognize (Grandy & Mills, 2004; Hendry, 2000). Considering strategy in this way lends itself to
dealing with the quotidian social practices that continuously reinforce the “truth” of the discourse and, therefore, reproduce it (Samra-Fredericks, 2005). As one of the earliest and most influential examples of this approach, Knights and Morgan (1991, pp. 262-263) argued that strategy has, among others, the following truth effects:

a. It explains management’s success or failure by reference to the strategy in question (i.e., managers did/did not implement the strategy effectively).

b. It presents managers as experts who have a privileged access to a specialist body of knowledge (i.e., managerial prerogative is justified in terms of strategic expertise).

c. It legitimates the exercise of power by certain groups over others (i.e., those who can claim to be in charge of the destiny of the organization have more influence than those who cannot make this claim, such as managers versus engineers).

d. Discourse creates characteristic categories of persons—for example, “good” managers who implement the strategy and “recalcitrant” employees who resist its implementation (i.e., subjectivity is forged through engaging in strategic discourse and practice).

Thus, the impact of the day-to-day social and political effects of strategy on the conduct of the organization’s members is the principal focus of this approach, rather than the strategy’s impact on the performance of the organization as a whole. As such, it is the local and quotidian effect of discourse as a “technology of power” (Foucault, 1997) that is operationalized in empirical research. For example, Knights and Morgan (1995) have reported how a strategy of improving performance through the introduction of information systems emerged in a life insurance company, only to be quickly abandoned when other strategic priorities arose. This used historical and documentary research of extant discourses, augmented by interviews and nonparticipant observation, to gather micro data to see how the texts were taken up or resisted by individuals. In this way, it steers a path between the historical construction of grand narratives that make up strategies as systems of shared meaning (cf. Bettis & Prahalad, 1995; Thornton & Ocasio, 1999) and strategy that is instantiated locally through talk and text (Barry & Elmes, 1997; Suddaby & Greenwood, 2005).

Meaning, Truth, and Text/Talk: Combining Three Levels of Analysis

In this section, we will explore how critical discourse analysis can provide a framework that methodologically unites and extends our three approaches to strategy. As we previously noted, by introducing the concept of discursive practice, Fairclough sought to forge a link between the macro and micro traditions of social inquiry using the meso level of discourse. Thus, although each of the approaches we have identified above aligns with the macro, micro, and meso foci of critical discourse analysis respectively, if each one is pursued in isolation, then the resulting research program will fail to satisfy Fairclough’s combinatorial objective of developing a broad-based understanding of the production of complex social phenomena. Thus, we must demonstrate how critical discourse analysis can provide an integrative framework that supports a viable, fecund, and inclusive research program in strategic management. In this section, we therefore present an example of an empirical case study drawn from a research program of one of the authors.
**Transform: Applying Critical Discourse Analysis in Strategic Management**

“Big Bank” is a large international banking and financial services institution. It was founded in the early 19th century and, in 2006, was one of the world’s top 50 banks as measured by turnover. It currently has approximately 30,000 employees worldwide. These are spread across 16 business units, including retail banking, investment banking, corporate banking, wealth management, insurance, and foreign exchange trading.

In 2000, the CEO of Big Bank commissioned “Big Consulting” to undertake a 6-month review of strategic operations across all business units. This review was directed at identifying strategies that would improve the bank’s international competitive position. As part of this review, Big Consulting applied a proprietary diagnostic model of organizational values and development known as “Perform and Grow” to identify and measure Big Bank’s employee attitudes and relate them to its performance. As a result of this diagnostic activity, Big Consulting identified that the transformation of employee attitudes was essential to create, as their report described it, a “high-performing organization.”

In order to take advantage of this opportunity, Big Consulting devised a strategic change program that was to be rolled out during 5 years and became known as “Transform.” Big Consulting then went about selecting employees at all levels from across the business units who best displayed the attitudes deemed to be desirable in a high-performing organization. Those selected then underwent training conducted by a specialist facilitator—“Small Consulting”—so that, on return to their units, Transform Champions were prepared for their roles as agents of strategic change who, by using example, exhortation, and instruction in formal and informal settings, would “cascade” these desirable attitudes throughout the organization. The aim was to align the attitudes of all employees with the strategic objectives of Big Bank within 5 years. At the end of each year, Big Consulting administered an “Engagement and Culture Survey” to evaluate the incremental success of the change program. Before Transform began, “cost reduction” was reported as the value most evident in Big Bank’s culture by employees, but by 2006 “profit,” “customer focus,” and “community involvement” were the top three reported values. At the time of writing, the Transform program was still in operation, although this was deemed to be an indication of its overwhelming success rather than its failure to achieve stated objectives within the 5-year time frame.

One of the authors of this article was involved in an extended period of data collection directed at the language and practice of Transform. Initial contact was made with Big Bank in May 2002 and an agreement was reached for the Transform rollout to be the focus of a longitudinal case study. This provided us with an excellent opportunity to pursue Fairclough’s combinatorial objective: Not only were Big Bank and Transform intrinsically interesting foci for research, but also the program’s heavy reliance on text and talk to pursue its strategic objectives made it an ideal site for the application of critical discourse analysis. The research project continued until September 2005, and as we shall detail below, data were collected by assembling a broad range of textual material associated with the Transform program as well as through participant observation of Transform Champion training sessions and interviews with program participants. Furthermore, at all stages of the rollout, the researcher was able to obtain direct and regular access with people at all levels of the organization, including senior executives of Big Bank, senior partners in Big Consulting, Transform Champions, and individuals who came under the direct
and indirect influence of Transform Champions in the business units. To take advantage of the potential richness and extent of the data, our initial move was to develop a discursive model of strategic change based on a critical appreciation of the extant theoretical and empirical literature (see Figure 3). A detailed discussion of the development of the model is beyond the scope of this article, but below we address the methodological implications of its operationalization in the Big Bank case.
Social Context: Creating “Meaning” in Transform

The principal challenge facing the researcher operating at Fairclough’s analytical level of social context is to identify how external discourses are imported to the organization from the expressive sphere of culture to establish intersubjective meaning. As we noted earlier, one way to consider this would be to establish the extent to which strategies align with external norms of rationality and progress (see Abrahamson, 1996). Although this approach is useful, it nevertheless assigns a rather passive role of legitimation to external discourses. In the case of Transform, however, we were more interested in determining the extent to which the social context was actually constitutive of the strategic change program—for instance, how discourses originating outside Big Bank informed the formulation and implementation of strategy and how they ended up being represented in internal discourses. To do this, we subjected the documentation produced by Big Consulting and Big Bank prior to and during the Transform rollout to a textual content analysis. This revealed a number of recurrent themes that allowed us to identify two key “Grand Discourses.” The first—“Business”—was not particularly surprising given Big Bank’s status and its strategic objectives. Our use of follow-up interviews with the authors of these texts (employees of Big Bank and Big Consulting), however, augmented our content analysis by revealing that the recurrent terms we identified—such as changing environment, bureaucracy, and culture—were intentionally invoked to depict Big Bank as an anachronistically paternalistic and inflexible organization that was ill-equipped to deal with the competitive demands of today’s financial services sector. The second Grand Discourse—“Science”—was more unexpected but linked well with the aforementioned Grand Discourse of “Business”: At a superficial level, seeing Transform as a scientific enterprise lends it a degree of legitimacy through its alignment with societal norms of rationality and progress (cf. Abrahamson, 1996), but through follow-up interviews with the authors of the texts, it became evident that there was a desire to represent the program as the strategic manifestation of the operation of unambiguous and universal laws of human behavior and social interaction. This is important because presenting a discourse in a naturalized manner in this way conveys the sense that there are also no alternative approaches beyond the one enshrined in the formal strategy documents. This enabled the authors of Transform to characterize any opposition to the program as an irrational response to a set of scientifically derived facts (Marcuse, 1964). In this way, the two external Grand Discourses complemented each other—the “adapt or die” message of Business created a sense of urgency, whereas the naturalism of Science created a sense of the program’s inevitability that were ultimately manifested in the truth effects of the internal discourse of Transform. In other words, the strategic ends and the means of achieving those ends were both sound and unchallengeable.

Discourse: Truth and Its Effects at Transform

The principal challenge facing the researcher operating at Fairclough’s analytical level of discourse is to identify the subject positions that are authorized by the internal discourse and show how these define the limits of right conduct in the organization. By identifying subject positions, we gain a valuable insight into the truth effects of discourse. In Transform, the most obvious subject position to investigate was the Transform Champion.
We used a combination of content analysis of Transform documents and participant observation in training sessions to identify the idealized identity of the Transform Champion. This was someone deemed to be “emotionally intelligent,” a quality that was disaggregated into “self-awareness,” “self-management,” and “motivation.” Champions were also expected to demonstrate high levels of “leadership” through “social competence” and “personal mastery” while being “talented and values-driven.” Such qualities were the product of the “high-performance minds” possessed by true Champions who would—through example, exhortation, and instruction—build “trust” in Big Bank and foster a collective “creative mindset.” When presented here in this abbreviated format, such qualities may have the appearance of a random set of platitudes, but it became particularly evident through our participant observation of the training sessions that they were being continually linked together by the trainers through the Grand Discourse of Business and Science—not only were such characteristic qualities sources of competitive advantage, but they had also been proven to be so by scientific investigation. This was again a crucial move in our data collection at Fairclough’s analytical level of discourse for, by refusing to restrict ourselves solely to the realm of printed texts (cf. Vaara et al., 2004), we were able to observe discursive practices as they unfolded. Importantly, the potential truth effects of the Transform discourse became evident during our participant observation of these training sessions—trainees were frequently reminded that employees who ultimately failed to demonstrate the qualities embodied in the idealized identity of the Transform Champion (as measured using “scientific” instruments such as psychometric and EQ tests) would be impediments to the implementation of Big Bank’s strategic-change efforts and would consequently be seen as liabilities rather than assets.

From a critical discourse perspective, the authorized discourse of Transform that we identified through our textual analysis and participant observation is only one side of the story. To be true to the perspective, we also needed to obtain evidence of how the attendant subject position of Transform Champion was taken up by the trainees. Again, our participant observation of the training program yielded rich data on this matter. Thus, during the course of the training, it became evident that a sizable minority of trainees enthusiastically embraced Transform, finding the Grand Discourses of Business and Science persuasive and the training techniques beneficial as they strived to become a Transform Champion. This constituted an act of acceptance. Another sizable minority, however, found the experience “childish,” “patronizing,” and even “cult-like.” These comments were much more likely to be expressed in informal sessions such as the break times and evening social events we attended (reflecting a “front-stage/back-stage” presentation of self; Goffman, 1959), but in formal training sessions, members of this disgruntled minority were more likely to resist by disengaging or absenting themselves altogether (e.g., by feigning illness). This constituted an act of overt resistance. There was, however, a third group we observed who, though expressing a degree of cynicism about the program in private, participated with apparent eagerness in the formal sessions while trying to subvert the process through the subtle deployment of humor, ridicule, and other covert forms of ironical resistance such as overidentification or “flanneling” (see Fleming & Sewell, 2002). This constituted an act of appropriation or covert resistance—a case of saying one thing and doing another (cf. Meyer & Rowan, 1977).
Text: Text/Talk at Transform

The principal challenge facing the researcher operating at Fairclough’s analytical level of text is to identify the local narratives that are developed in response to the truth effects of discourse. These narratives may be in the form of written texts—for example, a Transform Champion reporting back on the success (or otherwise) of the Transform program as they take responsibility for cascading the program after receiving training. Our examination of such texts revealed them to be authoritative narratives, in that they acknowledged the legitimacy of the subject positions articulated within the internal discourse of Transform and even used its associated language (e.g., when senior managers undertook the annual “Engagement and Culture Survey”). As such, authoritative narratives are likely to reinforce the discourse of Transform. In contrast, narratives that dissent, to a greater or lesser extent, from the discourse of Transform are unlikely to be found in formal texts, not least because it creates a paper trail back to the author, potentially exposing them to the threat of disciplinary action. This is a problem for research projects that rely solely on officially produced texts (e.g., Suddaby & Greenwood, 2005) in that they only pick up the effects of acceptance and can tell us little about resistance to the truth effects of discourse. To overcome this challenge, we conducted a series of interviews during an extended period in several of the business units after the Transform Champions had returned from the training program. Interviewees included the Champions themselves as well as colleagues who were expected to come under the Champions’ influence. This allowed us to identify alternative accounts of Transform articulated in the form of talk that we would never have picked up if we had relied on official texts alone. These included the effects of resistance in the form of counter-narratives that overtly challenged the discourse of Transform (e.g., expressing a concern for its “religious feel” or rejecting “science” in favor of “gut feeling”). In addition we also observed the effects of appropriation or covert resistance in the form of the ironical narratives (e.g., individuals who found the discourse of Transform persuasive and used it between themselves but reported a lack of any real support from Big Bank when they tried to “live the Transform life”). Importantly, if these counter or ironical narratives gained sufficient currency and took hold on a wide scale in Big Bank, then they could eventually challenge the credibility of the discourse of Transform and could lead to the program’s modification or cancellation. Our experience, however, was that instances of these counter and ironical narratives were sporadic and isolated. This is not to say that satisfaction levels were high and resistance was weak. Rather, we attribute this to the power of the authoritative narratives to silence alternatives, at least in formal settings, which suggests that when researchers are operating at Fairclough’s level of text, they should pay particular attention to adopting methods of data collection that will yield examples of counter and ironical narratives.

Discussion and Conclusions

We would like to begin our final section by introducing an important caveat: We do not believe that adopting a critical discourse approach in any way supersedes existing research programs that currently operate within the confines of the three analytical levels we have
identified. Thus, although Prahalad and Bettis’s (1986) favored methodology is the least obviously “discursive” through its expressed interest in quantifying the impact of organizational logics on performance, as we have argued, it still ontologically shares much with the tradition of discursive research dealing with macro structures. As it stands, however, theirs is a “top-down” approach in which logics are seen as an extant and unvarying social fact. Although this, of course, has important ramifications for the way that an organization is seen to pursue a logic successfully, little is said about what those logics actually consist in and how they come to be like that. Connecting these discussions with critical discourse analysis, we can address both matters: Logics are a special sort of concept and they are constructed in discourse. This is particularly important from the point of view of encouraging further empirical research on strategies as systems of shared meaning, which has, to date, been rather limited. We would argue that this is, at least in part, because of the limitations of applying quantitative methods to the study of a cultural construct like an organizational logic. Thus, although quantitative research has been extremely useful in describing the character and extent of particular logics, it has not been as effective in understanding how they are socially constructed and how they change. As a result, our first major recommendation is to extend research into organizational logics using historical and interpretive methods (cf. Thornton and Ocasio, 1999).

Making this initial move provides an opportunity for critical discourse analysis to present a well-developed framework for taking empirical research forward that sets out the methodological criteria we use: (a) to select the sets of texts that are at play in organizational strategy, (b) to explore the ways in which dominant logics are constructed through the production of those texts, and (c) to identify the actors who were influential in this process. The concept of discourse provides the critical link between the production of texts and the effect of this activity on the social context. Where existing studies have focused narrowly on the effects of dominant logics on organizations, critical discourse analysis provides an approach to understanding how the dominant logic has come to be and who was involved in its production.

In contrast, considering strategy exclusively as talk and text has the opposite problem from seeing it solely as a system of shared meaning. Rather than concentrating on the social context at the expense of the textual level of analysis, this approach comes at the problem “from the bottom up.” The focus is on the way that texts are constructed and the way that arguments are made at the micro scale. The link between the level of empirical analysis and the broader social context is not considered. The addition of a critical discourse analysis perspective thus provides this link and emphasizes the connection between the micro level and the macro level. In addition, it provides the sort of structured methods of analysis that will build directly on the micro level of analysis that is already familiar in this literature.

Finally, as noted above, focusing on the truth effects of strategy enables a consideration of the macro scale (whereby strategy making and dissemination has a significant impact on the social context of organizations) while also referring to texts at a micro level by providing examples of how organizational members talk and write about strategy. From our point of view, what is missing from this engagement with strategy at the moment is a concern with discourse as social practice. In other words, although some texts are examined, they are not examined in a systematic way as a part of a larger discourse (Phillips &
Hardy, 2002). By introducing discursive practices as an intermediate analytic category, researchers who subscribe to this approach have the opportunity to connect together the micro level of the text with the impacts of discourse at the level of social context. By systematically studying texts, researchers can include an examination of what subject positions were available and who inhabited them, what concepts were produced, and how these concepts were used to create objects in the world. By including discourse as an analytic concept and the methods of critical discourse analysis as a research approach, this approach can substantially expand its theoretical range and empirical depth.

In conclusion, all three approaches in the strategy literature have significant methodological and conceptual gains to be made from drawing on the developing critical discourse perspective in organizational research. In particular, by using the intermediate concept of discursive practice, we can avoid the perennial problem in social research that is conveyed by the Sorites (or “heaps”) paradox. Imagine a heap of sand. If we remove one grain, it still remains a heap. But if we continue removing grains one at a time, our heap will eventually become a collection of individual grains. Because we can never identify the exact point at which, by removing one more grain of sand, our heap becomes a collection of individual grains (or by adding a grain, our collection of individual grains becomes a heap), we cannot logically differentiate between individual and collective entities.

Applying this paradox to the matters at hand in this article, we might well ask: When do enough individual sense-making acts constitute a macro social phenomenon and, conversely, how can a macro entity like a dominant logic be disaggregated into individual sense-making acts? By providing a segue from the macro, through the meso, to the micro level and back again, critical discourse analysis provides a unique approach to exploring the processes of social construction from which macro–social phenomena and acts of individual sense making emanate. The rapidly developing literature on critical discourse analysis more broadly attests to the usefulness of the approach in exploring social phenomena; in this article, we have argued for the equal usefulness of critical discourse analysis in exploring topics in strategy research.

We do not, however, want to leave the reader with the impression that the application of critical discourse analysis in strategy is straightforward; like most qualitative approaches, it requires the kinds of “craft skills” that can only come “through learning by doing.” In particular, there are three important problems facing researchers wishing to adopt a critical discourse perspective in their work. First, there is the problem of combining analysis at three levels in one article-length work (cf. Vaara et al., 2004). Like ethnography, discourse analysis results in quite lengthy analyses that are often a poor fit with the requirements of journal editors. This problem requires careful and innovative approaches to the presentation of findings to ensure that the work is sufficiently succinct. Second, discourse analysis often involves major data-management issues because of the volume of data that is often available. The sorts of documents that are commonly used—publicly available material like newspapers or internal memoranda or e-mails—are often very numerous and require either some sort of sampling or an innovative approach to data management. Finally, and perhaps most important, as this is a fairly new area of activity, there are few standard models available to follow. Although there are various descriptions that are helpful (e.g., Alvesson & Kärreman, 2000; Hardy, 2001; Phillips & Hardy, 2002), there are few recognized standard
methods that ensure the acceptance of empirical work by reviewers. Developing innovative
data analysis techniques for each study thus remains a final challenge facing researchers.

Notes


2. Adopting the co-citation bibliometric method used by Acedo, Barroso, and Galan (2006) to study the dissemination of resource-based theories of strategy would have undoubtedly yielded more robust results here. We chose not to undertake such an analysis, however, for reasons of scale and purpose. The co-citation method is resource intensive and although it can be used to develop discrete categories of published research based on their use of common key citations, our argument does not rely on demonstrating that the three approaches are mutually exclusive. Indeed, we would expect a good deal of overlap between them. In this sense, each of the approaches should itself be seen as a socially constructed exemplar of discursive research, rather than a homogenous nominal category in any positivistic sense.

3. We are not claiming that Prahalad and Bettis would consider themselves constructivists. Rather, we are highlighting that their identification of organizational logics as important objects whose extent and effects can be known using positivistic research methods pointed the way toward an interesting research opportunity for social constructivists in general, and discourse analysts in particular, that has not as yet been exploited to the full.

4. EQ (or emotional quotient) purports to be a way of representing emotional intelligence as a single figure in much the same way that IQ purports to represent cognitive intelligence (see Goleman, 1995).

5. On being exhorted by a Transform Champion to be “bold and innovative,” one employee brought his particularly noisy pet bird to work. This was an ironic take on one of the symbols of Transform—a duck that appeared calm on the surface but whose legs whirred away under the surface. Needless to say, the employee was quickly instructed to remove the bird.

References


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