STRATEGIC ORIENTATIONS IN PRACTICE

VOL. 1

Exploring the Strategy Belief Structures of Line-Managers Embedded in Practice

IAN ALEXANDER COMBE

Doctor of Philosophy

ASTON UNIVERSITY

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THESIS SUMMARY

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Recently researchers have started to investigate the cognitive strategic orientations of individual top managers and have pointed out these may be key in determining the direction and success of their organizations in terms of performance, but they have been unable to effectively operationalize this notion in empirical research and this is holding up knowledge development. To make a contribution that helps overcome this limitation a theoretical framework is developed which specifies the different possible cognitive strategic orientations of top managers as well as those of managers at lower organizational levels involved in the strategy process. This theoretical framework is investigated in the empirical phase of the study into strategic orientations in practice. Additional contributions to knowledge of strategic orientation are made in three main domains. Firstly, current knowledge of strategic orientation is largely limited to analysis at the level of the firm whereas there is a lack of understanding of any relationships with practice at lower organizational levels. The exploratory research undertaken for this thesis contributes to new knowledge of different rational, developmental and interactive strategic orientations of front-line managers and this contributes to a cognitive explanation for emergent strategy linked to strategy processes embedded in practice. In theorising the presence of different strategic orientations in practice the discussion highlights the importance of network and spatial embeddedness within enacted environments. Secondly, a contribution to further knowledge of the links between strategy processes and the content of strategies within a retail context is made. The research highlights different strategy processes used in practice by retail front-line managers in a branch network of stores and these are linked to consequences such as different objectives, performance expectations and the fulfilment of personal goals. Thirdly, a contribution to research methodology is made by addressing problems associated with the comparison of cognitive maps. The methodology used in the study allows for a better comparison of individuals' cognitive maps because of the consistent procedures used in their generation. Also by combining three cognitive techniques: sorting technique, causal cognitive mapping and laddering technique, methodological advantages are demonstrated by providing greater richness of cognitive data associated with strategic orientations than prior studies. Furthermore, the development of cognitive maps in real time during the interview process also has the advantage of generating more accurate maps and increases the reliability of inferences based on them.

Key Words: Strategizing; Strategy paradigms; Cognitive content; Cognitive maps; Embeddedness

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PREFACE

This research project is presented in the following order:

Part 1

In the literature review the relevant prior theoretical and empirical research appertaining to the topic of strategic orientation in practice is highlighted. The issues lead directly to the theoretical development of different possible cognitive strategic orientations as strategy processes that front-line managers might use in practice. These are postulated in Part 1 of the thesis.

Part 2

In Part 2 the methodology most appropriate for investigating theoretical strategic orientations in practice is discussed. Cognitive methods such as sorting technique, causal cognitive mapping and laddering technique are outlined and operational indicators of different possible cognitive strategic orientations are presented. The empirical research process, including a discussion of the research protocol and analytical methods are also outlined.

Part 3

In summarizing the empirical research findings the issues are brought together to present a detailed understanding of different strategic orientation in practice, as well as their antecedents and consequences. A model has been constructed from the empirical findings and propositions developed and these need to be tested by further research. Additionally, the empirical findings have been discussed in relation to prior empirical research and theory to consider their implications.

CHAPTER 1

INTRODUCTION

1.1 The Need for Research

Strategic orientation has been variously defined as the direction of an organization (Gatignon and Xuereb, 1997); an organization's relative emphasis in understanding and managing the environmental forces acting on it (Voss and Voss, 2000); or the elements of an organization's culture (Noble, Sinha and Kumar, 2002). Strategic orientation has been widely studied at the level of the whole organization (e.g. Camelo-Ordaz, Martín-Alcázar and Valle-Cabrera, 2003; Davis and Schul, 1993; Doyle and Hooley, 1992; Gatignon and Xuereb, 1997; Morgan and Strong, 2003; Robinson and Pearce, 1988; Rogers and Bamford, 2002; Veliyath and Shortell, 1993; Venkatraman, 1989; Wright, Kroll, Pray and Lado, 1995), because it is thought to encapsulate the different directions that firms can take to achieve performance.

Researchers have, however, started to consider that the source of any organizational direction will ultimately rest with its managers and have therefore applied the term to this level of analysis. Such researchers have defined strategic orientation as the perceptions, tendencies, motivations and desires of managers to determine future strategies (Wood and Robertson, 1997); or managers' cognitive models (Hitt, Dacin, Tyler and Park, 1997). In the few studies that conceptualize strategic orientation as a management phenomenon researchers have exclusively focused their attention on top executives within organizations. They have pointed out that top managers' cognitive strategic orientations may be key when determining the direction and success of their organizations in terms of performance, but have been unable to effectively operationalize this notion in empirical research.

Rather than study the cognitive models of top managers directly, there is a tendency to study other factors as proxies for cognition, such as the decision-making criteria and behavioural attributes of top executives (Hitt, Dacin, Tyler and Park, 1997) or demographic variables as recommended by an upper echelon approach (Hambrick and

Mason, 1984). These approaches have obvious limitations because they are not investigating cognitive constructs directly (Markóczy, 1997). In outlining a direct approach to the study of management cognition there is a need to overcome the problem of defining top managers' different possible cognitive strategic orientations as well as those of other managers at lower organizational levels involved in the strategy process. This problem has not been adequately addressed in prior research and is holding up knowledge development. In the first part of this study a theoretical contribution is made so that this problem in the cognitive domain of the strategic orientation construct can be tackled.

Another major limitation evident in the strategic orientation literatures is that knowledge is largely limited to the organizational level of analysis from a top management perspective. It is most usual for researchers to investigate strategic orientation at the level of the firm using cross-sectional studies based on a response from one member of the top management team. Such a research design has serious limitations. Not only is there an inbuilt bias to the views of top managers but also extrapolating any single manager's view to that of the whole organization undoubtedly leads to considerable errors and assumed consensus that may not be present in any one organization. What seems to be missing from the stream of research into strategic orientation is a detailed understanding of the construct operating at a cognitive level when managers are engaged in strategy practice (e.g. Rayman-Bacchus, 1996; Johnson, Melin and Whittington, 2003; Whittington, 1996). Strategy practice occurs at various management levels, but it is at lower levels that this practice is becoming more important and is least understood (Johnson, Melin and Whittington, 2003). There are several key reasons for this as outlined in a recent call by Johnson, Melin and Whittington (2003) for more activity-based strategy research at the level of front-line managers.

One main reason is that when operating in current global hyper-competitive environments the traditional linear hierarchical top-down approach to strategy is considered to be less effective (e.g. Senge, 1990; Stacey, 1995). From this traditional perspective, thinking and action or implementation are often undertaken at different organizational levels and are separate phases of the strategy process, but it has long been recognized that strategy does not necessarily get implemented as top managers expect. It

tends to emerge based on action at lower organizational levels and such emergent strategies may not be fully anticipated by the top management team (e.g. Danneels, 1996; Mintzberg and Waters, 1982). In building on these insights authors have more recently suggested that fast and innovative responses to competition require strategic decisions to be taken directly by front-line managers who interface more directly between customers and organizational capabilities (Whittington, Pettigrew, Peck, Fenton and Conyon, 1999, Johnson, Melin and Whittington, 2003). Such a cyclical experimental approach to strategy emphasizes a major input from operational practice at lower organizational levels so that the distinction between operations and strategy become blurred. These are in effect merged in practice based on front-line managers' activity and action (Eccles, 1993). Managers learn from action (Arrow, 1962; Van de Heijden and Eden, 1998) and from what works best in achieving effects (Peirce, 1878; James, 1948) [1]. This suggests that unless managers are directly involved with the implementation phase of the strategy process there are limited possibilities to learn and improve their strategizing. Well-tried strategy processes are likely to be embedded in practice at lower organizational levels and thereby contribute to effective emergent strategy, but such processes are rarely the focus of strategy research.

Another main reason for the call for more research on strategy practice at the level of front-line managers is that the processes used by these managers in practice activity are likely to be important to the sustainability of competitive advantage, because they are difficult for competitors to identify and duplicate. They have been built up over considerable time through experience based on tacit knowledge and this exacerbates the duplication problem for competitors (e.g. Johnson, Melin and Whittington, 2003). However, given the potential importance of such unique resources to competitive advantage, our understanding of the strategy processes used by front-line managers in practice activity is very limited.

In addressing current limitations to knowledge of strategic orientations in practice, the study of the action orientated belief structures of front-line managers are likely to be key in helping to understand their influence on strategy that emerges from practice activity

[1] The notion that consequences such as performance underpin action is outlined by the pragmatic philosophical school. It was first outlined by Peirce in 1878 and developed by James, Dewey and others.

(Eden, 1994; Eden and Ackermann, 1998a). Beliefs establish rules for action or habits (Peirce, 1878) and assumptions and beliefs about strategy incorporated into cognitive strategic orientations are likely to be embedded in practice activity and may be responsible for effective emergent strategies. However, this possibility does not seem to have been explored in prior empirical research and this lack of knowledge is surprising considering the potential of such research to develop our understanding of how strategy evolves. Thus, there is a clear case for the need to develop new knowledge of strategic orientations in practice at the level of front-line managers as well as study the antecedents and consequences of such orientations.

To address current limitations, a theoretical framework is developed in the first part of this thesis which specifies five different possible cognitive strategic orientations and these are explored in the empirical phase to see if they are embedded in practice. This framework is based on the contrasting assumptions and beliefs about strategy or strategy belief structures [2] found in the extant literatures (see Combe and Greenley, 2004). A front-line manager's strategic orientation could be composed of rational strategy belief structures emphasising detailed analysis and planning in management processes; it could be composed of developmental strategy belief structures emphasising building resources and learning in management processes; it is possible that front-line managers could possess deterministic belief structures emphasising that processes and factors outside their control are responsible for success [3]; it could be composed of interactive strategy belief structures emphasising dynamic emergent management processes such as those required to identify and deal with gaps or positions left by competitors; it could also be composed of chaos strategy belief structures emphasising processes to deal with different forms of unpredictability. In this study such possible strategy belief structures are outlined in a theoretical framework and are then investigated in the empirical phase to develop new knowledge of strategic orientations in practice.

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[2] Beliefs about strategy and the structural relationships between them suggest the term 'strategy belief structures' which is used throughout this thesis. The use of the term 'belief structures' is also consistent with the terminology adopted by other empirical researchers such as Walsh (1988).

[3] It is recognized that determinism is not a strategy process that managers could use in practice. However, it is possible that managers can think that deterministic processes outside their control can be responsible for success or failure so this possibility was included in the study.

1.2 Research Aims and Objectives

In this Ph. D. thesis the aim is to develop new insights that contribute to understanding and new knowledge of strategic orientations in practice. Currently, empirical research into the strategic orientation construct is focused predominantly at the organization as a whole. Empirical studies investigating the strategic orientation of individual managers within top management teams are rare, whereas empirical research into strategic orientations of individual managers in practice at lower organizational levels is seemingly lacking. From this perspective front-line managers operating at lower organizational levels are key to an understanding of how strategy is embedded in practice and how it evolves in emergent form. A problem when conducting research at lower organizational levels, however, is that operations and strategy become merged and difficult to separate. Front-line managers are involved in practices such as the implementation of business strategies within current operations and developing emergent strategies as a result of their actions in an effort to improve performance. A distinction between operations and strategy becomes problematic. The title of this thesis reflects the focus of the research on the beliefs of managers associated with strategy processes or *ways* used to achieve objectives [4]. Also implicit in the title is the notion, investigated in the empirical phase of the research, that strategy emerges from practice because it is embedded there. Such research may contribute to a cognitive explanation for emergent strategy.

When studying the strategic orientation of individual managers, researchers such as Hitt, Dacin, Tyler and Park (1997) have experienced difficulty in operationalizing a cognitive definition of the strategic orientation construct and this is limiting further knowledge development within the strategic orientation research domain. The research objectives firstly address this difficulty to overcome this barrier to knowledge development. To make a contribution that helps overcome this limitation, a theoretical framework is developed which specifies different possible cognitive strategic orientations likely to occur in practice based on the contrasting assumptions and beliefs about strategy found in the extant literatures. Following this, additional research objectives are developed to address the gap in knowledge of strategic orientation at the level of practice.

[4] Ways are placed in italics to signify that they are strategy processes used to achieve aims and objectives.

The research objectives are:

1. *To develop a framework to specify different theoretical cognitive strategic orientations.*

An deductive approach is used to develop different theoretically possible cognitive strategic orientations as strategy belief structures through an *a priori* interpretation of the strategic marketing and strategic management literatures. In this study a deductive approach was used for three reasons. First, the strategic marketing and strategic management literatures widely discuss different possible beliefs about strategy and these can be used to specify the different theoretically possible cognitive strategic orientations. In these circumstances it seems more appropriate to use this body of knowledge rather than dismiss it in favour of a grounded approach. The second and perhaps more critical reason is that several researchers such as Argyris and Schön (1974) and Prahalad and Bettis (1986) have pointed out that managers may be unable to verbalise their 'theories in use' that underpin their day-to-day activities. Therefore a grounded approach asking directly for these 'theories' seemed problematic. Third, the practice perspective is sceptical of managers' accounts of their strategy activity because they are known to use rhetoric and post-rationalize their success to researchers (Ezzamel and Willmott, 2004). Consequently, a methodology focused on direct questioning is unlikely to be fruitful.

Considering all these potential problems a grounded approach did not seem appropriate. In an attempt to overcome these potential problems, sorting technique developed from psychological research is used in the empirical phase of this study in an effort to uncover implicit beliefs or 'theories in use' which may be unconscious but used by managers in practice activity. Cognitive mapping technique is also used to explore the relationships between action-orientated beliefs.

2. *To operationalize, implement and develop the framework based on an investigation of the existence of different theoretical cognitive strategic orientations in practice through empirical research.*

To develop new knowledge there is a need to identify the different beliefs in relation to strategy that exist in individual front-line managers and the cause and effect structural relationship between these and other beliefs.

The first two objectives address the current barrier to knowledge development in the emerging cognitive stream of research into strategic orientation. They also address the lack of knowledge of strategic orientation at the level of practice by conducting the empirical research with front-line managers implementing strategy within a single organization. A large single organization was considered appropriate for the research so that managers' strategic orientations can be compared and contrasted within the same strategy practice context. Standardizing the context is very important so that a valid comparison can be made and this is one key overriding consideration in the research design.

Further new insights are additionally required into how different strategic orientations come about and their consequences. The following objectives address these issues and are:

3. *To investigate the antecedents and consequences of different cognitive strategic orientations through empirical research.*

Prior research suggests that national culture is a strong antecedent to the development of cognitive models in the strategy domain. However, additional antecedent effects have received limited attention in the strategic orientation literature. The current literature also implies that a manager's strategic orientation influences the direction of their organization, but knowledge of the believed cause and effect relationships between different cognitive strategic orientations and their consequences such as meeting aims and objectives is seemingly lacking.

4. *To develop a model of cognitive strategic orientations in practice, their antecedents and consequences from the empirical research findings and develop research propositions to be tested by further research.*

In addressing these last two objectives a contribution to further knowledge of the strategy processes used in practice within a retail context is made by basing the study on retail

store front-line managers within a single organization. Furthermore the study contributes to a cognitive explanation for emergent strategy linked to practice activity by highlighting the links between strategy processes and outcomes which are rarely studied together. Important insights into the practice of strategy in a retail context are also highlighted. For example, the strategic orientation of front-line managers seems to be embedded in practice due to the nature of the local competitive situation they find themselves in, their prior experiences and their personal goals.

Furthermore, a contribution to research methodology is made by addressing problems associated with researching strategic orientations as different strategy belief structures through the development and comparison of cognitive maps. The methodology used in the study allows for a better comparison of individuals' cognitive maps because of the consistent procedures used to generate them. This consistency based on an identical procedure during each interview aids a valid comparison of cognitive maps and this comparison is another key overriding consideration in the research design. The development of cognitive maps in real time during the interview process also has the advantage of generating more accurate maps and increases the reliability of inferences based on them. Additionally, by combining three cognitive techniques, sorting technique, cognitive mapping technique and laddering technique, the study demonstrates greater richness of data associated with strategic orientations than prior studies.

To achieve the research objectives the following needs to be addressed:

In **Part 1** of the thesis the literature important to achieving the aims and objectives is reviewed. The stages of the literature review are as follows:

In Chapter 1, the introduction (above), the topic of strategic orientation in practice was introduced and the need for research was presented. Currently there are problems operationalizing a cognitive interpretation of the strategic orientation construct at the level of individual managers. This is holding up knowledge development and understanding of strategic orientations, their antecedents and consequences at an individual level within the strategic management and strategic marketing literatures. There is also a lack of knowledge of strategic orientation at the level of practice at lower organizational levels.

In Chapter 2, the main constructs important to this study are outlined. This was undertaken to clarify the terms used and to explore the current state of knowledge about strategic orientation in practice. The different definitions, interpretations and operationalizations of the strategic orientation construct are discussed and the need for construct development is highlighted. In particular the discussion highlights a lack of knowledge associated with a cognitive interpretation of strategic orientation at the lower levels of organizations, which is the focus of this study. Strategy practice is also discussed and the different theoretical underpinnings to the practice perspective are highlighted.

In Chapter 3, strategy and cognition are discussed in the context of the empirical phase of this current study. The industrial setting for the research is briefly discussed and following this the possible levels that the strategy concept can exist are outlined and the discussion lead to a focus on business strategy in this current study. Then the possible organizational levels that strategy can be investigated at are considered. The discussion concludes that to develop new knowledge of strategic orientation in practice a focus on managers at lower organizational levels involved in practice is required. In this particular study retail store front-line managers in a branch network of grocery stores are interviewed for the empirical phase.

Definitions of cognition are also reviewed and its role in strategic decision making is discussed with particular reference to strategy practice involving business strategy in a retailing context. Next the content and activity components of cognition are discussed and the focus on the cognitive content or belief structures in relation to strategy in this current study is explained. More detailed issues associated with cognition, such as its stability and a discussion of strategy in a distributed network of retail stores, are also outlined.

In Chapter 4, the dimensions of the strategic orientation construct are specified from a cognitive perspective based on an interpretation of the literatures. The theoretical background is briefly discussed and the domain of the strategic orientation construct is summarized. A profile of different strategy paradigms is developed into a theoretical framework to outline different possible strategic orientations likely to occur in practice. These are summarized and the relationships between theoretical strategy belief structures

and different information processing demands are considered. These relationships are important because they outline the basis of a cognitive interpretation of different strategic orientation. The framework is presented based on an *a priori* interpretation and synthesis of the literatures.

In **Part 2**, the methodology most appropriate to further aid theory development and discover the existence of the possible strategy belief structures, their antecedents and consequences is considered and the empirical research process is outlined. In essence multiple research methods are used to generate causal cognitive maps of all participants and to investigate different strategy belief structures, as well as their antecedents and consequences. Operational indicators of different possible strategy belief structures are developed and analytical methods used to compare cognitive maps are discussed for use in Part 3 of the thesis.

In **Part 3**, the empirical research data are analysed and a summary of the main research findings is presented and discussed. A model is developed from the research findings, as are propositions to be tested by future research. In the conclusion the implications for further empirical research and for theory are discussed as well as the implications for management. Next the limitations of the study are considered in terms of limitations in data collection and data analysis. The thesis concludes with a personal reflexive account of the research process.

CHAPTER 2

OUTLINING THE MAIN CONSTRUCTS

In this chapter the main constructs important to the development of new knowledge into strategic orientations in practice are outlined. Firstly the different definitions and operationalizations of strategic orientation in prior research are critically reviewed and the advantages of the cognitive interpretation adopted in this current study are highlighted. Secondly, the emerging stream of research into strategy practice is briefly discussed and the possible links to strategic orientation are explored.

2.1 Strategy and Strategic Orientation

There are many different paradigms or exemplars of ways of thinking about strategy and various definitions of strategy within the management literatures. The strategy concept can exist at many levels such as at the corporate level, business level or a functional level and also at various organizational levels adding additional complexity. Strategy is often seen as a holistic (Schendel and Hofer, 1979), complex (Ansoff, 1979), inter-connected (Senge, 1990; Stacey, 1991), multi-dimensional (Miller and Friesen, 1977; 1978) concept, involving both internal and external phenomena (Andrews, 1971). However, only some strategy paradigms emphasise a balanced internal and external focus, others such as the Resource based view focus more internally; whereas others again focus more externally such as on positioning versus competitors. In this study, such different assumptions and beliefs about strategy are used to build a theoretical framework that postulates different possible strategic orientations likely to occur in practice and these are then investigated in the empirical phase of the study. There are also various definitions of strategic orientation, which are outlined below, but research into the construct can be generally seen as attempts to assess and measure strategy (Venkatraman, 1989).

2.1.1 Different definitions of strategic orientation

The development of knowledge into strategic orientation has occurred in several directions because the term 'orientation' can be defined and operationalized in empirical

research in various different ways. There seems to be advantages and disadvantages of the different interpretations and operationalizations of strategic orientation and in this chapter these are highlighted to explore the need for a development of the cognitive interpretation.

The Oxford English Dictionary defines an 'orientation' as "an act or an instance of orienting; the state of being oriented; a relative position; a person's attitude or adjustment in relation to circumstances" p. 962. This definition suggests, therefore, that an orientation can be: a behaviour; a state or position in relation to others, such as a philosophical position or cultural difference; or an attitude, belief or change in relation to events, which suggests a cognitive state.

Strategic orientation has been variously defined as the strategic direction of an organization (Gatignon and Xuereb, 1997); an organization's relative emphasis in understanding and managing the environmental forces acting on it (Voss and Voss, 2000); or the elements of an organization's culture (Noble, Sinha and Kumar, 2002). These definitions focus research attention at the level of the firm. Other researchers focus their definitions at the level of managers within organizations and define strategic orientation as the perceptions, tendencies, motivations and desires of managers to guide organizational processes and, ultimately, the direction of organizations (Wood and Robertson, 1997); or the cognitive models of managers (Hitt, Dacin, Tyler and Park, 1997). In many other studies that address the construct, researchers are not explicit in their definition of strategic orientation.

The cognitive perspective adopted in this current research study is based on the last definition, which conceptualizes strategic orientation as individual managers' cognitive models. However, the term 'cognitive model' is a general one and not necessarily specific to the study of strategy. Therefore, the notion that an individual managers' strategic orientation is a cognitive model needs to be developed further and this is undertaken in both the theoretical framework and empirical phase of this study. In order to tighten up the cognitive definition of strategic orientation in this study there is a focus on individual managers' assumptions and beliefs about strategy. From the theoretically derived cognitive perspective adopted here, a working definition of a strategic orientation is the '*belief structures contained within the cognitive models of managers, which are*

associated with particular ways of thinking about strategy'. This definition suggests, therefore, that the strategic orientation construct should be thought of in terms of different strategy belief structures, so that the construct is linked to the strategy concept from which it is derived. This definition is consistent with the current study of action oriented belief structures of front-line managers that are embedded in the practice.

2.1.2. Operationalizing strategic orientation in prior research

There is no definitive view of the nature of strategic orientation presented by researchers (Noble, Sinha and Kumar, 2002). Two main frameworks have been developed by authors in an attempt to classify prior empirical research approaches and definitions used by the many researchers investigating orientation phenomena. Dreher (1993) developed her framework based on the different definitions or conceptualizations of 'market orientation'. The framework includes behavioural interpretations based on the view that an orientation is a behavioural phenomenon, philosophical focus interpretations based on the view that an orientation is a particular focus of an organization, and cultural interpretation based on the view that an orientation is a cultural phenomenon.

Whereas, this framework can be adapted to categorize the large amount of research into strategic orientation, there are some limitations because it was not specifically developed for this purpose. Some development of the framework is necessary to take account of specific features of the strategic orientation literature. Furthermore, this framework does not account for operationalizations of definitions.

Venkatraman (1989) classifies research approaches into strategic orientation: the narrative approach based on verbal description; the classificatory approach based on classifying firms in respect to typologies and taxonomies, and the comparative approach based on evaluating firms on different traits or dimensions. This framework, according to Noble, Sinha and Kumar (2002), is largely based on the operationalization of the strategic orientation construct and research methods used to investigate it. There is no attempt in this framework to clarify the different interpretations or definitions of 'strategic orientation' used within research studies. Both frameworks seem to be useful to aid understanding and help try to make sense of what is meant by the term 'strategic orientation' and its operationalization in empirical research. However, there is a need to

integrate and develop these to provide a more comprehensive understanding of the very large amount of prior research into strategic orientation. Therefore, in the remainder of this section these two frameworks are combined so different interpretations are used as headings and operationalizations are discussed under these headings.

From a review of the literature four main interpretations of the term 'orientation' in empirical research were found and these are linked to the above dictionary definition: An orientation can be a form of cognition, but it has also been interpreted as a behaviour; a philosophical focus and a culture.

Behavioural interpretations of strategic orientation. Behavioural interpretations of the term 'orientation' are dominant in the literature. A review of the literature suggests that there are two main types of behavioural interpretation of orientation constructs: The behavioural content approach and the behavioural process approach. The difference between the two interpretations is comparable to the one made between content and process in the strategic management literature (Lumpkin and Dess, 1996). Based on this insight an orientation can be *what* happens (content) or *how* it happens (process). Both interpretations are focused at an organizational level so whole organizations are classified as adopting a particular orientation.

Implicit in the *behavioural content* approach is the notion that whole organizations are orientated to one type of realized or implemented strategy. A popular method within this strand of research (e.g. Davis and Schul, 1993), utilizes generic typologies such as those developed by Porter (1980). Thus, a strategic orientation is usually classified in terms of one dimension of a 'realized' strategic typology such as 'cost leadership', 'differentiation' or 'focus' strategy (Porter, 1980). An organization is considered to be orientated to one of these generic strategies. There are two main potential advantages of this approach. The first is that the classification is focused on strategies that organizations actually use and secondly there is relative ease of classification of organizations due to the simplicity of the generic strategy framework.

However, there are two main difficulties associated with this operationalization. The first difficulty is that this approach suggests that organizations consistently orientate to a particular realized strategy, but there is little empirical evidence to support this

consistency. On the contrary, some empirical research suggests that changes in generic strategies are not rare (Zajac and Shortell, 1989) and strategic re-orientation of a realized strategy is an option used especially by poor performing organizations (Lant, Milliken and Batra, 1992). The second main difficulty with the behavioural content approach is concerned with the nature of the classificatory approach itself (Morgan and Strong, 2003). Porter (1980) developed his generic strategies on the basis of competitive advantage, but it is possible to simultaneously have more than one advantage over competitors (Dess, Gupta, Hennart and Hill, 1995). This possibility seriously undermines the validity of using Porter's typology to assess the strategic orientation of organizations.

In the *behavioural process* approach researchers take a different view because a process perspective focuses on *how* strategies are developed and involves methods, practices and decision-making styles. Whereas such processes are clearly important for strategy and largely behavioural in nature, they may not be strictly behavioural in the sense that all aspects are completely observable. There are two main approaches used within the behavioural process strand of research into strategic orientation.

Implicit in one strand of research using the behavioural process approach is the notion that organizations are orientated to one type of strategy process. Thus, in these studies (e.g. Veliyath and Shortell, 1993; Camelo-Ordaz, Martín-Alcázar and Valle-Cabrera, 2003; Rogers and Bamford, 2002;) a strategic orientation is usually operationalized by classification in terms of a dimension of a 'process' strategic typology such as either a 'prospector' or a 'defender' (Miles and Snow, 1978) at an organizational level. This process typology seems to indicate *how* organizations respond to environmental issues (i.e. either analyse, prospect, defend or react).

Another process strand of research (e.g. Morgan and Strong, 2003) uses behavioural traits to measure the construct, developed *a priori* by Venkatraman (1989) from the strategy process literature (e.g. Miller and Friesen, 1977; 1978) [5]. Venkatraman (1989) considers that the strategic orientation of organizations can be assessed in terms of behavioural traits such as 'proactiveness', 'defensiveness' and 'aggressiveness' within the

[5] Whereas I have classified the process trait approach under the behavioural process approach, traits are not strictly behavioural in the sense that they cannot be directly observed, but they can be inferred from behaviour.

organizational decision-making process. Again the interpretation is focused at the organizational level.

The main advantage of the behavioural process typology approach is the relative ease of classification of organizations due to the simplicity of the strategy typology, but the problems mirror those of the strategy content classification approach, above. In other words, it is possible to simultaneously prospect into one market while defend in another, thus giving rise to classification problems. The trait approach is more sophisticated than the typology approach because it incorporates and builds on this, but accuracy of assessment can be questioned because traits are not directly observable. Furthermore, the ends of strategy are not investigated.

The various behavioural approaches focus at an organizational level. Generally there is a tendency to use on respondent from the top management team in a cross-sectional research studies as a means of classification of the whole organization. There is a lack of focus on the practices of individual managers.

Philosophical focus interpretations of strategic orientation. Another main strand of research into strategic orientation is based on an interpretation of an orientation as a philosophical organizational focus or position in relation to others. Definitions of strategic orientation from this strand of research seem to suggest that a strategic orientation is the strategic direction of the organization (Gatignon and Xuereb, 1997) or an organization's relative emphasis in understanding and managing the environmental forces acting on it (Voss and Voss, 2000). In operationalizing such definitions some researchers have interpreted a strategic orientation to be an organizational focus on the present or the future. Doyle and Hooley (1992), for example, considered a strategic orientation to be a philosophical organizational focus on 'short term profits' or a focus on longer term 'market share'. The strategic orientation construct has also been interpreted in terms of an organizational focus on internal or external phenomena. Thus, Wright, Kroll, Pray and Lado (1995) considered a strategic orientation to be a focus internally on 'cost efficiency' or externally on 'adaptability to external change'. Gatignon and Xuereb (1997) take another view and propose that a strategic orientation is a focus on 'customers', 'competitors' or 'technology'. Similarly, the construct is also used as an

umbrella term at a higher level of abstraction to other internal or external orientations, such as market orientation, product orientation, competitor orientation or different stakeholder orientations.

The main advantage of such interpretations is that there is potentially more consistency in orientation because it operates at a philosophical level, which should be more consistent than behaviour. However, there seems a lack of consensus when considering the domain of the strategic orientation construct from a philosophical focus perspective. For example, it seems unclear what different organizational foci are possible within organizations as researchers seem to consider many alternatives and no one study includes them all. It is also debatable whether an organizational focus should be a part of a philosophical construct or one of its consequences. An organizational focus could be an intermediary between a philosophical belief and an organizational behaviour. The literatures are confusing and contradictory on this matter.

The philosophical focus approach is also focused at an organizational level and again there is tendency to use cross-sectional studies and attribute the response from one member of a top management team to that of the whole organization. Again there is a lack of focus on strategy practice.

Cultural interpretations of strategic orientation. At present, researchers using the organizational cultural interpretation of orientation phenomena have largely focused on the market orientation construct (e.g. Deshpandé, Farley and Webster, 1993), and have only recently explored what researchers term other strategic orientations (Noble, Sinha and Kumar, 2002) [6]. In this context orientations are assumed to be sub-sets of culture and the strategic orientation construct is composed of other orientations such as market orientation, production orientation and selling orientation [7]. One of the major advantages of a cultural interpretation of an orientation construct is that culture is relatively

[6] No studies were found adopting a cultural definition of strategic orientation but a few studies were found adopting a cultural definition of market orientation and this can be thought of a sub-category of strategic orientation.

[7] There are some links between the cultural interpretation of an orientation and the cognitive interpretation in so much as beliefs are the main focus of research attention. Smircich (1983) emphasises the cognitive perspective of organizational culture suggesting that culture can be thought of as the shared knowledge structures of groups.

consistent, and therefore an orientation is less malleable than that presented by other interpretations (Noble, Sinha and Kumar, 2002). This relative consistency has advantages when exploring the consequences of an orientation construct. The main difficulty with this interpretation, however, is that a lack of managerial consensus and unified culture at an organizational level may undermine its usefulness for research purposes. Some researchers may assume consensus and a unified culture but these are very big assumptions to make (Hodgkinson, 1997a). This is a problem associated with all cross-sectional studies presenting an organizational classification of strategic orientation based on only one respondent, usually from the top management team.

Cognitive interpretations of strategic orientation. In contrast to other perspectives, which are focused at a group or organizational level, the cognitive perspective is focused on the assumptions and beliefs of individual managers. In large organizations it is usual for such individuals to interact within a top management team and much research has been focused on the demographics of upper echelon managers as a proxy for studying their cognition (Hambrick and Mason, 1984). This approach has been criticized, however, because it does not attempt to measure cognitive constructs directly (Markóczy, 1997). In keeping with a top management perspective, strategic orientation has been investigated by Hitt, Dacin, Tyler and Park (1997), who define a strategic orientation as managers' cognitive models influenced by their past experience and national cultural background. These cognitive models, the authors suggest, lead top managers to either put more emphasis on the importance of discounted cash flow, return on investment and projected demand, or put more emphasis on the importance on sales and market share [8].

There are three main advantages of the cognitive interpretation of strategic orientation. One, is that research is focused on managers' individual differences which does not assume consistency of strategic orientation within an organization. Other approaches at a firm level of analysis do assume such consistency and this can be a big assumption to make (Hodgkinson, 1997a). Recognising individual differences is particularly important

[8] This operationalization is very similar to that presented by Doyle and Hooley (1992) who think strategic orientation is an organizational focus either on short term profits or market share.

when investigating the contribution that individual managers, such as chief executives, individual entrepreneurs or branch front-line managers in this current study, make to performance (e.g. Jenkins and Johnson, 1997). Two, is that a cognitive approach offers more possibilities of fully tracing the causal links between strategy processes and aims and objectives incorporated into strategy content. The clear delineation between strategy process and strategy content is not always made in prior research. Three, is that a cognitive approach offers the possibility of explaining behaviour which can be seemingly inconsistent when investigated in isolation.

Whereas there are several advantages of a cognitive interpretation of the strategic orientation construct there are some potential problems because managers' cognition is unlikely to be consistent throughout an organization and this needs to be reflected in the research design. To address this issue the research needs to be carried out with many managers doing the same job and engaged in the same sort of practice within the same organizational context. Such a research design will facilitate the comparison of managers' cognitive models including their strategy belief structures. However, comparing cognitive models is a most challenging issue (Hodgkinson, 1997a; Huff and Fletcher, 1990) and this problem still remains potent for cognitive researchers even though some progress has been made. The main problems lie in how to represent the complexity of idiosyncratic cognitive models and determining on what basis a comparison should be made. Some progress has been made, however, in research techniques such as cognitive mapping and techniques associated with analysing these maps. Such techniques will be used in this study.

Researchers have experienced major difficulties when operationalizing a cognitive interpretation of the strategic orientation construct. Prior to this current study it seems that Hitt, Dacin, Tyler and Park (1997) provide the only empirical investigation of a cognitive interpretation of the strategic orientation construct to-date. In their study these researchers operationalized cognitive strategic orientations as decision making criteria and behavioural attributes in the decision-making process at the level of top managers. This operationalization is problematic because behaviour is considered a consequence of cognition and not a part of the same construct. Therefore, this weakness needs to be addressed in this current study and a theoretical framework is developed for this purpose.

The framework highlights possible cognitive strategic orientations, which are developed from the extant literatures, and these are investigated in the empirical phase of the study. See Tables 1 and 2 for an overview of the approaches used in research into strategic orientation leading to a more recently advanced cognitive approach.

CLASSIFICATION OF PRIOR RESEARCH INVESTIGATING STRATEGIC ORIENTATION

Interpretations of strategic orientation	Approach	Operationalizations
Organizational behaviour - content (different realized strategies) Organizational behaviour - process (different decision-making processes)	Classification of different implemented strategies used by organizations * Classification of strategy process used by organizations * Classification of strategy process behavioural traits of organizations	An organization is classified as adopting a generic strategy (Porter, 1980) An organization is classified as adopting a process typology (Miles and Snow, 1978) Organizations are compared on the basis of traits Venkatraman (1989)
Organizational philosophical focus	Classification of different organizational philosophies	An organization is classified as adopting a different philosophy. For example: * Focus on long or short term dimensions (market share, profit) or * Focus on customers, competitors or technology
Organizational cultural	Classification of different cultures	Organizational perceptions and beliefs *(a cognitive perspective of culture used to investigate market orientation at an organizational level)*
Individual management cognition	Classification of managers' different cognitive models	Individual top managers focus on long or short term temporal dimensions *(This operationalization is problematic because there is a lack of focus on cognition)*

Table 1

Table 1 highlights that prior to this current study a cognitive interpretation of strategic orientation is directed only at the top management level in organizations. This table also

lists a major problem with the operationalization of this interpretation due to a lack of focus on cognition and this demonstrates the need for theory development.

A COMPARISON OF DIFFERENT INTERPETATIONS AND OPERATIONALIZATIONS OF STRATEGIC ORIENTATION

Orientation as:	Advantages	Disadvantages	Empirical Examples
Organizational behaviour (strategy content) Cost leadership; differentiation; - focus	Focused on generic realized strategies that organizations actually use Ease of classification	Lack of consistency in orientating to a realized strategy Simplistic classification Categorization problems (not discreet phenomena at an organizational level – ignores the possibility of combining generic strategies)	Davis and Schul (1993) Perceptions or beliefs of activities (self reporting)
Organizational behaviour (strategy process) Prospectors; defenders	Focused on generic process strategies that organizations actually use Ease of classification	Simplistic classification Categorization problems (not discreet phenomena at an organizational level. – ignores the possibility of combining process strategies) Does not investigate realized strategies	Veliyath and Shortell (1993) Seven-point continuum from defender to prospector, plus categorical variables (not made explicit). Validated by tracking behaviour (self reporting)
Organizational behavioural decision making traits (strategy process) Aggressiveness; analysis; defensiveness; futurity; proactiveness; riskiness	More sophisticated as it builds on other approaches	Traits are not directly observable Does not investigate realized strategies	Venkatraman (1989) Perceptions or beliefs of process traits (self reporting)
Organizational philosophical direction or focus Customers; competitors; technology	The construct is potentially consistent as it operates at a philosophical level Ease of classification	Lack of consensus of the domain	Gatignon and Xuereb (1997) Perceptions or beliefs of process behaviour (self reporting)
Organizational philosophical direction or focus Long term (market) share; short term profit	The construct is potentially consistent as it operates at a philosophical level Ease of classification	Lack of consensus of the domain	Doyle and Hooley (1992) Objectives Perceptions or beliefs of process behaviour (self reporting)
Organizational culture Culture as organizational cognition *(Beliefs, rules, frames of reference, knowledge systems)*	The construct is potentially consistent as it operates at a cultural (cognitive) level	There may be a lack of consensus and lack of unified culture when focused at an organizational level	Deshpandé, Farley and Webster (1993) Perceptions or beliefs of process behaviour (self and customers reporting)
Individual cognitive models of top managers Importance of discounted cash flow, ROI and projected demand; importance of sales and market share	The construct is potentially more stable than behaviour Focused at individual level and takes account of lack of consensus within organizations	Many consequences operate at an organizational level	Hitt, Dacin, Tyler and Park (1997) Decision making criteria and behavioural attributes in the decision-making process. Experimental - Policy capture inferred through analysis – Interpretive. Validated by post hoc interviews with superiors of respondents
Individual strategy belief structures of front-line managers engaged in practice Rational; Deterministic; Developmental; Interactive; Chaos	The construct is potentially more stable than behaviour Focused at individual level and takes account of lack of consensus within organizations Can be applied to all management levels Comparison of cognitive content	Many consequences operate at an organizational level	Combe (2006) The current study. Sorting technique, cognitive mapping technique and laddering technique to trace beliefs and consequences used in strategy practice

Table 2

Table 2 highlights that studies into strategic orientation adopting an organizational level of analysis imply consensus within any organization, whereas studies adopting the more recently developed focus on individual managers have advantages because they do not make such assumptions. Prior to the current study, research into the cognitive strategic orientations of front-line managers involved in strategy practice activity has not been reported and this provides a gap in knowledge to be addressed here.

In summary the vast majority of the considerable body of work into strategic orientation has taken an organizational level of analysis. There are considerable difficulties in classifying whole organizations to one particular strategic orientation as they tend to use different strategies and strategy processes in different markets simultaneously. Furthermore, classifying whole organizations to any one particular strategic orientation based on the views of a single respondent suggests a consensus that is unlikely to be present within any organization and undoubtedly leads to incorrect classifications. In an attempt to overcome some of these problems researchers have started to investigate the cognitive strategic orientations of individual managers. Researchers have started with the top level of management but have experienced difficulties when operationalizing this cognitive interpretation. There is a need for theory development so that the cognitive strategic orientations of top managers and those at other levels also engaged in strategy activity can be fully investigated.

There is a need for a cognitive understanding of strategic orientation at the level of practice because this has not been addressed by prior studies. Top managers are largely focused on the formulation of business strategies rather than their implementation. Due to a separation between formulation and implementation, business strategies are more likely to be implemented in an emergent form at lower organizational levels and such evolution of strategy may not be fully anticipated by the top management team (Mintzberg and Waters, 1982). To fully understand the role that strategic orientation plays in evolution of emergent strategies that actually get implemented there is a need to conduct research with managers involved in this practice activity lower down in organizations. This is the focus of this current study in order to develop new knowledge of the different strategic orientations of front-line managers engaged in practice. In this study the focus is on a recent call for an activity-based view of strategy at the level of front-line managers (Johnson, Melin and Whittington, 2003).

2.2 Strategic Orientation in Practice

The fast developing strategy practice literature traces its roots to the stream of research into strategy processes which has demonstrated the importance of an in-depth understanding of what actually happens in organizations. Researchers have highlighting how strategies formulated by top managers can be modified through a socio-political process and end up very different when implemented (e.g. Mintzberg and Waters; 1982, Pettigrew, 1973). Business strategies in particular, which by their nature are not implemented at the top management level, have been found implemented in emergent form not fully anticipated by top managers. Building on this strategy process research, authors such as Johnson, Melin and Whittington (2003) and Whittington (1996) have more recently highlighted a lack of knowledge of what managers do when engaged in strategy practice. To provide insights into strategy practice they point to the need to shift the emphasis of strategy research away from analysis at the level of the firm to the level of individual managers involved in this practice.

Research into the micro activities of individual managers has delivered some important insights into the complexity of strategy practice at the top of organizations. Rayman-Bacchus (1996), in an early empirical study into strategy practice, for example, found that top managers were not dispassionate overseers of their future, but bound up with the situations and events they seek to manage. These managers were found to be struggling to agree on a 'resource flow model', recognising that their choice of model would define the future relative financial performance of departments within the organization and consequently their future prospects. Such findings suggest that reported financial performance can be socially constructed and point to the need to fully understand the complexity of issues such as performance and how it is measured as well as the subjective motives of individuals underlying strategy activity. A more recent study by Jarzabkowski (2003) also highlights much complexity in strategy practice from a top management perspective and the need to understand how strategy emerges from complex interactions between individuals and their contexts.

Strategy practice can occur at various management levels, however, and is not necessarily confined to the top management team within firms. Strategy practice at the top of organizations, for example, can refer to activity such as research needed to

formulate intended strategies but these may not get implemented at all or may be modified lower down. Manager at lower organizational levels are also involved in strategy practice especially when implementing business strategies. Unless managers are directly involved with strategy implementation they are unlikely to obtain sufficient feedback to improve their strategizing for the future. Perhaps the most radical contribution of the strategy practice literature is to highlight the need to focus strategy research on the processes that underpin strategy implementation and action wherever that occurs.

Like the strategy process literature it purports to build on, the strategy practice literature gives much more weight to the actions of managers lower down in organizations. Managers at lower organizational levels are involved with both operational and strategic concerns and these become merged in practice, because of the need to integrate strategies for the future into current operations. From a hierarchical perspective such managers may be largely dealing with the operationalization and implementation phases of the business strategy process. However, any strategies formulated at the top of organizations are likely to require modification to meet local conditions as the firm expands into different geographical areas and in these circumstances managers are also likely to develop their own strategies to deal with practical local issues and improve performance. Such locally driven emergent strategy is likely to occur, for example, in a spatially distributed organizational network and in this sense strategy emerges because it is spatially embedded due to various local networks and relationships (e.g. Hess, 2004) [9]. In a large spatially distributed organization, strategy developed at the top management level cannot hope to deal with a large variety of regional cultures and take account of different local relationships based on trust which are developed due to spatial proximity.

Another important factor that emphasises the impact of spatial differences on the development of emergent strategy is local competition. As high levels of competition seem to be endemic in many global economies the strategy practice literature has

[9] This explanation for strategy can be countered by another form of embeddedness; societal or structural embeddedness (Granovetter, 1985) which emphasises the similarities in strategy within any business system due to factors such as the cultural, political and economic conditions in which it is embedded (see Whittington, 1993).

emphasised the importance of front-line managers who interface directly between customers and organizational capabilities to provide innovative responses to competition. Front-line managers are likely to be key to an understanding of how capabilities in strategy practice can lead to sustainable competitive advantage because their practice is difficult for competitors to identify and therefore it is also difficult to replicate (Whittington, Pettigrew, Peck, Fenton and Conyon 1999, Johnson, Melin and Whittington, 2003). From a resource-based view such managers are a major source of uniqueness, but one that has been largely ignored in strategy research focused at the upper echelons of management or at a firm level.

Whereas, prior studies into strategy practice at the top level of management in large firms point to the importance of understanding the influence of interaction between individual top managers within any given context, studies into this practice in smaller firms and at lower management levels point to the importance of tacit knowledge (e.g. Beverland, 2004; Rouleau, 2003) and the cultural barriers to action (see Kates and Robertson, 2004). Given their hierarchical position, front-line managers develop their beliefs and tacit knowledge though different forms of practice to top managers, such as by resolving problems when implementing strategy, fire-fighting and local knowledge based on feedback from customers on a day-to-day basis. Front-line managers also often enact or produce part of the environment they face (Weick, 1995) through daily encounters with people from outside, such as customers (Rouleau, 2003), but this socially constructed environment may be very different from that constructed by top managers formulating strategy. The belief systems of front-line managers developed through experience are likely to become an important driver for emergent strategy that works in practice. A study of the strategic orientations of front-line managers involved in practice activity will contribute to further understanding of the role that belief systems and tacit knowledge play in emergent strategy. It may also contribute to an understanding that front-line managers are not homogeneous so that more detailed research into their diversity within context can be undertaken.

Another important consideration in connection with the study of strategic orientation in practice is that the term 'practice' needs to be clarified. Practice is often considered to mean to be fully engaged in a task, job or profession and can be developed through

observing and imitating others and then adapting to fit with community norms but also considering individual integrity and the self (see Hanley, Sturdy, Fincham and Clark, 2006). Strategy *as* practice (Whittington, 1996) and a focus on the '... micro activities that make up strategy and strategizing *in* practice' [10] (Johnson, Melin and Whittington, 2003:3) can embody different meanings to the term 'practice'. Chia (2004) for example, suggests that a focus on '*in* practice' can constitute a research agenda associated with investigating managers' underlying unconscious tendencies associated with practical mastery (Bourdieu, 1990), rather than a focus on deliberate intentional activities. The notion that managers may possess a particular unconscious style of engagement embedded in practice and not focused on aiming at ends such as objectives is an intriguing one, but it is something that can only be touched upon in the empirical phase of this study due to the focus on cognitive content. It will be interesting to investigate, however, if managers do or do not intentionally focus on objectives in an effort to increase performance in a cause and effect manner and both possibilities need to be built into the research design. Presumably, research investigating managers' durable dispositions (Bourdieu, 1990) would need to focus on experienced managers so that mastery can be studied, but this begs the question how mastery is established in the first place? It is unlikely that many managers would consider themselves masters in the strategy domain even though they may be continually involved in strategy formulation, operationalization and implementation.

The pragmatic philosophy literature seems to offer an answer to this dilemma and an alternative explanation for strategy practice through a conscious developmental process. This literature suggests that individuals' develop their beliefs through experience of action specifically focused on achieving effects (Peirce, 1878; James, 1948). From this pragmatic philosophical perspective beliefs establish rules for action or habits and these are developed through practice by learning what works best in achieving effects (Peirce, 1878). In other words, through action or practice managers learn and develop their beliefs by overcoming doubts about how to achieve effects such as performance. In the context of this current study, the pragmatic perspective unlike the notion of 'habitus' (Bourdieu, 1990), suggests that managers may develop their strategy belief structures or cognitive

[10] My emphasis added

strategic orientations based on consciously striving to achieve improved performance. Both positive and negative feedback help managers to refine their beliefs through practical experience. These beliefs about the best strategy processes or *ways* to achieve effects in practice activity may be largely implicit because they have been developed over a considerable time and act as paradigms or 'theories in use'. In this sense they may be unconscious and not available simply by asking for them.

The term 'strategic orientations in practice' refers to the strategic orientations underpinning action and these are investigated by a focus on the action oriented strategy belief structures of individual front-line managers. This current study contributes to further understanding and new knowledge of strategy processes used by managers to achieve effects or consequences at a lower organizational level.

2.3 Summary

In summary, there have been many interpretations of strategic orientation in prior research but they have been virtually exclusively directed at the firm level to the detriment of understanding at the individual management level. Researchers have started to study cognitive strategic orientations of individual top managers and there are several advantages of such an interpretation, but researchers have been unable to effectively operationalize this notion in empirical research and this is holding up knowledge development. There is a lack of strategy research at the level of front-line managers who interface directly between customers and organizational capabilities and there have been calls for more understanding of strategy practice at this level. Like the strategy process literature it purports to build on, the strategy practice literature gives much more weight to the actions of managers lower down in organizations. Managers at lower organizational levels are involved with operational concerns, implementing strategies from above, modifying them to meet individual conditions as well as developing their own strategies to deal with practical issues and improve performance. A distinction between operations and strategy becomes problematic because these become merged in practice but researchers have to live with such difficulties if they are to explain how strategy evolves.

To address current limitations and to make a contribution to knowledge of strategic orientation in practice the literature highlights firstly a need to develop a theoretical framework outlining different possible cognitive strategic orientations or strategy belief structures that may occur in practice. There is also a need to investigate these in empirical research conducted with individual managers involved with strategy practice at lower organizational levels. The literature highlights two distinct possibilities underpinning a strategy practice perspective. One, is that managers possess an unconscious style of engagement based on a practical mastery and not focused on deliberate intentional activities. Two, is that managers consciously develop their beliefs by discovering what works best in achieving results through the experience of practice activity. This notion that managers are involved in conscious development of their beliefs is the position outlined in pragmatic philosophy. The cognitive content approach adopted in this current study accepts both possibilities but is more closely associated with the pragmatic philosophy position because beliefs rather than unconscious style is the focus of attention. However, it was noted that beliefs about strategy processes used to achieve effects in practice activity may be largely implicit because they have been developed over a considerable time and act as paradigms or 'theories in use'. In this sense they may be unconscious and not available simply by asking for them. It will be interesting to investigate if managers do or do not intentionally focus on objectives in an effort to increase performance in a cause and effect manner and both possibilities will be built into the research design.

Before empirical research takes place, however, background details need to be discussed and decisions made as to the particular focus of this study. In particular decisions need to be made as to whether to focus on strategy process or to investigate strategy content and at what level to operationalize the strategy concept in the empirical phase of the research. Furthermore, the context for the investigation needs to be considered because strategy is very context dependent. Specific details of strategy practice within the context of the organization taking part in the empirical phase of this study need to be discussed. Another issue is what aspects of cognition should be investigated because the study may lack focus if too many are considered. Such details associated with strategy and cognition are discussed next.

CHAPTER 3

STRATEGY AND COGNITION IN CONTEXT

In this chapter background details into the complexity of studying strategic orientation in practice from a cognitive perspective are discussed. In particular the context in which strategy is investigated in the empirical phase of the study needs to be outlined and details of strategy and cognition need to be discussed. Decisions need to be made as to what level the strategy concept will be investigated and what organizational level will be the focus of this current study. The components of cognition also need to be discussed and decisions need to be made as to what aspects of cognition should be investigated in the empirical phase of the study.

3.1 Strategy in Context

The research objectives require a focus on a comparison of cognitive strategic orientations of individual managers at the level of practice. Such a comparison will be considerably aided by an investigation within the same strategy context within the same organization. This research design will allow a much more valid comparison of individuals to be made. Many authors in strategic management and strategic marketing (e.g. Bateman and Zeithaml, 1989; Burgelman, 1983; Davis, and Schul, 1993; Hambrick, and Snow, 1977; Miller and Friesen, 1977; Papadakis, Lioukas and Chambers, 1998) point to the need for a contextual understanding of strategy. Consequently, there is a need to outline contextual issues such as the industrial setting, the organizational setting and organizational level to be investigated in the empirical phase of this current study.

3.1.1 Industrial setting

The organization taking part in the empirical phase of this study is operating a large chain of small convenience grocery stores within the Southern region of England, U.K. Grocery retailing within this region has been experiencing increased levels of competition for a considerable time. Several large dominant chains, some of which are global or international in their scope, such as Tesco, Sainsbury's, Asda (acquired by Wal-

Mart) and Morrisons (recently acquired Safeway) are fiercely competing against each other for market share in a market experiencing difficult trading conditions exemplified by low growth and perceived low margins (Palmer and Quinn, 2003). Some such as Tesco have learnt strategically from their considerable international experience and are consequently formidable competitors (see Palmer, 2005). Together these chains account for about 90% of the total grocery sales from supermarkets in the South East region of the U.K. (Wrigley and Lowe, 2002).

These dominant players are not only competing against each other but also competing against other companies, such as the ones operating smaller convenience stores in inner city or town sites. Most supermarket chains are competing indirectly with small convenience stores by increasing the number of supermarkets and superstores sites. Some such as Tesco and Sainsbury's, however, are also competing more directly with convenience stores by developing their own convenience offerings. These tend to offer a limited range of products, but at similar prices to those found in their supermarkets so customers are not asked to pay a heavy premium for convenience. The Tesco Express format, which provides extra convenience by linking a convenience store to a petrol station is particularly effective and the most profitable in terms of sales per square metre (see Mintel, 2004). Further price competition is found in the form of the limited range discounters such as Aldi and Netto.

High levels of direct competition are unlikely to be considered a benefit when operating a chain of grocery retail stores, whereas this is not the case in some other retail sectors, such as fashion retailing. In this latter retailing context the presence of direct competitors can provide advantages in attracting consumers to a particular geographic locality and this can benefit all the fashion retailers in the region (Wrigley and Lowe, 2002). Attracting or 'drawing' consumers into a retailing location is also important in the supermarket and DIY sectors (see Clarke, Horita and Mackaness, 2000), but different forms of local 'quality' retailing are generally required for advantages to accrue.

Another issue specifically associated with the retail context is the size of organization as a whole. In large diffuse retail organizations with a spatially distributed branch network of stores there are likely to be challenges to maintain responsiveness to customers' needs and the offerings of competitors. If all strategy was formulated at head office in a

hierarchical fashion and only implemented at store level this responsiveness would be limited. The challenge for large diffuse retail organizations, as Dawson (2000) points out, is to maintain the links between store front-line managers and head office staff as well as customers. Individual retail store front-line managers are key in this relationship and are therefore the focus of this current study.

Given the intention to study the strategic orientation of individual front-line managers involved in practice within a spatially distributed branch network of retail stores, further difficulties also need to be addressed due to the complexity of the strategy concept. For example, the different levels of the strategy concept need to be discussed because strategy can exist at various levels such as the corporate level, the business level or the functional level. Strategy can exist at various organizational levels and this also needs to be considered. These issues will be addressed next.

3.1.2 Levels of the strategy concept

The strategy concept can exist at many levels. The strategic management and strategic marketing literatures mainly discuss strategy at a corporate level, a business level or a functional level [11]. Corporate strategy is focused on the analysis of the scope of the organization or what businesses the organization should be in and the allocation of resources to these strategic business units. At this corporate level, strategy is often discussed in entry and exit terms and issues such as investments, diversification and acquisition are analysed because these are important to the competitive advantage of the corporation as a whole. Invariably, corporate strategy decisions are formulated and implemented at the top of organizations and therefore managers that interface directly with customers at the level of practice are rarely involved. As corporate strategy is not associated with an activity-based view at the level of front-line managers, which is the focus of this current study, it is not investigated.

[11] Strategy can also exist at an individual level because individuals may have a strategy or strategies to achieve their own personal goals. It seems confusing to mention this here because business strategy and success of individual retail stores was the focus of attention in the empirical phase of this study.

Business strategy is discussed more in terms of direct and indirect competition within particular business units. At this business level, strategy is concerned with how to compete and where to compete. In other words, business strategy is about what particular competitive advantage(s) to employ against competitors and in what markets to offer goods and services. Analysis is often focused on identifying consumers' needs and how to fulfil these needs by altering the product and service offerings. To do this, consumer groups may have to be segmented and targeted and competition analysed.

The strategic orientation construct is usually operationalized at the business strategy level in the behavioural literature (e.g. Camelo-Ordaz, Martín-Alcázar and Valle-Cabrera, 2003; Davis and Schul, 1993; Rogers and Bamford, 2002; Veliyath and Shortell, 1993). One of the main reasons for this is that arguably, it is at the business strategy level that strategy is most important, because competitive advantage is largely decided at this level. There is a need, therefore, to gain a thorough understanding of the processes front-line managers' use for the implementation of business strategies. If strategy implementation breaks down then no change occurs and competitive advantage could be eroded. Due to the importance of business strategy to competitive advantage and its importance in understanding strategy practice, it is at this level that the strategic orientation construct is operationalized in this current study. This focus is consistent with the vast majority of studies into strategic orientation which also focus at this level.

Functional strategy can be discussed in terms of business functions such as the human resource strategy, research and development strategy or information technology strategy. At this functional level, strategy can be less concerned with competitive advantage and more concerned with the operationalization of strategy within departments of the organization. However, what is possible at a functional level needs to be fed into strategic decision making at other levels and therefore all levels are inter-connected to an extent.

The front-line managers taking part in this current study do have some input into the implementation and development of some functional strategies such as human resource strategy at a store level. For example, they have the responsibility for training and developing staff in particular ways that can aid flexibility within the store. However, restrictions on the store managers' influence exist because functional strategy is

dependent on finance, which is largely directed from head office. For example, the store managers' influence on human resource strategy is limited because wages are set at head office. As functional strategy is largely directed by finance which is the preserve of head office managers within the top management team and less associated with practice it is not investigated in this current study. Functional strategy is also less important in small retail stores because they do not have functional departments in the same sense as large organizations.

To sum up then, there is a focus on business strategy rather than corporate or functional strategy in this current research study. This was chosen to fit with the objective to develop new knowledge of strategic orientation in practice and the importance of business strategy to competitive advantage. The retail store front-line managers taking part are primarily dealing with the competitive advantage of their individual stores and are therefore focused on implementing and developing business strategies to aid performance at a store level. These managers are involved with directing current operations, the practical implementation of strategies developed at head office, modifying these and developing their own strategies to meet local conditions. Their input into corporate and functional strategy, both of which are largely dealt with by head office, is limited.

3.1.3 Strategy and organizational levels

Many empirical studies of strategy in a retailing context, as in other strategic management contexts, are conducted either at the level of the firm or focused on the top management team and imply a traditional linear hierarchical top-down approach to strategy. From this perspective formulation of business strategy is said to occur at the top level and operationalization and implementation at the store level in retail organizations. There are, however, dangers in assuming such a hierarchical notion when conducting empirical research in a retailing context. For example, a recent retail study by Moore (2005) implies that a single head office manager is able to classify the strategic orientation of his/her organization and this classification applies to the whole branch network of stores. There is an assumption implicit in such a research design that all stores in the branch network have consistently implemented strategies developed at head office, but this seems unlikely to occur in practice within a large spatially distributed branch

network. It also seems unlikely that managers will even perceive the same formulated strategy in a consistent manner throughout such a network (See Hodgkinson, 1997a for a review of the limitations attached to single informant cross sectional research designs in the cognitive strategic management literature). Such a research design, as Hodgkinson (1997a) points out, implies a level of consensus within organizations that is highly questionable and fails to consider individual differences in managers' perceptions.

A research focus on the top management team also tends to overlook the influence that front-line managers have on the implementation of strategy and its subsequent impact on performance. Such a research focus also can, arguably, give undue emphasis to corporate strategy which is largely formulated and implemented at the top level and thereby de-emphasise business strategy which usually requires implementation at lower levels. In the retail study conducted by Lewis and Thomas (1990), for example, the researchers investigated the performance of grocery stores based on the prior resource commitments of head office strategists, with little consideration of business strategies implemented by managers at the store level. Such implemented strategies at the store level, however, may concern competitive issues such as the knowledge and behaviour of staff, the level of service quality, the availability of products and product promotions, all of which potentially have a large impact on performance.

As a hierarchical top down perspective of strategy seems to be widely assumed, it is perhaps not surprising that much empirical research is directed at the top management team or owner in smaller organizations for their views of strategy within retail organizations. However, as Mintzberg and Waters (1982) point out, such strategy research is largely directed at managers' *intentions* rather than what is actually carried out in practice. One way to overcome this problem is for researchers to provide detailed studies using multiple informants on the strategies used in projects that have already been carried out. Another way is for researchers to study corporate strategies, such as those that lead to investments and divestments, which are largely formulated and implemented at the same top level. The majority of strategy research directed at business strategy, however, assumes that strategy is formulated at the top and consistently implemented at the bottom of organizations. From a hierarchical perspective it seems that the implementation phase of strategy is merely a formality and the action required is

overlooked by researchers (Eccles, 1993). Business strategies, from a hierarchical perspective, are simply operationalized and implemented by front-line managers lower down in organizations who are simply directed to do what they are told.

Other research in the retailing context suggests otherwise; that strategy does not follow a normative hierarchical model, where strategy is formulated at the top and simply implemented at the bottom. Danneels (1996), for example, found that retailers seem to adopt a cyclical experimentation approach to strategy, which is more closely associated with emergent opportunistic forms of strategy found by Mintzberg and Waters (1982) in their historical study of strategy within a grocery retail firm. From an emergent perspective, opportunistic responses to change can equally come from the middle (Floyd and Woolridge, 1997) or bottom of the organization, at store level, where store front-line managers interface directly with customers and have to deal with specific competitors at a local level. Managers at lower organizational levels are involved with operational concerns, implementing strategies formulated above, modifying them to meet local conditions as well as developing their own strategies to deal with practical issues and improve performance.

Such a cyclical emergent model of business strategy is likely to be found in retail organizations that operate a spatially distributed network of stores, such as in the organization taking part in this current study. It is extremely difficult to consistently implement some business strategies formulated at the top within a large branch network of stores. Managers involved with implementation may have different perceptions of any strategy that was formulated in the first place (Grønhaug and Falkenberg, 1989) and therefore implement it differently. They may also think that strategies formulated at head office do not meet their local needs. For example, a positioning strategy reflecting high value for money to customers (e.g. Sweeney, Soutar and Johnson, 1999) may be effective in some store locations within the branch network but not others. There may be a problem with this positioning in some locations if some stores are geographically close to large supermarkets acting as price leaders. In such situations, and these are likely to increase as the branch network increases, consistent implementation of business strategy developed by head office is unlikely to occur. Individual store managers are much more likely to develop strategies themselves to deal with such local conditions by, for

example, focusing on non-pricing aspects of the marketing mix that they can control. If successful, such managers are likely to offer head office strategists alternative strategies that might be effective in highly competitive locations. To help understand such a cyclical model of business strategy in a retailing context much more strategy research effort is required at the level of strategy practice (Johnson, Melin and Whittington, 2003).

The store front-line managers taking part in this current study are moved to different stores within a large branch network to specifically impact on the performance of individual stores. They are somewhat constrained in what they can and cannot do, but all managers involved in practice such as implementing strategy are constrained to some extent. It will be interesting to compare the similarities and differences in their strategic orientations as they grapple with broadly similar operational and strategy implementation contexts. It will also be interesting to see if managers' strategic orientations reflect different local conditions such as different local competition and local problems.

3.1.4 The role of the front-line manager

The term 'front-line manager' or 'first-line manager' is conventionally used to denote the first level of management; the level to whom non-managerial staff report (Hales, 2005). There is some debate as to the full extent of this role as various managers can take on this role, but empirical research suggests that the role itself is reasonably consistent (see Hales, 2005). In the context of managing small convenience grocery stores the front-line manager has considerable responsibilities. The overriding responsibility for the store manager is to actively manage performance at the store level and this is generally consistent with the responsibilities of senior front-line managers when managing departments and business units in other industries (see Hales, 2005). Other responsibilities include managing staff, including supervisors and deputy managers, team building, recruitment of staff, financial responsibilities such as budgeting, ordering and maintaining stocking levels, service quality, up-keep of the store environment and waste reduction.

In this study the role of the front-line manager in the development of strategy is important to our understanding how emergent strategy develops. Conventionally, front-line managers are more focused on translating strategy into operations than developing

strategy themselves. However, the performance focus of senior front-line managers, together with the more important role assigned to them in the literature addressing the emergent and practice perspectives of strategy, suggest that front-line managers are very much involved with developing strategy even if this is through a modification process. Recently, for example, there is some debate linking front-line managers to broader managerial tasks devolved from above, such as strategy, due to the conscious drive for responsiveness to markets through de-layering and decentralization to smaller business units (Hales, 2005; Johnson, Melin and Whittington, 2003).

The senior front-line managers taking part in this current study are all in charge of retail stores within a spatially distributed branch network and are operating within a very competitive environment where responsiveness to markets is required. They are also involved with supervision of staff and maintaining performance and in these circumstances their role is likely to similar to that of other senior front-line managers in charge of departments and business units and small business owner/managers whose role includes a strategic dimension.

3.1.5 Strategy process and strategy content

Strategy can be seen from a process perspective or *how* managers develop and implement strategies and from a content perspective which focuses attention on the ends of the process or *what* strategies are used. In this thesis both processes and ends at the level of practice are studied and the relationships between the two are explored. However, in this current study the strategic orientation construct is defined in terms of different strategy processes used to achieve ends. There are three main reasons for this.

The first is that this is consistent with a prior conceptualisation of strategic orientation which suggests that strategy can be seen as various *ways* [12] (how) to achieve ends such as aims and objectives (Venkatraman, 1989). Such a restriction does seem logical because it offers clarity and it is therefore adopted here.

[12] The scope of the construct considers whether the ends (aims and objectives), *ways* (strategies), means (resources) and context (internal and external environment) should be restricted in some way. In this current study strategic orientation is restricted to ways to meet ends. Ways are placed in italics to emphasise that these are strategies to meet aims and objectives.

The second is that prior empirical research suggests that changes in strategy content are not rare (Zajac and Shortell, 1989) and strategic re-orientation in terms of strategies actually used (strategy content) is an option used especially by poor performing organizations (Lant, Milliken and Batra, 1992). In sum, prior research suggests that managers lack a consistent orientation to strategy content. However, this conclusion may be associated with the way that strategy content is usually defined. For example, strategy content is often defined in terms of generic strategies such as a 'price leader' strategy, which is a relative phenomenon, based, in part, on the strategies used by competitors. Therefore, the classification of strategy content is not wholly based on the strategy inside the organization and this results in difficulties of classification of strategy content. An organization may have a consistent internal strategy but be classified differently because competitors have changed.

The third is that our understanding of the strategy processes used in practice by individual managers is limited, therefore the focus of this study is to develop new knowledge in this practice domain. Whereas emergent strategy as a phenomenon has been well documented, the processes used by lower managers that contribute to the evolution of strategy has not been given much attention in the strategy literatures.

In the empirical phase of this study the relationships between strategic orientation in practice as different strategy processes and the ends of the processes are investigated. It is important to clarify ends when conducting empirical research into strategy, because some consistent notion of a stated end is required to address validity problems. If participants were required to outline their strategies for different stated ends, many potential construct validity problems would occur. For this reason the general aim of 'success of the retail store' [13] is introduced and assumed to be a stated end for the implementation of business strategy. Different objectives to achieve this aim are linked to it and therefore are regarded as different consequences of a strategic orientation to achieve success.

To sum up, in this current study there is an attempt to develop further understanding of strategic orientation in practice in the context of grocery retailing. Different strategy

[13] The aim of 'success of the retail store' in this study can be interpreted in several ways by managers due to different notions of success, but the use of this general aim is consistent with other empirical researchers investigating the beliefs of managers such as Walsh (1988).

processes used in practice by front-line managers within a diverse branch network will be highlighted by such a study, as will the ends of these processes. This research has the potential to add much to an understanding of the practice of strategy at lower organizational levels in a retailing context. In particular the study will contribute to redressing the balance of research in favour of store managers implementing strategies into current operations rather than top managers formulating them. The process benefits of particular practical management experiences are also likely to occur at the store manager level (Connant and White, 1999) and these need to be investigated to contribute to a further understanding of strategy practice. Also by a focus on individual managers within the same organization this current study will likely contribute to a deeper understanding of the differences that can arise when implementing and developing emergent strategy within the same context. Such research will likely raise doubts over research designs that assume that strategy is consistently perceived and implemented by managers lower down in organizations.

3.2 Cognition, Cognitive Models and Belief Structures

Cognition is typically defined as the act of knowing and perceiving associated with active thinking in the mind of individuals, as opposed to emotion. However, this definition restricts cognition to largely conscious activity and this limited view of cognition has been criticised by some theorists according to Fiske and Taylor (1991) and Gross (2001).

One problem is that this restricted definition of cognition suggests that cognition and emotion are separate, whereas some theorists suggest that cognition or some form of preconscious cognition is necessary for emotion. Another problem with a restricted definition of cognition is that it takes no account of the observation that cognition can be rapid, unconscious, automatic and irrational (Holyoak and Gordon, 1984). To overcome such problems a broad definition of cognition needs to be adopted in this current study. A definition that incorporates not only active thinking but also other non-behavioural mental activity such as rapid, unconscious, automatic and irrational thinking that is more value laden and intuitive. To account for these factors and the particular focus of this

current study, cognition can be thought of as *'the mental act of using systems of assumptions and beliefs to enable individual sense-making to take place'*.

Such a broad definition of cognition is inclusive, rather than restrictive, and this is needed at this stage of theory development when investigating cognitive strategic orientations. This definition also takes account of recent empirical research findings that suggests experienced managers are 'intuitive' in the sense that they use a large proportion of 'non-factual' information in decision making (Clarke, and Mackaness, 2001). Therefore, another advantage of this broad definition of cognition is that it incorporates any non-behavioural mental activity such as 'intuitive' decision making into the study of strategy belief structures. In other words, cognition in strategy practice does not necessarily need to be focused on analytical thinking but can incorporate intuition as well.

Whereas assumptions and beliefs are postulated from an *a priori* interpretation of the literatures, knowledge is also important to cognition but cannot be interpreted from the literatures in the same way. Another difficulty to the inclusion of knowledge into a definition of cognition for use in the strategy domain is that this would suggest that any beliefs are true beliefs. In this domain this is problematic because knowledge is often so contextual. To avoid confusion the term 'knowledge' is not included into the above definition of cognition. It is noted, however, that the term 'knowledge' is starting to be more widely used in connection with a cognitive perspective of strategy (e.g. Huff and Jenkins, 2002) and does seem to reflect the sort of structural relationships between factors displayed in the cognitive maps presented by cognitive researchers in the strategy domain (e.g. Clarke, and Mackaness, 2001; Hodgkinson and Johnson, 1994) [14]. This form of knowledge, however, is not so much explicit knowledge, but the knowledge acquired by managers concerning cause and effect structural relationships between belief factors important for success. These relationships largely relate to tacit knowledge (Hodgkinson and Sparrow, 2002).

[14] The term 'cognitive map' is used consistently in this thesis to refer to the representation of a cognitive model such as on paper. i.e. it is the representation of the cognitive model not the cognitive model itself.

The cognitive perspective adopted in this study is largely focused on cognitive processes or *how* managers deal with a stimulus to produce a response. This approach can be contrasted with the alternative behaviourist approach which is outcome focused and based on a simple stimulus-response model. Such a cognitive perspective can be important in strategy research because cognition underpins the perception of change and this is a first step to responding to change. Cognition, therefore, is increasingly being studied in management disciplines.

Hodgkinson and Sparrow (2002) point out that two major perspectives are discernible within the body of work focused on organizational and management cognition. First is the information processing perspective which is often focused on its limitations in a strategic management context (e.g. Cyert and March, 1963; Lord and Maher, 1990; Miller, 1956; Sharfman and Dean, 1997). When considering strategic decision making a major theme in research is the structure of managers' cognitive models or schemas because they are thought to simplify decision making by limiting and directing information processing (Fiske and Taylor, 1991). Second is the meaning systems perspective, which is focused on the socially constructed nature of organizational realities. When considering meaning systems in strategic decision making a major theme in research is sense-making (e.g. Daft and Weick, 1984; Wieck, 1995).

There seems growing consensus that both systems of information processing and meaning creation are embedded in organizations (Lant, 2002). Hodgkinson and Sparrow (2002) consider both perspectives are required to fully understand competence in the strategy domain. The above definition of cognition is not incompatible with either of these perspectives and is consistent with researchers who see the need to study both information processing and sense-making in the strategy domain. Weick (1995), for example, refers to belief driven processes of sense-making and Hodgkinson and Sparrow (2002) relate managers' downstream decision making processes and upstream sense-making processes. The sequential nature of our adopted definition of cognition reflects this by incorporating belief driven processes within decision making and relating them to individual sense-making.

When considering both perspectives, managers are thought to develop cognitive models (e.g. Hodgkinson and Johnson, 1994; Porac and Thomas, 1990; Porac, Thomas and

Baden-Fuller, 1989; Senge, 1990) to simplify decision making by limiting and directing information processing. Such cognitive models are thought to be indispensable to managers because they provide simplified representations of the world (Walsh, 1988), and without them individuals would be overwhelmed by the complexity of information (Daft and Weick, 1984). They also help managers make sense of the environment (Daft and Weick, 1984; Day and Nedungadi, 1994; Fahey and Narayanan, 1989; Weick, 1995) and are likely to have a major impact on the strategies they employ.

In this study the assumptions and beliefs underpinning information processing and sense-making at an individual level are investigated. The strategy literature highlights, for example, that managers' information processing can be directed at analytical processes, developmental processes or interactive processes. It also highlights the possibility that decision-making processes can be more unconscious because it may be based on intuition. Managers' individual sense-making, on the other hand, is investigated in terms of their rationale for undertaking what they do. For example, some managers might attribute the success of their store to their strategic orientation or *ways* they meet aims and objectives, whereas others may attribute success to other factors such as the adoption of a particular objective, or to factors outside their control such as the level of competition or store location. In this way sense-making is investigated in the empirical phase as the attribution of belief driven processes.

3.2.1 Cognitive models and belief structures

There is seemingly no universal agreement of the terms used to mean the different systems of assumptions and beliefs that managers employ (Calori, Johnson and Sarnin, 1994). In this thesis the terms 'cognitive model' and 'belief structure' are used. The term 'cognitive model' is used because the word 'model' is closely associated with the term 'paradigm' and strategy paradigms are used to specify the dimensions of the strategic orientation construct in this study. An additional reason is that the term 'cognitive model' is specifically used in the literature focused on the cognition of individual managers (e.g. Hodgkinson and Maule, 2002), and it is this level of analysis which is adopted in this current study.

A review of the domain of the strategic orientation construct and especially the findings from the empirical phase of this study highlighted a problem that was not evident from a review of the cognitive strategic marketing and strategic management literatures. Strategy assumptions and beliefs or strategic orientations only form a specific part of the cognitive models of managers. Therefore, there is a need to distinguish between these assumptions and beliefs and other assumptions and beliefs contained within cognitive models. It would be confusing to consider specific cognitive models within larger cognitive models, so the term 'strategy belief structures' seems to be most appropriate and used throughout this thesis. These belief structures (Walsh, 1988) are considered to be a specific part of the more general cognitive models of managers [15]. i.e. that part concerned with strategy processes or ways to meet particular aims and objectives.

Alternative terms are found in the management literatures and seem to be used synonymously to cognitive models and belief structures. For example, dominant logic (Prahalad and Bettis, 1986), frames of reference (Shrivastava and Mitroff, 1983); and schemas (e.g. Dutton and Jackson, 1987; Fiske and Taylor, 1991; Ireland, Hitt, Bettis and De Porras, 1987; Kieler and Sproull, 1982; Lord and Foti, 1986) are popular terms. As are mental models (e.g Hodgkinson and Johnson, 1994; Porac, Thomas and Baden-Fuller, 1989; Senge, 1990) and mental representations (Stubbart, 1989). All these terms are used to describe the cognitive underpinning of information-processing and sense-making and other management processes and activities.

The term 'cognitive map' (e.g. Axelrod, 1976; Calori, Johnson and Sarnin, 1994; Daft and Weick, 1984; Fahey and Narayanan, 1989) is also used but this term is often more closely associated with a visual representation of cognition, such as a representation on paper or computer screen. This term is also used in such a way in this thesis.

The term 'knowledge structures' (e.g. Lyles and Schwenk, 1992) is also found in the literatures but this term is usually used at a group level of analysis to mean the cognitive models of either a group of individuals or an organization. Additionally, terms such as 'heuristics and cognitive biases' (Barnes, 1984; Schwenk, 1986) are used but these terms

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[15] The author acknowledges that this terminology is not consistent with definitions from some other authors but due to wide use of different terminology this can be expected.

can be confusing because heuristics can be also be thought of as an antecedent process whereas cognitive biases can be thought of as consequences of cognitive models.

3.2.2 Cognitive content and cognitive activity components

Cognitive models are thought to include two major components: the cognitive content component and the cognitive activity or style component. A detailed knowledge of both components is required for a complete understanding of the strategic orientation construct and it consequences from a cognitive perspective. However, this current research study is focused on the content of cognitive models, because the deductive approach adopted uses *a priori* assumptions and beliefs within the extant strategy literatures and these are content based rather than activity based. Furthermore, different ways of thinking about strategy are largely distinguished from each other on the basis of content or assumptions and beliefs rather than cognitive activity.

The cognitive content component. The content of cognitive models is thought to include both attributes about a stimulus domain and the relationship between the attributes (Fisk and Taylor, 1991). The attributes themselves or 'what' managers assume and believe are considered very important in strategic management because they are thought to reduce information-processing demands and influence subsequent perception and performance (e.g. March and Simon, 1958; Walsh, 1988).

The relationships between attributes are also very important, because this structure may be based on the experience of cause-effect relationships between attributes that have been found to be important for success in the past. These may be largely conditioned beliefs (Hall, 2002) or beliefs developed through experience based on tacit knowledge. When embedded in cognitive models these beliefs are likely to guide decision making and make it faster by eliminating some decision making options. There may, however, be a heavy price to pay for this economy, because it is based on heuristics that can bias interpretations of the environment. These biased interpretations are likely to lead to a lack of recognition of change (Sparrow, 1994) and the consideration of few alternative decision making options.

The cognitive activity (style) component. The other major component of cognition is the manager's cognitive activity or style, which addresses *how* they process information. Cognitive activity or style denotes an individual's characteristic and consistent approach to organizing and processing information (Tennant, 1988). Cognitive activity, or how managers process information, may be largely due to the physiological make-up of the human brain rather than due to any prior experience or learning. It is therefore more pre-determined and relatively even more stable than cognitive content. It seems that many cognitive researchers hold the view that cognitive activity is due to differences in left/right hemispheres in the brain as these are the source of specialization of brain activity. Neurophysiological research suggests that in right handed individuals the left cerebral hemisphere is specialized primarily for analytical, rational and sequential information processing, whereas the right cerebral hemisphere is primarily focused on intuitive, holistic and simultaneous information processing (Armstrong, Allinson and Hayes, 2002). An individual's cognitive activity, therefore, is thought to be based on the relative dominance of one of the two cerebral hemispheres and the interactivity between them.

Cognitive activity or style has been studied through the use of many dimensions and consequently there are several well-validated cognitive style inventories that could be used for such research in the strategy domain. For example, the intuitive/thinking dimensions (Myers, 1962) and the adaptor/innovator dimensions (Kirton, 1976) are very popular. However, there have been many separate dimensions used by researchers (as many as fifty four are reported in Armstrong, Allinson and Hayes, 2002) so that consensus on how to effectively measure cognitive activity or style seems difficult to achieve. Some theorists think that the various dimensions used by numerous researchers are attempts to study the same phenomena. Allinson and Hayes (1996), for example, point out that many of the separate dimensions can be encapsulated under the labels 'intuitive' or 'analytical' individuals and these authors have incorporated these into a cognitive style index [16]. (Armstrong, Allinson and Hayes, 2002). However, other theorists such as Hodgkinson and Sadler Smith (2003) disagree and have criticised the

[16] As intuition has been widely investigated as a major dimension of cognitive activity or style, prior research seems to justify its inclusion into any notion of cognition, rather than considering analytical thinking as cognitive and intuitive thinking as non-cognitive.

use of such overarching dimensions, because such an approach does not capture what many researchers believe to be a multi-dimensional cognitive style construct. Such researchers suggest that uni-dimensional measurement does not reflect the complexity present in cognitive style, and only multi-dimensional measures will do this.

There is also an ongoing debate as to the independence or interdependence of cognitive content and activity or style. Researchers such as Nutt (1993) suggest that cognitive style not only reflects the cognitive activity of an individual, but also captures aspects of the belief system or cognitive content. Others, such as Foxall and Bhate (1993), disagree and suggest that cognitive style only describes an individual's cognitive activity. In other words, *how* decision makers process information (their cognitive activity or style) is not necessarily connected to *what* they believe (their cognitive content). In the strategy domain it seems likely that some form of relationship between cognitive content and cognitive activity or style will be found. A particular cognitive style, either more analytical or more intuitive, is implicitly connected with different strategy paradigms. For example, analytical ways of thinking about strategy are dominant in the strategy literatures especially in the rational planning literature. So, for example, a manager may possess an analytical cognitive style and also rational analytical beliefs about strategy in the content of their cognitive model. It may be possible that an analytical cognitive style will in some way re-enforce beliefs that strategy is best formulated and implemented through a rational analytical process. Well-developed competencies in analytical ways of processing information may encourage the development of analytical beliefs. In this sense a relationship between cognitive content and style may be found.

Some evidence for a relationship between cognitive content and style is also implicit in the empirical research investigating the other main cognitive style dimension, that of intuition. Clarke and Mackaness (2001), for example, have started to look at intuition in decision making from a cognitive content rather than a cognitive style perspective. Their research suggests that intuition is present in the content of cognitive models by the presence of less factual information and more simplified structure. If such findings are confirmed by other studies measuring both cognitive content and style together, in a single setting, then a partial physiological explanation for the content of cognitive models may be added to other explanations for their development. Cognitive scientists, however,

still differ on the role of intuition in decision making (Hodgkinson and Sparrow, 2002) and this may mean that the debate relating to the possible relationships between cognitive content and style will remain unresolved for some time.

One particular problem is that intuition can be conceptualised as an opposite and distinct from analytical thinking, but in the strategy domain the reasons for this conceptualisation are not unequivocal. Whereas, intuitive and analytical dimensions are often thought of as opposites in terms of a cognitive style index (Allinson and Hayes, 1996), there are different forms of analytical thinking highlighted in the strategy literatures. For example, the rational planning literature suggests that managers need to collect data for the analysis of external trends that may be exploited by strengths within the organization. However, other strategy literatures highlight different forms of analysis which may require different analytical capabilities. For example, the more interactive literature on positioning in strategic marketing highlights the need to analyse competitors to find gaps or niches that others have not exploited. Such analysis, which is directed to what is not in the data rather than what is, may require more intuition to do well. This example suggests that intuitive and analytical dimensions are not completely separate and distinct but inter-related within individuals as are automatic and controlled cognitive processes (Fiol, 2002). Furthermore, some form of analysis might precede any intuitive leap in the strategy domain and this may occur in such a way that it is difficult to separate them.

The adoption of a focus on cognitive content in this study does not mean that cognitive activity or style is unimportant, but rather that at this stage in theory development and due to the method adopted here, a detailed focus on cognitive content seems appropriate. Any possible relationship existing between cognitive content and activity or style can be investigated at a later stage by further research.

3.2.3 The stability of cognitive models

As cognitive models contain a cognitive activity or style component, they are likely to remain very stable at least in part. If the *how* of managers' information processing is largely pre-determined by the physiological make-up of the human brain, some stability seems implicit. However, stability in cognitive content needs to be considered because it is only content that is investigated in this current study. This stability is important when

researching the strategic orientation construct from a cognitive content perspective. Some stability is implicit in the notion of an 'orientation' and if cognitive content is reasonably stable, the predictive utility of research into the construct and its consequences will increase.

Studies of the contribution that management cognition plays in inertia give an insight into the stability of cognitive content. Hannan and Freeman (1984) suggested that firms have difficulty responding to changing external environments due to structural inertia and this inflexible behaviour has been widely recognized in strategic management. Authors such as Porac and Thomas (1990) and Hodgkinson (1997b) suggested a cognitive explanation for this behaviour within managers' cognitive models. More specifically, these authors suggested that inertia can occur within managers' cognitive models associated with their competitive structures or how they perceive their organization versus its competitors.

Empirical evidence for a cognitive explanation for inertia has been found in several contexts. For example, Grønhaug and Falkenberg (1989) found that no firms included in their study of the forestry products sector changed its basic strategy when experiencing environmental jolts. The authors attributed the findings to biased perceptions of their environment and a lack of competencies in dealing with the new conditions. Some cognitive researchers such as Sparrow (1994) consider that biased interpretations are likely to lead to a lack of recognition of change and this is a prerequisite for a response to change.

Other empirical studies have also identified cognitive influences on inertia based on longitudinal documentary evidence in the railroad sector (Barr, Stimpert and Huff, 1992) and on longitudinal questionnaire evidence in the estate agency sector (Hodgkinson, 1997). Both these studies highlight disastrous consequences for the firms when managers become locked into cognitive models that are no longer appropriate for new conditions. Another study (Lindell, Melin, Gahmberg, Hellqvist and Melander 1998), also using longitudinal documentary evidence, but based on an individual strategist in a hospital setting, suggests that a framework of strong stable beliefs, values and assumptions can prevail in an individual over long periods of time (at least over the three-year term of the study). This stability, the authors suggest, may be based on those beliefs that are likely to

be formed early on in a strategist's career. However, Lindell, Melin, Gahmberg, Hellqvist and Melander (1998), also found continuous mental adaptation but this was focused on situational factors.

Based on these studies there is some but limited empirical research evidence to suggest that cognitive content is relatively stable especially managers' core beliefs, values and assumptions, which are likely to remain most stable. The limited nature of this evidence, however, does not seem to be associated with contradictory research findings, but rather with a relative lack of empirical research conducted on the stability issue in the cognitive strategy domain.

There is some further evidence for the stability of cognitive models, but two important caveats must be mentioned. One, is that this further evidence is partially based on consistency of decision-making behaviour, which from a cognitive perspective is a consequence of cognition and not cognition itself. Two, is that the evidence is somewhat contradictory. For example, a study by Dutton, Fahey, and Narayanan, (1983) suggests that the decision processes that managers employ are different depending on contextual factors such as motivational factors associated with strategic issue diagnosis. Empirical research conducted by Fredrickson (1985), however, found that while the decision-making processes of inexperienced managers were influenced by contextual factors such as strategic issue diagnosis, experienced managers were not influenced by these factors. Therefore, this latter finding seems to add weight to the notion that experience is an important antecedent to the development of cognitive models, which in turn may influence consistency within decision-making processes. Cognitive models, it seems can change due to experience, but once they have been built up over time they remain stable and difficult to change (Barr, Stimpert and Huff, 1992).

Cognitive models, when they have been built up over time, may have an important influence on decision-making processes and subsequent behaviour (Barr, Stimpert and Huff, 1992) independent of the strategy-making context (Fredrickson, 1985). Furthermore, experienced managers are also known to categorize competitors in strategic groups consistently across an industry (Porac, Thomas and Baden-Fuller, 1989), whereas Reger and Huff (1993) found evidence of socialization within strategic groups. These empirical studies suggest strong social or cultural antecedents to cognitive models at an

industrial and strategic group level. Such strong antecedents also suggest that cognitive models are likely to remain stable.

In summary, there seems some consensus, but based on limited research evidence, that managers have a framework of stable assumptions, beliefs and values, but can also adapt to changing situations. There is also some evidence to suggest that cognitive inertia exists in some managers and this phenomena may be due to strong antecedents to cognition developed due to past experience based on tacit knowledge. To provide a definitive answer to the question of stability of cognitive strategic orientations, however, there is a need to incorporate a longitudinal research design over several years and this is not envisaged in this current study. This study may, however, help provide a basis for such a longitudinal study by firstly exploring cognitive strategic orientations and developing a consistent method so that cognitive models can be compared over time. Much of the current limited longitudinal evidence is based on inferring cognition from documentary evidence rather than direct comparisons of cognition over time and such limitations in research methods undermine confidence in the findings.

The above discussion has implications for some aspects of cognitive stability that may be found in the store managers participating in the study. These managers are asked to move to new situations (stores) approximately every two years, therefore mental adaptation focused on situational factors is likely to occur regularly. Furthermore, the limited research evidence on stability and adaptation of cognitive models is largely based on top managers within organizations. This work needs to be extended to provide more data on the stability of cognitive models from managers at all organizational levels including those involved with practice at lower organizational levels. Also work needs to progress on the stability of specific cognitive models as some may be more stable than others. However, before such work is carried out the cognitive models important in strategy practice need to be investigated and a start is made in this current study. Comparing cognitive models is a challenging research endeavour (Hodgkinson, 1997a; Huff and Fletcher, 1990) and systematic methods are required for this to occur. Unless a sound method is found for investigating and comparing cognitive models, more detailed investigations of the stability of cognitive models over time cannot be reliably undertaken. There have been considerable advances in research methods especially

though cognitive mapping procedures and subsequent analysis of the structures within cognitive maps. Methods to compare other aspects of the content of cognitive maps, however, such as the factors or nodes and the relationships between them remain at an early stage of development. One particular problem is that cognitive models within the strategy domain are rarely defined in advance so researchers may not even know what they are looking for. These issues will be addressed in this current study by comparing the strategy belief structures of individual managers within the same strategy implementation context.

Whereas the literature addressing the nature of cognition is important to this study, the literature addressing cognition in context is also important. In particular, cognition needs to be discussed in relation to strategic decision making during the implementation phase of the strategy process in a spatially distributed branch network of retail stores, as this is the context for the empirical phase of the study.

3.2.4 Cognition in strategic decision making

Strategic decision making is often said to be concerned with the direction of organizations (e.g. Schendel and Hofer, 1979; Seth and Thomas, 1994). This form of decision making can be a group based activity especially in larger more complex organizations involving upper echelons teams (e.g. Hambrick and Mason, 1984), where organizational structures and systems and the socio-political context is important to understanding the effectiveness of the decision making (e.g. Pettigrew, 1973). In a group context, the different cognitive biases of members of the group are thought to be beneficial to decision making in certain situations such as stable environments (Hambrick and Mason, 1984) or may lead to a lack of consensus and problems with group decision making in other environments (Miller, Burke, and Glick, 1998). Even in the context of group decision making, the individual plays a key role because managers are known to perceive their environments and conceptualize problems differently (e.g. Jackson and Dutton, 1988). A leading team member within an organization can therefore direct the perception and response to change at an organizational level. In other, less complex management contexts, an individual entrepreneur or a chief executive can be given such autonomy that they can largely make strategic decisions by themselves.

Research into different perceptions of managers suggests that cognition, or the systems of assumptions and beliefs that underpin perception, play a vital role in strategic decision making required to give direction to organizations. Research into the categorization of competitors, for example, indicates that a lack of perception in this arena can have serious consequences for strategic decision making, because some competitors are overlooked completely (e.g. Porac, Thomas and Baden-Fuller, 1989). Thus, understanding the cognitive models of individual managers is increasingly seen as an important precursor to a further understanding of the effectiveness and outcome of group decision making at the top of organizations (e.g. Clarke and Mackaness, 2001; Hodgkinson and Maule, 2002).

Cognition is also important lower down in organizations where many business strategies are implemented. Researchers such as Lindblom (1959) and March and Simon (1958) have long highlighted the problems of dealing with complexity in organizations where there is often a political dimension to strategic decision making with associated barriers to change (Mintzberg, 1973). In such circumstances strategies planned at the top are likely to be modified when implemented lower down in organizations (Mintzberg, 1994) and this may be due to the alternative belief structures of managers entrusted with implementation. Strategies may also be inconsistently implemented due to differences in managers' belief structures, especially within a spatially distributed branch network of stores. Individual managers may perceive strategies formulated at the top differently (Grønhaug and Falkenberg, 1989) or may experience different local conditions so that such hierarchically formulated strategies have to be modified for local needs. Such issues have not been adequately addressed by previous studies into the strategic orientation of managers, and therefore there is a need to focus, in this current study, on a comparison of the strategy belief structures of individual managers involved with strategy practice. This comparison is carried out by investigating the cognition of individual managers involved in practice within a large branch network of retail stores.

3.2.5 Cognition in the context of a retail branch network

It is likely that if strategy emerges from lower organizational levels it is embedded in practice activity. When studying individual managers involved in practice within a large branch network of retail stores, cognition, and the largely tacit knowledge it is based on,

can be thought of in different ways. Some authors such as Eden and Ackermann (1998b) suggest that cognition is solely an individual phenomenon and is only materialized at other levels. These authors suggest, for example, that organizational documents can only be analysed as a proxy for cognition because cognition itself can only reside within individuals. Others such as Fiol (2002) take a different view and point out that cognition can also reside outside the individual in the culture and structures of organizations such as within routines and operating procedures. In other words, both individual and organizational elements contribute to organizational cognition and memory (Walsh and Ungson, 1991). This memory may have advantages to the organization because it has routinized past learning which may be useful in the future, but there are potential disadvantages because there may be a need for unlearning when responding to new challenges (Walsh and Ungson, 1991).

Cognition can also be distributed across work groups within organizations (see Hodgkinson and Sparrow, 2002 for a review). From this perspective cognition is a network phenomenon based on the interaction between individuals. However, distributed cognition largely relies on strong ties between members of work groups and these are less likely to occur between managers of individual stores within a spatially distributed branch network. Some distributed cognition may exist between individuals within any particular store but in small retail grocery stores, the context for this current study, most individuals apart from the store manager are either not in management roles or in junior management positions. Therefore, the study of distributed cognition is unlikely to contribute greatly to an understanding of strategic orientation in practice within this context.

When studying strategy from an organizational perspective researchers tend to focus on unifying aspects of the organization, such as assuming a single organizational culture, rather than considering possibility of alternative perceptions by different managers (Hodgkinson and Sparrow, 2002). Organizations may be composed of multiple socially constructed realities with no single version of the truth (Hodgkinson and Sparrow, 2002). A single organizational culture seems even more unlikely within a large retail branch network because unifying communication between individual branch managers is invariably more limited. In a retail branch network, different competitors and different

levels of competition are likely to arise in different localities, as are different customer groups. In such situations individual managers in different localities are likely to have alternative perceptions and these need to be investigated and built into research designs in the strategy domain. Due to such factors, the importance of different individual cognitions is amplified within a branch network of retail stores and these are therefore the focus of this current study. Different individual cognitions may help explain the formulation of emergent opportunistic strategies as well as different operationalizations and implementations of strategy at a local level. A study of such issues may also help explain the different performance levels of stores within a branch network. Consequently, in this current study cognition is studied at the individual level to investigate differences in the strategic orientation of managers involved with practice activity at a store level.

The focus on individual cognition does not imply that social interaction between managers does not occur. From this latter perspective managers working in branch networks are likely to employ a number of interaction strategies to obtain information to gain knowledge and this may be embedded in their belief structures. For example, store managers are likely to obtain information from past work experience; communication with head office; area managers who look after several stores within a region; training courses and from a close network of other store managers. Such complex interactivity will invariably result in different interpretations of any strategy formulated at the top of the organization by individual managers at lower levels and is also likely to result in different ways of implementing strategies. In short there is likely to be a local interpretation and development of any strategy formulated at the top to take account of local conditions. This development will invariably involve operationalizing the interpretation of any strategy formulated at the top and implementing it to take account of local conditions. Indeed, in connection with this study, the retail store managers taking part are instructed to move to different stores on a regular basis so that they can give direction to a 'new' store that may be having problems such as under-performance. As all branch managers have to move, and there are a limited number of 'excellent' stores to move to, a competitive situation exists between managers within a branch network. This competition may limit the amount and nature of knowledge that is distributed within the network. Knowledge of what strategy processes best achieve success at a store level may

be the sort of knowledge that managers are loathe to distribute freely to other managers. In this context the study of individual cognition seems to gain increased importance and is therefore the focus of this current study.

3.3 Summary

In this chapter the details of the debates in strategy and cognition that impact on the study of strategic orientation in practice were outlined. Strategy in the context of grocery retailing was discussed and the implications for the empirical phase of the study were outlined. Near the start of the chapter the highly competitive industrial setting for the organization taking part in the research was outlined and the different levels that the strategy concept can exist were discussed. It was noted that business strategy is investigated in the empirical phase of this study and this focus is largely due to the importance of business strategy to competitive advantage. A focus on business strategy is also consistent with much of the prior research in the strategic orientation domain.

Strategy at different organizational levels was also discussed and the traditional hierarchical top-down approach to strategy that is presented in much of the rational planning literature was critically evaluated and contrasted with the more emergent opportunistic approach to strategy that is likely to be found in a spatially distributed retail branch network of grocery stores; the context for the empirical phase of this current study. It was noted that managers at lower organizational levels are involved with operational concerns, implementing strategies formulated above, modifying them to meet individual conditions as well as developing their own strategies to deal with practical issues and improve performance.

Strategy process and strategy content were also briefly discussed and the prior convention that strategic orientations should be defined in terms of different strategy processes was adopted. The links between strategy processes and content are to be explored in the empirical phase of the study.

Next, cognition was defined and the importance of cognitive models to decision making was discussed. A distinction between cognitive models and belief structures was also made to clarify the terms used in this thesis. The literature highlights the importance of

both cognitive content and cognitive activity or style to a complete understanding of cognition, but due to the focus of this study on different beliefs about strategy, a focus on cognitive content of individual managers involved with practice activity was deemed necessary. The limited research into the stability of cognitive models was outlined and it was noted that core aspects of the content of cognitive models seem to remain stable over a considerable time. If any links between cognitive content and cognitive activity can be confirmed even more stability is likely because cognitive activity or style is thought to be based on the physiological make-up of the human brain.

Cognition in the context of a spatially distributed branch network of stores was also discussed and a focus on the cognitive content of individual managers was justified due to limited knowledge in this area. There is limited understanding of managers' different cognitive strategic orientations when involved in practice. There is also a lack of knowledge of the antecedents and consequences of such strategic orientations. Such research is required if we are to understand how knowledge embedded in practice becomes a source of emergent strategy and difficult to imitate competitive advantage.

CHAPTER 4

THEORETICAL DEVELOPMENT: A COGNITIVE PERSPECTIVE OF STRATEGIC ORIENTATION IN PRACTICE

In this chapter the theoretical development underpinning a cognitive perspective of strategic orientation in practice is undertaken. Firstly, the background to this development is provided. Essentially, strategic orientations are developed from strategy paradigms outlined in the extant literatures to provide more parsimonious theoretical orientations to be investigated in the empirical phase of this study. Next, the cognitive background is discussed and personal construct theory and schema theories outlined. Then the domain of the strategic orientation construct is discussed and the dimensions specified based on an interpretation of the extant literatures. Different theoretical cognitive strategic orientations likely to occur in practice are postulated from a review of different strategy belief structures outlined in prior literatures and these are to be investigated in the empirical phase of this study.

4.1 Background to the Theoretical Development

As the intention is to use the assumptions and beliefs expressed in strategy paradigms as a way to construct possible strategic orientations likely to occur in practice, it seems appropriate to consider the relationship between orientations and paradigms. Arndt (1985) discusses this relationship by building on the work of Morgan (1980), Gultang (1977) and Kuhn (1970). Essentially, orientations operate at a higher (or core), more philosophical level and are more concerned with philosophical beliefs, whereas paradigms are more concerned with ways of thinking based on the consequences of the acceptance of theories. Paradigms, as originally conceptualised by Kuhn (1970), provide exemplars of ways of thinking and model problems and solutions to research practitioners. Thus, individuals by operating within a paradigm have a way of viewing the world that leads them to only address problems and to only apply research procedures consistent with the paradigm that has been adopted.

In this present study, Arndt's (1985) notion of a relationship existing between orientations and paradigms through different levels of abstraction is utilized to specify the dimensions of the strategic orientation construct. Based on Arndt's (1985) conceptualisation, orientations provide an underpinning to groups of paradigms at a philosophical level. From a cognitive perspective, orientations are belief structures contained within the cognitive models of individuals. They are based on assumptions and beliefs (Sproull, 1981), embedded in ways of thinking or paradigms (Weick, 1995). Orientations are therefore more philosophical and are more concerned with implicit beliefs.

One way to develop orientations from paradigms is to build a profile of various paradigms present in the literature by descriptive means (Möller, 1994), and uniting these paradigms based on their core assumptions and beliefs (Combe, 1999). This method is used to develop theoretically possible strategic orientations from strategy paradigms in this study.

4.2 Theoretical Cognitive Background

The theoretical considerations underpinning the cognitive approach adopted in this study are presented in the social cognition literature. At a theoretical level, the cognitive perspective adopted in this study is largely embedded in two theories, personal construct theory and schema theory. Personal construct theory (Kelly, 1955) is based on individuals' personal interpretations and assessments of their environment. Kelly (1955) argued that individuals act as proto-scientists to the extent that they develop modifiable expectations or constructs of their surrounding environment, and these expectations are based on a set of theories about the manner in which the environment is structured. However, as Jenkins (1998) points out Kelly's work does not provide a causal platform in the way that attribution theory does.

Schema theory (e.g. Fisk and Taylor, 1991; Harris, 1996; Lord and Foti, 1986) suggests that individuals act on their schemas or cognitive models that represent their general knowledge about a given concept or stimulus domain (Fisk and Taylor, 1991). In contrast to personal construct theory, schema theory seems to take account of causal knowledge. This is important in the context of the current study because research into different

strategic orientations used by managers when achieving aims and objectives in practice is largely focused on investigating beliefs about cause and effect relationships.

Schemas are hypothetical mental structures that control attention and the reconstruction of memory (Lord and Foti, 1986). They are considered to reduce information-processing demands by providing knowledge systems for interpreting information (Lord and Foti, 1986). Thus, the accuracy of perception may be reduced by biases, because schemas or cognitive models, according to Fiske and Taylor (1991), are considered related to perceptions in ways that suggest a dominance of a particular dimension. If a dimension of a cognitive model is particularly important then the manager will be more sensitive to that dimension in different contexts. Schema theory suggests then, that individuals structure knowledge to provide an active construction of reality. This view suggests that perception is constructed by interpretive facilities based on contextual factors (Fiske and Taylor, 1991). This interpretation within context provides meaning for individuals.

Two main alternative explanations are advanced to explain cognition: one is that cognition is based on a homogeneous network of interconnected units modified by learning, whereas the other suggests that cognition is based on a set of computational rules that manipulate symbolic representations. Some cognitive researchers, such as Pinker (1991), suggest both explanations are partially correct. The terms 'belief structure' and 'cognitive model' do not imply any assumptions that either of these explanations should have primacy over the other.

The cognitive view suggests that the information-processing system is based on several components within the human mind, such as a sensory store, a short-term memory, a long-term memory and an executive component (see Lord and Maher, 1990; for a review). The processing of information is not random, but individuals are selective in what they notice, learn and remember (Markus, 1977). Cognitive theorists suggest individuals achieve this by the use of cognitive models or schemas to reduce information overload.

So far in this chapter the theoretical background to a cognitive interpretation of the strategic orientation construct has been discussed. Next the dimensions of the construct are specified. This is an important task in any research study and particularly needed in

this case because of the many definitions and interpretations of the concept of strategy and the term 'strategic orientation'.

4.3 The Dimensions of the Cognitive Strategic Orientation Construct

Specifying the theoretical dimensions of the strategic orientation construct from a cognitive perspective represents a difficult problem for researchers. In Chapter 2 cognitive strategic orientations were defined in terms of different beliefs structures about strategy within managers' cognitive models, but it is difficult to determine the content of such belief structures. In the current study, this problem is addressed by reference to *a priori* strategy paradigms, so that strategic orientations are built by profiling strategy paradigms based on their common assumptions and beliefs. The use of paradigms to specify the dimensions of a cognitive construct seems appropriate because of their similarity. As outlined by Prahalad and Bettis (1986) and Smircich (1983) there is a striking similarity between the concept of a paradigm and the notion of a cognitive model. In other words, they are both based on systems of assumptions and beliefs and these provide exemplars for viewing the world.

Given the complexity of strategy, it is logical to assume that the strategic orientation construct is multi-dimensional, (Gatignon and Xuereb, 1997; Voss and Voss, 2000) because it is difficult to envisage how the construct could be encapsulated by a single dimension (Venkatraman, 1989). There are two ways, in which to arrive at the multi-dimensions of the strategic orientation construct: *a priori* or *a posteriori.* Both have advantages and disadvantages. However, given that the intention in this study is to develop and specify the theoretical dimensions for an interpretation of a construct already present in the literature, an *a priori* approach seems appropriate. Another reason is that several researchers such as Argyris and Schön (1974) and Prahalad and Bettis (1986) have pointed out that managers may be unable to verbalise their 'theories in use' that actually govern their behaviour in day-to-day management. A grounded approach did not seem appropriate considering this potential problem.

The main difficulty with this *a priori* approach is that it can be regarded as theory laden. This criticism will be largely addressed in this study by incorporating as many different theoretical perspectives as possible into the dimensions of the strategic orientation

construct. However, there is a bias to the dimensions already present in the literatures. This bias can only be addressed by follow up studies using *a posteriori* methods.

Specifying the dimensions of the strategic orientation construct from a cognitive perspective based on *a priori* strategy paradigms is a difficult task because many paradigms and definitions of strategy exist in the literatures. Another problem is that the strategic marketing and strategic management literatures have historically been largely based on behaviour and its consequences; what managers do and what strategies they can employ, rather than their systems of assumptions and beliefs in relation to strategy. Consequently, frameworks such as those presented by Hart (1992) and Mintzberg (1973) based on the contrasting roles of managers in the strategy-making process, do not lend themselves to a cognitive interpretation of the strategic orientation construct.

Working at a more meta-theoretical level, several researchers have developed frameworks to help conceptualize the different paradigms present in the management literatures. For example, Burrell and Morgan (1979) and Astley and Van de Ven (1983) have undertaken this from an organizational theory perspective, Arndt (1985) from a marketing theory perspective and Whittington (1993) from a strategy theory perspective. They all undertake to achieve a comparison of paradigms by dividing them on a restricted number of dimensions operationalized by 2 x 2 matrices. Whereas this approach is a useful and powerful way to discriminate between different paradigms, it is restricted in the number of dimensions used to discriminate. It therefore invariably offers a simplified view of the complexity present. Also by emphasising the differences with bi-polar semantics, this approach may lead to a further fragmented reductionist view of research. Implicit in this approach is division if not incommensurability. Therefore this approach needs to be rejected here, as it is non-integrative and will not lead to a link between paradigms and orientations at a more philosophical level.

In response to this difficulty, an alternative approach has been used by Combe (1999) which involved profiling fifteen strategy paradigms (see Combe and Botschen, 2004) and tabulating them are around different beliefs to integrate them at a more philosophical level. Thus, strategic orientations are developed at a more philosophical level, which are distinguished by different beliefs in relation to factors important in strategic decision making (Combe and Greenley, 2004). The basis of the different theoretical strategy belief

structures are, therefore, beliefs in relation to factors such as: the nature of the environment in which the organization operates; the predictability of change within that environment; and the possibility of change internally. This procedure was used here to provide a more parsimonious basis for distinguishing different theoretical strategy belief structures. These are outlined in Table 3.

THEORETICAL STRATEGY BELIEF STRUCTURES

Table 3

Adapted from Combe (1999)

A cognitive content framework specifying the dimensions of theoretically possible cognitive strategic orientations or strategy belief structures was developed in two stages. Stage one focused on the theoretical strategy belief structures developed from an interpretation and synthesis of the strategic marketing and strategic management literatures. The main implicit beliefs are presented in Table 3. Stage two, included a study of different information-processing requirements associated with these different beliefs, again based on a review and synthesis of the literatures. These different

information-processing requirements were added to the framework and are presented in Table 4.

THEORETICAL STRATEGY BELIEF STRUCTURES AND THE EXPECTED INFLUENCE ON INFORMATION PROCESSING

Table 4

Adapted from Combe and Greenley (2004)

4.4 The Theoretical Strategy Belief Structures

The synthesis of the prior literatures suggests that managers will possess different strategy belief structures to use in practice. The main systems of assumptions and beliefs associated with rational, developmental, deterministic, interactive and chaos strategic

orientations are now outlined together with their expected influence on information-processing.

4.4.1 Rational strategy belief structures

Rational strategy belief structures are based on the core belief that it is possible to change to fit the external environment. When taking a rational view, strategy can be defined as a match between the organization and its external environment or what a company can do within the universe of what it might do (Andrews, 1971). A major suggestion prevalent in the management literature when discussing how to effect this match, is the analytical planning of strategy, which is supposed to be achieved by a detailed analysis of the external and internal environments. Rational strategy belief structures are based on attempts by managers to reduce and rationalize complexity to try to make sense of the environment, and this way of thinking about strategy has been discussed in relation to information-processing models (Lord and Maher, 1990) and decision-making processes (Fredrickson and Mitchell, 1984; Hart, 1992; Hitt and Tyler, 1991; Mintzberg, 1973).

Rational strategy belief structures are likely to include implicit beliefs associated with rational analytical thinking. For example, that it is possible to forecast with reasonable accuracy and to deliberately plan for the future and proactively change the organization (see Table 4). The limitations of rational beliefs at a cognitive level, concerning biases in information processing and the accuracy of analysis, are well documented. Some degree of stability is also required within the internal and external environments for the analytical aspects of rationalism to be effective (Ansoff, 1979; Fredrickson and Iaquinto, 1989; Fredrickson and Mitchell, 1984; Mintzberg, 1973). Therefore, incorrect interpretations of the external environment due to unpredictable change, and unforeseen internal barriers to the implementation of hierarchically imposed strategies may occur.

One idealistic purely rational view of decision making pre-supposes unlimited information-processing capacity by the manager (Lord and Maher, 1990). This view is implicit within some of the rational analytical planning literature concerned with resource allocation. A rational belief system is likely to limit and selectively direct information processing to detailed analysis of external trends and the profitability of the product portfolio to reduce risk and maximize profits. There has been considerable

debate on the limits of information processing, and hence the limits of rational decision making. Researchers have suggested boundedly rational (Cyert and March, 1963) and limited capacity (Lord and Maher, 1990) explanations, constrained by physiological information-processing capacity of the human brain (Miller, 1956). However, all managers, rational or otherwise, have to contend with physiological limitations to information processing to some degree.

In a retailing context it is expected that rational strategy belief structures will be based around factors such as obtaining detailed data on customers and competitors; a detailed analysis of profitability and planning ahead as *ways* to achieve success. All these factors suggest rational beliefs in relation to strategy and the empirical phase of the research will investigate if such beliefs are present in the cognitive models of retail store managers when undertaking practice activity within a single organization.

4.4.2 Developmental strategy belief structures

Developmental strategy belief structures are based on the core belief that it is possible to develop and change to grow and improve for the future. When taking a developmental view, strategy is not so much a plan for the future, but rather success or failure is dependent on unique, difficult to imitate resources and the capabilities to deploy them (Penrose, 1959; Wernerfelt, 1984). Adapting through learning from past experience (Arrow, 1962) and exploiting learning curve effects are also central tenants of developmental ways of thinking about strategy. Strategy is not so much a match, but rather a developmental task involving the building of tangible assets such as plant and machinery and intangible assets such as knowledge and relationships over the longer term in the 'right' direction. Strategy is much more internally focused and future orientated. Developmental beliefs and ways of thinking about strategy are portrayed in the resource-based literature and the literature on learning curve theory.

Many researchers have highlighted the importance of learning and resources to strategy (e.g. Arrow, 1962; Levinthal and March, 1993; Penrose, 1959; Wernerfelt, 1984) and other authors such as Hitt, Keats and DeMarie (1998) and Sanchez (1993) have highlighted the importance of a developmental view of strategy, in particular the importance of the resource-based view to strategic flexibility. A manager's choices are

constrained by resource specificity and capabilities to use resources and these may be reflected in strategies.

Addressing developmental issues by identifying and building inimitable resources and capabilities is a difficult task, and requires managers to possess demanding information-processing capabilities. A developmental belief system is likely to limit and selectively direct information processing to analysis of internal resources and processes, with a view to improving them for the future (see Table 4). As these belief structures are future orientated, information processing may also be directed by a vision and beliefs about that future.

In a retailing context it is expected that developmental strategy belief structures will be based around factors such as developing staff; learning to improve; current resources and building resources for the future as *ways* to success. All these factors suggest developmental beliefs in relation to strategy and the empirical phase of the research will investigate if such beliefs are present in the cognitive models of retail store managers when undertaking practice activity within a single organization.

4.4.3 Deterministic strategy belief structures

Deterministic belief structures [17] are based on the philosophy that the direction of decision making is determined by events outside management's control, and that freedom of choice is illusory (Bourgeois, 1984; Clark, Varadarajan, and Pride, 1994). On the face of it, deterministic paradigms are not strategy paradigms at all, because at a philosophical level, determinism is antithetical to any notion of strategy involving choice on the part of managers. Indeed, the population ecology literature presents such a view, found in Darwinian thinking, which suggests that strategy is largely irrelevant, because external environmental forces determine success rather than any strategy that managers can devise. Such deterministic thinking suggests that responsiveness to external change is

[17] It is recognised that the application of the deterministic Darwinian paradigm to management pre-supposes that information processing and choice does not matter, because it is external forces that determine success rather than any strategy a manager might employ. However, it is possible that managers can think in different deterministic ways and develop strategy based on deterministic thinking. For example, developing strategies to fit in with a notion of a product life cycle suggests strategies are determined by previous sales.

very limited due to structural inertia (Hannan and Freeman, 1984) and therefore it is the market that largely selects firms and not the other way around.

However, there are less extreme forms of determinism and the practical implications of deterministic thinking at the level of managers needs to be considered. Deterministic beliefs about strategy are portrayed in many forms as suggested in Table 4. Especially prominent is the core belief that there are very limited possibilities to respond to external change and success is determined by external factors to the organization and managers. Such beliefs are prominent in the strategic management literature that takes an industrial organization economics perspective (see Bourgeois, 1984; Grant 1996; Seth and Thomas, 1994), and is no less prominent in the marketing literature, where determinism is inherent in decision making tools based on life cycle theories such as the product life cycle (see Taggart, 1995).

The contents of deterministic belief structures are likely to include implicit beliefs associated with selection by the external environment. For example, external forces are unavoidable, and it is impossible to change fast enough internally to keep up with external change (see Table 4). As the success of the organization is largely determined by external forces outside the manager's control, it is likely that the manager would possess a belief system that is passive and fatalistic. Barr, Stimpert and Huff (1992) provide some empirical support for such deterministic thinking because in their study they found that some managers continually attributed both good and poor performance to external factors and remain passive when faced with external change.

Considerable past experience of structural inertia may be a likely antecedent to these belief structures. Another possible antecedent is education, in the form of acceptance of well-known deterministic cyclical theories, such as the product life cycle and economic cycle theories, which suggest that performance is outside management control.

Information processing, in the context of deterministic belief structures, may be directed to the identification of efficiency gains internally, because managers may consider this is the only possible response to external change. Thus, a deterministic belief system may limit and selectively direct information processing to analysis of efficiency of internal

processes and external cyclical trends. This way of thinking puts severe limitations on the possibility of response to change.

In a retailing context it is expected that deterministic strategy belief structures will be based around beliefs such as economic conditions; geographical position of store; car parking and the size of the store as determining success. All these factors are largely out of the control of store managers and the empirical phase of the research will investigate if such beliefs are present in the cognitive models of retail store managers when undertaking practice activity within a single organization.

4.4.4 Interactive strategy belief structures

Interactive strategy belief structures are based on the core belief that strategy is dependent not only on the manager, but competitors, other stakeholders and internal barriers to change. Interactive and ways of thinking about strategy are portrayed, for example, in the marketing literature dealing with the concepts of 'positioning' and 'niche', because these concepts suggest that managers should focus on filling gaps left by the interaction with competition.

Interactive ways of thinking about strategy highlight that strategy is not so much a plan for the future, building for the future or pre-determined by other factors, but emerges from an interactive decision making process. Different forms of interactivity are discussed in the literatures. For example, one major theme emphasises the political nature of organizations and internal barriers to change so that strategy has to emerge from this internal political interaction (Lindblom, 1959; Mintzberg, 1973). From this interactive perspective, strategy emerges from a decision-making process but the result of this interactivity is unknown, because it is influenced by others as it is based on a complex 'political' bargaining process. Given these conditions, strategy has been defined as 'a pattern in a stream of decisions' to reflect its emergent nature (Mintzberg, 1978). Another strategy paradigm focuses on interaction externally, with competitors, so that strategy is about finding gaps or niches that competitors do not occupy and success is a result of differentiation from competitors. These interactive ways of thinking about strategy suggest that managers have to contend with dynamic, constantly changing environments. Idealistic rational planning is therefore considered to be unrealistic

because it will invariably be modified due to interactive factors.

Interactive effects need to be addressed by managers, because they have to interact with internal and external limitations, which are likely to be continually changing. Internally such limitations are barriers to change, so that strategy is slowly modified and emerges incrementally from an interactive process (Lindblom, 1959, Mintzberg, 1973). Externally such limitations are the availability of market niches, so that strategy may have to be modified due to competitive exclusion.

The contents of interactive strategy belief structures are likely to include implicit beliefs associated with these effects. For example, that the organization is operating in a complex, dynamic, competitive environment, and is not isolated from the actions of competitors and other stakeholders. Therefore, strategy is usually modified through interaction with political barriers to change, and responses from customers and competitors (see Table 4). Managers with interactive strategy belief structures are likely to be very adaptive and entrepreneurial in their thinking because they continually focus on dynamic interactive effects. Cognitive theorists have recognized these interactive effects on information processing, and suggest that some information-processing models emphasise action (Lord and Maher, 1990). Such models are termed 'cybernetic' (Lord and Maher, 1990), because information processing is dynamic and is based on feedback. An interactive belief system is likely to limit and selectively direct information processing to analysis of competitors, gaps in markets, and internal barriers to change.

In a retailing context it is expected that interactive strategy belief structures will be based around factors such as differentiation from competitors; knowledge of competitors; price differentiation from competitors; trial and error in decision making and overcoming barriers to change within the organization as *ways* to success. All these factors suggest interactive beliefs in relation to strategy and the empirical phase of the research will investigate if such beliefs are present in the cognitive models of retail store managers when undertaking practice activity within a single organization.

4.4.5 Chaos strategy belief structures

New ways of thinking about strategy, that stress that managers have to address complexity and unpredictability, have been presented in the strategic marketing and strategic management literatures relatively more recently. The message for managers from the postmodernist marketing literature is that consumers are unpredictable and fickle in the current era of vast consumer choice and global hyper-competition (Firat, Dholakia and Venkatesh, 1995). In these circumstances rational strategy is of little value because it is ineffective in these unpredictable circumstances.

The management literature addressing chaos theory suggests a different form of complexity and unpredictability that managers have to contend with. This is a complexity of a different kind to the large number of reasonably stable variables that rational planning is supposed to address. The complexity is dynamic or constantly changing and is part of the interconnected organizational system in which humans interact internally and externally. It is termed systemic complexity (Senge 1990). To address this managers need to focus on the inter-connectedness of phenomena, because a small change in one part of the system can produce amplified chaos elsewhere (Senge, 1990; Stacey, 1991 and 1995).

Chaos strategy belief structures are based on the core belief that there is a limited possibility to predict and plan for the future, because the organization exists in a complex and unpredictable environment. It is possible that the main advantage of possessing chaos belief structures is that they are developed from experience and knowledge of unpredictable change. This is an advantage because unpredictable change is becoming more dominant, due to the move to global information economies (Hitt, Keats, and DeMarie, 1998; Senge 1990; Stacey, 1991; Stacey 1995). Therefore, possession of these belief structures may be a considerable advantage to managers within current, dynamic business environments. Providing solutions to deal with unpredictable change, however, is more problematic. Perhaps Senge (1990) offers the most optimistic solution, by suggesting that managers should try to learn about the systemic inter-connected nature of management problems and processes. Another option is to focus on internal issues such as the creativity and speed of reaction to current trends needed to develop new products, which also generates unpredictability for competitors.

The contents of chaos strategy belief structures are likely to include implicit beliefs associated with complexity and unpredictability. For example, that the external environment is unpredictable and planning is of little value, and therefore that strategy is best managed by focusing internally on creativity and speed of reaction (see Table 4). Managers with chaos belief structures could be expected to be used to dealing with high levels of unpredictable change.

The use of information may be limited by past experience of unpredictability or the perceived unpredictability of environments, and Kiessler and Sproull (1982) suggest that these interpretations may persist in memory. The demands on information processing are the inter-connectedness of phenomena (Senge, 1990; Stacey, 1995); the non-linearity of cause-and-effect relationships over the long term and any information processing required for creatively developing new products.

In a retailing context it is expected that chaos strategy belief structures will be based around factors that suggest high levels of unpredictability. In such circumstances managers may be required to use much more intuition because analysing unpredictable environments is problematic. They may also have to be concerned much more with innovative and fashionable products as *ways* to achieve success. These factors are potentially associated with chaos beliefs in relation to strategy and the empirical phase of the research will investigate if such beliefs are present in the cognitive models of retail store managers when undertaking practice activity within a single organization.

4.5 Summary

In this chapter the background to the theoretical development underpinning a cognitive perspective of strategic orientation in practice was discussed. This theoretical development was based on paradigm profiling as a means to link assumptions and beliefs associated with different strategy paradigms to strategic orientations at a more philosophical level.

The theoretical cognitive background to this current study was also outlined and personal construct theory and schema theory were briefly discussed. It was noted that schema theory was more closely associated with this current study than personal construct theory

because it encompasses causal knowledge. This is important in the context of the current study because research into different strategic orientations used by managers when achieving aims and objectives in practice is largely focused on investigating beliefs about cause and effect relationships.

Next, the literature was reviewed to help clarify the domain of the strategic orientation construct. In an attempt to be holistic, restricting the boundaries of the strategic orientation construct was avoided as far as possible, but a decision to restrict the scope of the construct was made to be consistent with previously outlined definitions, prior research and in the interests of clarity. The scope of the strategic orientation construct was therefore restricted to different *ways* or strategy processes used to meet aims and objectives. Furthermore, to alleviate validity problems a consistent notion of a stated end needs to be given to respondents during the empirical phase of research and the general aim of success of the retail store is introduced for this reason.

The cognitive content framework summarized in Tables 3 and 4, which specifies the dimensions of the theoretical strategy belief structures or cognitive strategic orientations, was developed based on an *a priori* interpretation and synthesis of the strategic marketing and strategic management literatures. This framework needs to be operationalized and implemented in the empirical phase of the research and the existence of different strategy belief structures needs to be documented. This will provide new knowledge to clarify what if any different cognitive strategic orientations are embedded in practice at lower organizational levels. There is also a need to discover the antecedents and consequences of these strategic orientations because they have not been investigated before. New insights and understandings to further develop theory into strategic orientations in practice are required from such research.

Section Review: Review of Part 1

In Part 1 of the thesis the topic of strategic orientation in practice was introduced and gaps in knowledge were identified to provide a rationale for the current study. In particular, prior research has suggested that managers' cognitive strategic orientations may be key in determining the direction and success of their organizations, but researchers have been unable to effectively operationalize this notion in empirical research and this is holding up knowledge development. To make a theoretical contribution that helps overcome this limitation, a framework was developed to specify different possible theoretical cognitive strategic orientations likely to occur in practice based on the contrasting assumptions and beliefs about strategy found in the extant literatures. These possible different cognitive strategic orientations are investigated in the empirical phase of the study.

Additionally, prior research into strategic orientation was reviewed and it was noted that knowledge of strategic orientation is currently largely limited to an organizational level of analysis from a top management perspective to the detriment of understanding at the micro level of individual practice. It is the practice activity of front-line managers who interface directly between customers and organizational capabilities to provide innovative responses to competition that is key to an understanding of how capabilities in practice can lead to emergent strategy and sustainable competitive advantage.

To develop new knowledge and understanding of strategic orientation in practice there is a need to focus, in this study, on comparing the cognitive strategic orientations of front-line managers within a single organization. This research agenda sets up many challenges associated with comparing the cognitive models of individual managers and these will be discussed in the next section. In the next, Part 2 of the thesis, the appropriate methods to undertake this research are outlined. Well-known cognitive research methods are used in interviews with retail store front-line managers within a single organization. These interviews are directed at discovering the cause and effect relationships between beliefs about strategy processes used to achieve aims and objectives within a grocery retail context. The different possible cognitive strategic orientations postulated in the theoretical framework are operationalized in Part 2 and the findings from the empirical phase are presented in Part 3 of the thesis.

PART 2

METHODOLOGY AND EMPIRICAL RESEARCH PROCESS

"OUR NETS DEFINE WHAT WE SHALL CATCH"

Eisner, E.W. (1985) *The Art of Educational Evaluation: A Personal View*. Falmer Press, London

In the first part of the thesis a review of the literature addressing the strategic orientation construct revealed problems associated with the operationalization of a cognitive interpretation of the construct and consequently the need for theory development. The literature review also highlighted the lack of knowledge of strategic orientation in practice particularly at the level of front-line managers who are called upon to implement business strategies and integrate these within current operations. Prior research has also identified that such managers develop strategies themselves so that strategy emerges from practice. Exploring the cognitive strategic orientations of front-line managers may help explain how and why such emergent strategies evolve.

It was also noted that cognitive strategic orientations are concerned with implicit beliefs about strategy or 'theories in use' and such theories are unlikely to be revealed by simply asking for them. A more grounded approach to theory development was therefore rejected due this potential problem. Consequently, deductive method was used to develop different possible theoretical cognitive strategic orientations likely to occur in practice based on the contrasting assumptions and beliefs about strategy found in the extant literatures. These possible strategy belief structures are investigated in the empirical phase of the research. A new cognitive content framework was developed that has not been operationalized or implemented before and therefore there is a need to develop

operational indicators of different possible cognitive strategic orientations and further refine this cognitive content framework prior to any large-scale research.

In this, Part 2 of the thesis the methodological implications for the empirical phase of research are considered. Clearly, field research is required to operationalize and implement a new cognitive content framework; to investigate the existence of different possible cognitive strategic orientations in practice; to outline the antecedents and consequences of such strategic orientations; and to build a model and research propositions and generally refine the *a priori* interpretations before any large-scale studies.

The discussion leads to the most appropriate research methods to investigate different cognitive strategic orientations in practice and how these are operationalized and implemented during the empirical phase of the research. The selection of the organization is then discussed and the choice of respondents taking part in the empirical data collection is outlined. At the end of Part 2 the data collection including the research protocol is discussed and the most appropriate analytical methods to apply to the data are outlined so that new knowledge and understandings of cognitive strategic orientations in practice will emerge.

CHAPTER 5

METHODOLOGY

As the research objectives are directed at further theory development rather than theory testing, a qualitative approach is most appropriate for this initial exploratory field research. Any unintended outcomes may also be highlighted by a qualitative exploratory approach. Furthermore, the appropriateness of qualitative research depends on the nature of the social phenomena to be explored (Morgan and Smircich, 1980). In this study there is a need to obtain complex cognitive data appropriate to investigate the existence of theoretical cognitive strategic orientations in practice. A detailed understanding of managers' cause and effect beliefs about strategy processes or *ways* to meet aims and objectives is required. Such detailed cognitive data are not easily obtained by quantitative means and it is therefore usual to use a qualitative approach in these circumstances (e.g. Calori, Johnson, and Sarnin, 1994; Clarke and Mackaness, 2001). A qualitative approach is also consistent with other studies, such as that undertaken by Kohli and Jaworski (1990), when similar theory building research objectives need to be addressed and cause and effect beliefs need to be studied.

5.1 Cognitive Research Techniques

When exploring theoretical cognitive strategic orientations as different strategy belief structures some methodological problems are likely to be encountered due to the implicit nature of the cognitive phenomena being investigated. Two potential problems are particularly evident. One problem generally encountered in cognitive research is that, due to the complex nature of the phenomena being studied, much interaction between interviewer and respondent is usually required. This can be a problem if it results in biased responses. Another research problem more specific to this current study is that methods are required to uncover managers' 'theories in use' or paradigms that actually underpin the strategy processes managers use to address aims and objectives in practice, because these theories cannot be obtained simply by asking for them (Argyris and Schön; 1974; Prahalad and Bettis, 1986).

Repertory Grid and cognitive mapping techniques can be used to address both these problems and these techniques are relatively widespread in management research. They are useful for gaining insights into managers' belief systems (Markóczy and Goldberg, 1995) to help uncover managers' 'theories in use', and may also be used in the context of this research study to investigate the existence of theoretically derived cognitive strategic orientations or strategy belief structures used in practice activity.

Repertory Grid technique was developed as an operationalization of Personal Construct Theory (Kelly 1955) and has been used in the strategy domain by Reger and Huff (1993). Kelly (1955) argued that individuals structure their world through personal constructs, which are bipolar in nature so that each construct has a contrasting dimension associated with it. Repertory Grid technique does have many benefits because it is very methodical, structured and potentially unbiased and these are advantages if strategy belief structures are going to be compared. However, there are several problems associated with its use. A main problem is that the technique is very time consuming and reports of interviewee fatigue are common (see Brown, 1992; for example). There is also the problem of obtaining interviews over extended length of time required and this is difficult when attempting to conduct interviews with busy managers in the field, as is the case here. Furthermore, the technique is focused on capturing constructs rather than the cause-and-effect relationships between constructs and this is a serious disadvantage in this current study because the relationships between strategy processes (*ways*) and objectives (*ends*) are a major focus of investigation. Due to these difficulties Repertory Grid technique was not used in this current study.

Causal cognitive mapping has advantages over Repertory Grid for use in this current study because it is focused on capturing individuals' action orientated beliefs (Eden, 1994) and the cause-and-effect relationships between them. There are several cognitive mapping techniques used in prior empirical research to obtain cognitive data to enable an analysis of the differences within cognitive models. The main criterion for the acceptance of a research technique for use in this current study is that it must facilitate a valid comparison of different cognitive strategic orientations as the strategy belief structures individual managers use in practice. The level of consistency that the technique offers is very important to aid

this comparison because this will enable the similarities and differences in belief structures within relatively large numbers of cognitive maps to be highlighted.

Unstructured or loosely structured interviews have been used in prior research primarily because they do not restrict the respondent and this facilitates freedom of response so that a possible wide variety of issues can be explored. The issues covered by the respondent are not constrained by the interviewer and therefore the scope of discussion is potentially far-reaching. Furthermore, this technique offers many more opportunities for exploring issues in depth and collecting quotations that may be useful in a content analysis. However, there are serious disadvantages for the use of this research technique in this current study because comparing cognitive maps based on different inconsistent questioning will likely lead to irresolvable validity problems. Additional problems also arise such as the need for independent coding of responses and the need for the researcher to draw the cognitive maps post interview, based on an interpretation of the cause-and-effect relationships between factors given during the interview. The length of the interview can also influence the structure of the cognitive map that is drawn. For example, an extended interview will more likely lead to the development of a cognitive map with a complex structure because many more issues are discussed, whereas a short interview will more likely lead to a simple structure. This type of bias is difficult, if not impossible, to adjust for [18]. There is also much more opportunity for interaction between researcher and respondent and therefore more opportunity for other types of bias. The objectives of this current study require a comparison of strategy belief structures within cognitive maps but this technique does not facilitate such a comparison and therefore has to be rejected.

The 'Self Q' technique was developed specifically to increase validity of the production of causal cognitive maps by reducing the amount of researcher influence on their development (Nicolini, 1999). The technique sets out to achieve this by asking respondents to develop their own questions on a topic (thus the name 'Self Q') which results in the use of respondents' own language and expressions within the causal maps developed (see Bourgon, 1983). This technique does have some benefits such as the potential to increase validity but there are disadvantages for its use in this current study

[18] Some researchers have suggested that they have adjusted for this bias but the author is highly sceptical.

because constructs may be worded differently and this does not facilitate the comparison of cognitive maps. As the objectives in this current study require this comparison to be made this technique also has to be rejected.

Due to such problems a more consistent method to develop causal cognitive maps was found in the use of sorting technique. This technique is more appropriate for the generation of factors or nodes within maps considering the overriding need to make a valid comparison of the different strategy belief structures of managers involved in practice. Markóczy and Goldberg (1995) outlined a systematic method of developing causal cognitive maps using this technique, which is also used in psychological research (Rosenberg, 1982). The essence of the technique is that a large identical pool of factors is consistently presented to a variety of respondents for them to sort out which are the most important. The researcher is not involved in the sorting task.

This sorting technique has many advantages for use in this current study. A general advantage particularly important to cognitive research, is that the technique allows respondents to categorize a set of stimuli independently of the interviewer's own category system (Walsh, 1988), and this is important to alleviate potential bias. Another advantage is that there is no direct interaction between the interviewer and respondent during the sorting process, which again reduces potential bias. The reduction of bias is important to any research study, but it is particularly important in the case of field research to aid theory development when investigating the existence of theoretical constructs. A particular problem is that researchers might find what they want to find, and this possibility needs to be eliminated as far as possible.

More specifically in relation to this current study, another major advantage of sorting technique is that there are more opportunities for investigating theoretical 'theories in use' by this technique. Belief factors associated with different theoretical strategy belief structures can be introduced into a large pool of factors available to respondents, so that respondents can decide which are the most important to them. The researcher is not involved directly with the choice and no direct interaction between researcher and respondent occurs while the choice is being made. Again, there is a lack of bias associated with such a procedure.

Another major advantage of the technique is that it is a systematic and consistent procedure to develop cognitive maps, and this is required when they need to be compared with each other and with expected theoretical constructs, as is the case here. This consistency is not available when using some other cognitive techniques, such as when using unstructured interviews to develop cognitive maps. Furthermore, sorting technique has also the added advantage of being less time consuming than some other methods, such as Repertory Grid technique (Daniels, de Chernatony and Johnson, 1995), and this is important when attempting to secure interviews with busy managers in the field.

The main disadvantage of sorting technique, however, is that the interviewer selects the factors in advance because an identical pool of factors is presented to each respondent. This inevitably produces some standardization bias because standard comparable constructs may not exist in reality. Personal construct theory implies a personal set of constructs which may or may not be comparable. However, as the objectives of this current study are focused on the comparison of cognitive maps it seems that some standardization bias has to be accepted. Also some simplification bias has to be accepted because this is inevitable when reducing complexity through the mapping process. Furthermore, as the focus of this current study is on theoretical strategy belief structures developed *a priori* from the extant literatures, a bias to factors already discussed in the literatures is inevitable.

In weighing up the advantages and disadvantages of different research techniques it was concluded that the many advantages of sorting technique for use in this current study far outweigh the possible disadvantages so it is used as one of the main data collecting methods. To reduce the standardization bias as far as possible it is usual to present a large number of factors (about fifty factors) within the pool to present to each respondent. This was adopted in this current study.

Another well-recognised technique for collecting cognitive data is laddering technique. This technique is useful when investigating structural causal relationships between factors (beliefs in this case), their consequences and the personal goals of individual managers. Laddering technique has therefore advantages when investigating consequences of strategy belief structures in this current study. It is also somewhat consistent and therefore a potentially less biased way of collecting cognitive data. Personal goals are thought to be reinforced and fulfilled by consequences based on

means-end theory (Gutman, 1982; Reynolds and Gutman, 1988). When applied to the cognitive strategy domain, this theory suggests that action orientated beliefs in respect to strategy processes to achieve success are also ways to achieve important goals to the goal-oriented manager. Laddering technique is used to construct means-end chains (Reynolds and Gutman, 1988), and this technique has been used in prior research for obtaining cognitive data in the strategy domain (e.g. Clarke and Mackaness, 2001); exploring personal goals (e.g. Pieters, Baumgartner and Allen, 1995) and their links to product attributes (e.g. Botschen and Hemetsberger, 1998)

Laddering technique does have some advantages as the technique is reasonably consistent and reduces possible bias resulting from interviewer-respondent interaction because the interviewer asks the same question ('why' is that important to you?) after every response. The technique can also be used to ladder in the other way so that antecedents are also investigated by asking respondents 'how' a particular factor became important. The interview procedure of asking these questions is often referred to as 'laddering up' and 'laddering down', and this procedure has the advantage of some consistency when investigating antecedents and consequences.

There are, however, some difficulties reported with the use of laddering technique such as the difficulty in obtaining responses when focusing on more personal data from respondents (Reynolds and Gutman, 1988), but this is a difficulty that can be experienced when using many techniques. Reynolds and Gutman (1988) describe interviewer strategies that can help overcome this difficulty and these will be used in the current study. Another difficulty is that interviewees can post-rationalize their responses but again this is a potential shortcoming of many interview techniques. The use of multiple research methods in this current study attempts to overcome this difficulty by highlighting any inconsistencies in the various responses.

A further potential difficulty arises when analysing the results of the laddering interviews if these are to be displayed in a composite linear Hierarchical Value Map (HVM). To develop such a map from the interviews requires independent coders to interpret the responses, because some combining of individual responses into broad categories is invariably required. However, the laddering interviews do not have to be displayed in such a way and therefore the advantages of the technique for this current study seem to

outweigh any disadvantages. Consequently laddering technique was employed in this current study as a main data collecting method when investigating antecedents and consequences of strategy belief structures in practice.

The above techniques are outlined in Table 5 to highlight their advantages and disadvantages for their suitability for use in this current study.

A COMPARISON OF RESEARCH TECHNIQUES USED TO DEVELOP COGNITIVE MAPS

Research Technique	Advantages	Disadvantages	Exemplary Studies
Unstructured or loosely structured interviews	* Freedom of response * Can explore a wide variety of issues * Useful for quotations from respondents	* Much more interaction and opportunity for bias * Much more interpretation required for developing cognitive maps * Less standardised so comparison of cognitive maps is more difficult	Calori, Johnson, and Sarnin (1994)
Self Q technique	* Interviewee develops the factors * Individualized method	* Less standardised so comparison of cognitive maps is more difficult	Nicolini (1999)
Sorting technique and causal map development	* Very standardised method so comparison of cognitive maps is facilitated * Very little interaction and much less opportunity for bias * Less time consuming	* Limited to *a priori* sorting factors only * Interviewer develops the factors	Markóczy (1997)
Laddering technique	* Good for exploring personal goals and structural links to other factors * Can be used to investigate antecedents and consequences * Structured method with less opportunity for bias	* Independent coding required to develop composite Hierarchical Value Maps (HVMs) * Linear structure to HVMs with no opportunity for feedback loops * Respondents do not necessarily think in a hierarchical linear fashion * Some difficulty in obtaining responses from respondents * Susceptible to post hoc rationalization	Botschen and Hemetsberger (1998) Clarke and Mackaness (2001) Pieters, Baumgartner and Allen (1995)

Table 5

In summary, due to their different advantages both sorting technique and laddering technique were employed in data collection. The major advantage of sorting technique is

that it offers a high degree of consistency when generating cognitive maps which facilitates comparison. It also offers a lack of interaction between researcher and respondent to help alleviate bias. Laddering technique has additional advantages such as offering the possibility of obtaining cognitive data at different hierarchical levels, such as at a more personal goal level, and this is important when investigating the consequences of strategy belief structures in practice. Multiple data collection methods were used to help link different sorts of complimentary cognitive data (Campbell and Fiske, 1959).

5.1.1 Generating cognitive maps through sorting technique

The first and main data collection technique employed to develop the cognitive maps themselves was sorting technique. A pool of factors is developed by the researcher prior to any research based on factors used in other similar studies, any interviews conducted prior the main research and any particular focus of the current study. Each respondent then selects factors from the same pool. Prior empirical research using this technique (e.g. Markóczy, 1997; Walsh, 1988), suggests that about fifty factors are required to enable respondents to have enough choice, but ensuring that they are not overloaded by the possibilities. Each respondent is then asked to select a fixed number of factors from the same pool. The respondents were asked to choose the ten most important factors and this number is used to ensure there is enough simplification and focus on the main important factors, rather than introducing too much complexity (Markóczy, 1997).

5.1.2 The sorting task

To develop the sorting task there is a need to generate a large pool of factors that are potentially important to success and also include within the pool factors that indicate beliefs associated with different theoretical strategy belief structures. The procedure outlined by Markóczy and Goldberg (1995) was followed to generate the pool of factors:

1. A review of the literature produced a list of factors used in prior cognitive research in the strategy domain. Walsh (1988) lists fifty factors used in his study of management belief structures. These fifty factors were synthesised from prior work by Buzzell, Gale and Sultan (1975), Hambrick (1981) and Miles (1980). Also based on prior research, Markóczy and Goldberg (1995) list forty-nine

factors used in an empirical study by Markóczy (1997) into individual managers' beliefs. Both lists of factors were combined into one large list.

2. The combined list was refined to remove factors that were repeated in both studies. Factors associated with departmental goals, which was the particular focus of the study by Walsh (1988), were removed. Some factors were rephrased so that they could be understandable and relevant to retail store managers involved with practice activity and taking part in this current study. For example, 'Co-ordination among functions' was replaced by 'Co-ordinating operations' because grocery store managers need to pay particular attention to operations to get products on the shelves in the right place and at the right time. Small convenience stores also do not have functional departments in the same sense as their head office or other large organizations.

3. Factors were included to reflect different beliefs associated with the theoretical strategy belief structures, which are the focus of this current study. The main issues highlighted in Tables 3 and 4 were included.

4. Six postgraduate students with experience of managing in a retail environment were interviewed to further refine the list and to make sure that the factors would be understandable in a retail setting. An attempt was made to be inclusive so that the number of factors was not reduced unless there was obvious overlap or confusion. However, an attempt was made to include approximately fifty factors as suggested by Walsh (1988) and Markóczy (1997). This procedure resulted in fifty-two factors to be included in the empirical phase of the study.

5. There was an intention to further refine the list of factors during discussions with the first ten store managers interviewed and four blank cards were introduced into the pack for this purpose. However, no store managers could think of any important factors that were missing from the pack or wished to re-word any of the cards. Respondents seem to think that fifty-two factors was more than enough choice. Many respondents found it difficult to eliminate the unimportant factors, because they found all of the factors to be somewhat important. Such respondents experienced difficulty in refining their list down to the ten most important factors.

It should be noted that sorting technique is tolerant of some factors not being important to any organizational context. A participant has to pick out the ten most important factors from a large list of factors, fifty-two in this case, that are important for the success of their retail store. Each participant then works with this refined list to draw a cognitive map of the causal relationships between factors. Therefore, if some factors are not important to the participant they are simply rejected at an early stage. There is no intention of investigating fifty-two different constructs because this number is only provided to give choice to respondents to help alleviate standardization bias discussed in 5.1 above. The refined list of factors included in the sorting task is presented in Table 6.

FACTORS INCLUDED IN THE SORTING TASK

1. Detailed data on customers/competitors
2. Detailed analysis of profitability
3. Planning ahead
4. Fixed and variable costs
5. Control of input costs
6. Developing staff
7. Current resources – financial/equipment/ human
8. Building resources for the future – financial/equipment/ human
9. Learning to improve
10. Economic conditions
11. Geographical position of store
12. Car parking
13. Store space - area
14. Staff income
15. Knowledge of competitors
16. Differentiation of products/service from competitors
17. Price differentiation from competitors
18. Maintenance of price leadership
19. Barriers to change within the organization
20. Management intuition
21. Innovative products
22. Fashionable products
23. Service quality
24. Personnel turnover
25. Internal efficiency
26. Employee flexibility
27. Current turnover
28. Large product variety
29. Motivation of staff
30. Speed of response to change in customers needs /competitors
31. Personal leadership style
32. Personal motivation
33. Relationships with suppliers
34. Knowledge of customers
35. Support from head office
36. Level of investment
37. Co-ordinating operations
38. Targeting growth markets
39. Knowledge of internal operations
40. Predictable change
41. Organizing suppliers
42. Delegating tasks to others
43. Taking risks in decision making
44. Store layout
45. Company brand image
46. Product promotions
47. Disposable income of customers
48. Range of extra services
49. Advertising
50. Branded products
51. Shared corporate culture
52. Trial and error in decision making

Table 6

5.2 Operationalizing the Theoretical Construct

To operationalize the theoretical strategic orientation construct, a list of factors associated with each different theoretical strategy belief structures was included into the pool of fifty-two factors available to respondents at the start of the sorting technique. These factors were synthesised from a review of the strategic marketing and strategic management literatures.

5.2.1 Indicators of different strategy belief structures

The following different beliefs in relation to strategy processes or *ways* to meet aims and objectives were included into the pool of factors in the sorting task.

Rational strategy belief structures. Factors associated with rational analytical beliefs about strategy that suggests success is largely based on analysis, planning and control of variables were included. For example, store managers with rational strategy belief structures are likely to collect 'Detailed data on customers and competitors' (factor 1), produce a 'Detailed analysis of profitability' (factor 2) and be concerned with factors such as the 'Control of input costs' (factor 5) as the basis of 'Planning ahead' (factor 3).

Rational factors included in the sorting task

1. Detailed data on customers/competitors
2. Detailed analysis of profitability
3. Planning ahead
4. Fixed and variable costs
5. Control of input costs

These factors will be taken as indicators of rational beliefs about strategy, because they are largely based on rational analytical planning procedures outlined in the strategic marketing and strategic management literatures.

Developmental strategy belief structures. Factors associated with developmental beliefs about strategy that suggest success is largely based on internal factors within the

organization were included. For example, 'Developing staff '(factor 6), 'Current resources' (factor 7) and 'Building resources for the future' (factor 8) suggest store managers believe that resources and capabilities are the key to the success of their stores. Learning to improve (factor 9) is also associated with the development of knowledge resources for the future.

Developmental factors included in the sorting task

6. Developing staff
7. Current resources – financial/equipment/ human
8. Building resources for the future – financial/equipment/ human
9. Learning to improve

These factors will be taken as indicators of developmental beliefs about strategy because they are largely based on resources, capabilities and learning outlined in the strategic marketing and strategic management literatures.

Deterministic strategy belief structures. Factors associated with deterministic beliefs that suggest success is largely determined by factors outside the store managers' control were included. For example, the 'Economic conditions', 'Geographical position of store' (factor 11) and the amount of 'Car parking' (factor 12) are not factors that can be controlled by store managers. After discussions with retail managers it became obvious that other factors such as 'Staff income' (factor 14) were also outside managers' control in the particular organization where all respondents worked as store managers.

Deterministic factors included in the sorting task

10. Economic conditions
11. Geographical position of store
12. Car parking
13. Store space - area
14. Staff income

These factors will be taken as indicators of deterministic beliefs about strategy, because they are largely based on factors potentially important for success, but that are outside store managers' control.

Interactive strategy belief structures. Factors associated with interactive beliefs about strategy that suggest success is based on interactive beliefs about strategy were included. For example, 'Knowledge of competitors' (factor 15), 'Differentiation of products/service from competitors' (factor 16), 'Price differentiation from competitors' (factor 17) and 'Maintenance of price leadership' (factor 18) are all indicators that store managers think that the success of their store is largely dependent on an interaction with competitors. 'Barriers to change within the organization' (factor 19) suggests that this interaction is internally focused rather than externally.

Interactive factors included in the sorting task

15. Knowledge of competitors
16. Differentiation of products/service from competitors
17. Price differentiation from competitors
18. Maintenance of price leadership
19. Barriers to change within the organization

These factors will be taken as indicators of interactive beliefs about strategy, because they are largely based on interactive factors potentially important for success outlined in the strategic marketing and strategic management literatures.

Chaos strategy belief structures. Factors associated with strategies dealing with chaos that suggest success is based on dealing with more dynamic complexity and unpredictability were included. For example, when store managers perceive unpredictability they may focus more on 'Management intuition' (factor 20) rather than rely on analysis and planning. They may also consider it is important to focus on 'Innovative products' (factor 21) and 'Fashionable products' (factor 22) if their external environment is rapidly changing and unpredictable. More difficulty was experienced in

developing factors to highlight chaos beliefs in relation to strategy. Further work is required to outline in more detail the factors associated with this theoretical way of thinking about strategy. However, this limitation will be explored in the empirical phase of the research to investigate other indicators of such belief structures.

Chaos factors included in the sorting task

20. Management intuition
21. Innovative products
22. Fashionable products

These factors will be taken as indicators of chaos beliefs about strategy, because they are largely based on dealing with dynamic change and are potentially important for success outlined in the strategic marketing and strategic management literatures.

Aims and Objectives. It was necessary to include a sufficiently large number of potential objectives within the sorting task. As the scope of the strategic orientation construct was defined in terms of different *ways* to achieve aims and objectives or ends it is important to clarify these ends of strategy. The general aim of success of the individual retail store was given to all respondents and was clarified in each case, but managers could choose objectives to fit with this aim as necessary. It was desirable for respondents to choose at least one objective so that the ways to the objective or the strategy belief structure could be determined. However, it was felt that the separation of objectives into a separate pool might bias the results by leading respondents too much in their choice. The research design also had to incorporate the possibility that managers' strategy belief structures are not necessarily directed to any particular objectives in a causal fashion based on deliberate intentional activities (Bourdieu, 1990; Chia, 2004). Also to be consistent with the notion of discovering 'theories in use' (Argyris and Schön; 1974; Prahalad and Bettis, 1986) it was concluded that objectives should not highlighted separately or assessed differently to any other factors. One of the disadvantages of this decision is that if no objectives are obvious from a visual observation of a cognitive map, then it is difficult to assess the strategy processes or *ways* that managers use to achieve objectives in practice. It was hoped that factors such as 'Service quality' and 'Internal

efficiency' both modified from the factors included in the study by Markóczy (1997) would be seen as objectives and included within cognitive maps of respondents. A systematic method to analyse factors that managers could classify as objectives was used and this is discussed in the next chapter.

General Factors. A list of factors was introduced into the sorting task based on prior studies that are not associated with any particular theoretical strategy belief structures. Such factors are important to provide a large pool of factors to offer respondents sufficient choice to make sure that there was a lack of bias. To ensure a lack of bias thirty-one factors out of a total of fifty-two factors were not associated with any theoretical strategy belief structures. These were largely based on the prior studies by Walsh (1988) and Markóczy (1997), but only those factors which were deemed to be important for strategy practice in a retail context were included, and some factors had to be re-worded to make them understandable to the retail store managers taking part in this current study. Six postgraduate students with experience of managing in a retail setting were used for this task and to suggest any other general factors that might be potentially important for success in a retail context.

5.2.2 Addressing validity and reliability concerns

The theory building case study approach adopted in this current study is more concerned with depth of understanding, rather than addressing validity and reliability issues. The research objectives mean that this depth of understanding has precedence, whereas validity and reliability issues need to be given more emphasis when theory testing. However these issues also need to be addressed as far as possible in this current exploratory study.

Validity. Construct validity is concerned with establishing the correct operational measures for the concepts being studied. As this study is concerned with different strategy belief structures, a variety of different possible 'theoretical' beliefs need to be explored that demonstrate different possible beliefs in relation to strategy. In this study, construct validity is addressed by a thorough review of the literatures to develop a large number of different beliefs in relation to strategy. Sorting technique was used to present

these different beliefs to respondents in an unbiased way and to reduce construct validity problems. As this study is the first attempt to operationalize the cognitive content framework developed in Part 1 of the thesis, operational indicators of strategy belief structures will be clarified further during the empirical phase of the research.

Internal validity is concerned with establishing causal relationships rather than spurious relationships. The main issue is to ensure that the findings are a result of strategy belief structures rather than other phenomena. To address this issue the scope of the strategic orientation was clarified in advance of the study and the research conducted within the same context within the same organization. This research design is adopted to address such potential validity problems. Multiple sources of evidence also need to be used to support any inferences. Different multiple complementary data collection techniques were used so that a chain of evidence was built up and reviewed for inconsistencies.

External validity is concerned with how far the findings can be generalized. The exploratory approach adopted in this current research is concerned with analytical generalization rather than statistical generalization, and the emphasis is placed on theory building rather than on theory testing. The use of multiple respondents and set procedures using consistent research methods, both of which were used in this study, do alleviate some external validity problems. However, to more fully address this issue requires numerous studies using large numbers of respondents from different organizations and industries.

Reliability. Reliability is concerned with the issue of repeatability with the same results. The main method used to overcome reliability problems is to document the procedures so that an auditor could repeat the procedures and arrive at the same results. A chain of evidence needs to be linked to the procedures. The use of consistent research procedures in this research study alleviated many potential reliability problems. The sorting technique, in particular, is very consistent and does not vary from one interview to the next and the full list of sorting factors used in this study is provided so that other researchers can use the same factors and procedures in future research.

5.3 The Data Source

To provide a research design that facilitates a comparison of different strategy belief structures in practice is a difficult task. There are several problems that need to be addressed. One major problem is that a comparison of cognitive maps needs to be made in such a way that the richness of the data is retained. Furthermore, to undertake such a comparison it is beneficial for the ends of strategy to be standardized so that strategy processes or *ways* to achieve the same ends can be investigated. As the scope of the strategic orientation construct is restricted to various *ways* to particular stated ends it is important to standardize these ends so that direct comparisons of the different strategy belief structures of front-line managers involved in practice can take place.

Another consideration to achieve a potentially more valid comparison of the strategy processes or *ways* managers use to achieve aims and objectives is that other aspects of the context of strategic decision making should also be controlled for every respondent as much as possible within the confines of field research. For example, if aspects of the context, such as the internal and external environments and resources, were completely different much 'noise' would be introduced into the data that would make a comparison of strategy belief structures much more difficult. In order to address such important research issues a single case study approach seemed to be appropriate to focus on the strategy belief structures used in practice activity by multiple respondents within the same organization. This data source facilitated the exploration of different strategy belief structures by the comparison of individual managers' cognitive maps within a single retail branch network. These individuals were all involved in implementing strategies within operational practice when working in a branch network of a grocery retailing organization and doing the same job, that of branch manager. They were operating within the same or broadly similar context such as similar internal and external environments and with broadly similar resources at their disposal. They were all largely selling the same product lines.

A single organization context is not usual for theory building research because there is invariably an advantage in most research studies to include respondents from a wide variety of different industries and organizations. Including a wide variety of beliefs from different contexts would have much more chance of incorporating and investigating

individuals with completely different strategy belief structures in practice. However, many authors (see for example Burgelman, 1983; Davis and Schul, 1993; Miller and Friesen, 1977; Papadakis, Lioukas and Chambers, 1998; Yasai-Ardekani and Haug, 1997) point to the importance of the context for an in-depth understanding of strategy within organizations. Therefore, in order for a valid comparison of strategy belief structures to take place in this current study the context was standardized as far as possible and this is most likely to take place within a single organization.

The main advantage of this adopted research design is that it reduces potential validity problems considerably. Contextual variables are standardized as much as possible so that more valid comparisons of the similarities and differences between strategy processes or ways used to meet aims and objectives can be made. The main disadvantage, however, is that the differences in strategy belief structures will be minimized, because prior research suggests that culture is an important antecedent to the development of managers' cognitive models. There is likely to be much cultural uniformity in the cognitive models of the respondent managers within a single organization. However, it is important at this stage of theory development to make sure that validity problems are addressed as fully as possible, therefore, all respondents included in the empirical phase of the study were operating in the same strategy context within the same organizational setting. Such research can provide a deep understanding of the phenomenon being studied within the context of the organization, when the boundaries between phenomenon and context are not clearly evident (Yin, 1984). Such a research design using multiple respondents within a single organization has also been recommended by other researchers such as Narver and Slater (1990) when operationalizing orientation constructs for the first time. Such a detailed study within context is therefore considered to be good research practice.

There are some important potential strengths and weaknesses of the case study approach. One of the strengths of theory building from case studies is the likelihood of generating novel theory due to paradoxical evidence, but a potential weakness is that the detail found within the empirical evidence can yield overtly complex theory (Eisenhardt, 1989b). To overcome such problems researchers need to interpret the findings to provide more parsimonious theory, which is simple to understand and apply (Eisenhardt, 1989b)

5.3.1 The organization

A review of the literature has revealed some implications for the choice of organization in which to carry out the research study. One main criterion is the size of the organization, which needs to be large enough to provide large numbers of potential respondents doing the same job so that the same strategy-making context can be standardized. This standardization is another important criterion because any differences found need to be attributed to different strategy belief structures rather than to any contextual differences. As previously mentioned, the ends of strategy need to be standardized, as does the organizational culture. Ideally the resources should be standardized as far as possible as well so that the strategy belief structures of managers can be compared like with like. This research design would potentially greatly increase construct validity within the data.

An organization with a relatively large retail branch network would seem ideal for this purpose. Each individual manager in such an organization will be operating within the same context, but likely be given enough autonomy to develop their own practices within their own retail stores as they see fit. An additional advantage of such a research design is that cultural effects will be minimized when comparing cognitive maps, and this is likely to minimize any additional noise within the data and increase validity. To maximize the likelihood of cultural uniformity the research was carried out within a branch network of retail (convenience grocery) stores of a single organization within a confined South Eastern region of the U.K.

The importance of the research to managers was also a criterion in the choice of organization. The strategic orientation of managers within a retailing context is likely to be important to managers because such managers are required to move from store to store in a direct attempt to influence store performance. Obtaining interviews with managers in the field is facilitated if they are interested in the topic of the research. Several retail organizations were targeted as suitable for the study but obtaining agreement from the head office of these organizations to conduct the study proved time consuming and problematic. Consequently, a direct approach to individual store managers was used to obtain agreement for interviews in all cases.

The data were collected by interviewing forty (n = 40) retail store managers within a single organization operating within the convenience grocery retail sector. This number of interviews was chosen to provide a considerable potential variation of different strategy belief structures within the same strategy context. It was thought that increasing this number would not add substantially to the findings due to diminishing returns. All interviews were conducted during 2002 and 2003.

The telephone numbers of individual stores were obtained from the company web site and telephoned by cold calling the branch to speak to the branch manager. The sampling procedure was started by using a random sample of stores within a fifty mile radius of the head office of the company to help maintain cultural uniformity. The organization is regionally based with a dominance of stores in the South East region of the U.K. around the head office of the organization. If a store manager agreed to be interviewed convenience sampling was then used to obtain further interviews on the same day to fit in with travelling to the first interview. This sampling procedure was used to save time and reduce costs of travelling and this was achieved by enabling a maximum of three interviews to be conducted in any one day. The interviews were conducted over twenty-nine days with an average of 1.38 interviews conducted per day.

Forty-nine store managers were contacted by telephone in this way to obtain forty interviews. Only nine managers rejected the chance to be interviewed even though no pre-call letter was sent and cold calling by telephone was used for the initial contact. It is possible to conclude from this response rate of 81.6% that the store managers were keen to participate and interested in the findings of the research. These findings were offered for free to participating managers, but no other incentives were offered. Participants were told that no individual would be identified in the results of the research. The nine store managers that refused to participate did so for several reasons, such as: "just moved to present store"; "just started as a store manager", "too busy", or "not interested in the findings". Due to the very low rejection rate, it is unlikely that full random sampling would greatly influence the results. At the time of the interviews the company website reported two hundred and twenty-seven stores nationally in the U.K. Therefore the forty

store managers participating in the study represent 17.6 % of the total population of store managers for the organization[19].

5.4 Data Collection

A modified version of the standard approach to generate cognitive maps using sorting technique as recommended by Markóczy and Goldberg (1995) was employed. This modification, which enlisted the use of respondents drawing their own cognitive maps in real time during the interview was deemed more appropriate because of increased speed and accuracy of representation. The following interview protocol was used in data collection in this current study:

1. Each participating retail store manager was given a pack of fifty-two randomly ordered cards measuring approximately 85 mm. x 55 mm.[20]. Each card was labelled with one of fifty-two factors in size point eighteen scale related to the success of their individual store as listed in Table 6 above. Two additional cards were printed with the labels 'Factors Important for Success' and 'Factors Not Important for Success'. In each case the researcher clarified that it is the success of the individual store and the actions of individual managers that are being investigated. These cards were then used as headings to initiate the sorting procedure.

2. Each respondent was then initially asked to sort the cards under the headings. The factors deemed to be not important for success were eliminated at this stage. The interviewer documented all the factors that were eliminated. Next, each respondent was asked to choose the ten most important factors from the cards they had placed under the heading 'Factors Important for Success'. Following this, the respondents were asked to rank order the factors from most important

[19] This represents a considerably higher percentage of store managers within a fifty mile radius of the head office

[20] This is the size of a blank business card that is available from stationers and designed to be printed by any laser printer.

(rank order 1) down to the least important (rank order 10). The rank order of factors was noted by the interviewer, who was the author, in all cases.

3. The ten most important factors were then used to develop each respondent's causal cognitive map. It is usual to construct a causal map of each individual respondent by getting the respondent to assess the influence of each factor on the others selected in the sorting task. Respondents are asked to assess the strength of the causal relationships (positive and negative) between factors by rating the strength of relationships from 1 to 3, with 1 being a weak relationship to 3 being a strong relationship. For example, respondents are asked to assign + 3 to strong positive relationships and – 3 to strong negative relationships. A positive relationship signifies that an increase in the strength of one factor leads to an increase in the strength of another factor, whereas a negative relationship signifies that an increase in the strength of one factor leads to a decrease in the strength of another factor. During this final stage, it is usual to present two factors at a time to respondents so that they can rate the strength of the relationship between each pair of factors. This procedure is inevitably time consuming and extends the interview process considerably. To reduce interview time a modification to this procedure was adopted in this study.

   In this current study respondents were asked to arrange their ten most important factors on an A3 sheet of blank white paper in a way to represent their way of thinking when managing their retail store. The ten factors were placed on the A3 sheet by each respondent who was then asked to draw lines with arrows between the factors to indicate any relationships and the direction of such relationships. Next, each respondent was asked to indicate the strength of the relationships with: +1, +2, +3 for positive relationships and -1, -2, -3 for negative relationships. Not only is this procedure less time-consuming than others, but it also allows the cognitive map to be discussed and any anomalies clarified during the remainder of the interview.

The above procedure was followed in each case, so that each respondent completed their own cognitive map themselves, to signify the causal relationship between factors important for success. The method is useful for a structural analysis of the content of

cognitive maps, because each respondent is responsible for positioning the factors within the resulting cognitive map. Therefore, inferences about the structure of cognitive maps become more reliable, because they are based directly on respondents' data. Another of the main advantages of this method is that the resultant cognitive map is available for refinement and discussion during the remainder of the interview. The visual nature of the cognitive map is directly available to interviewer and participants and aids further discussion. Furthermore, this procedure is less time consuming than some other methods used to generate causal cognitive maps such as in-depth interview. The whole sorting technique and development of each cognitive map to produce a visual representation of strategy belief structures took only approximately twenty-five minutes to complete with each respondent.

In the next stage of the interview there are some small tasks for the interviewer to undertake, such as to make a list of all the factors that were deemed important to success but not chosen in the ten most important by the respondent. Also the ten most important factors are placed on an A3 sheet by the respondent and the interviewer needs to remove them one by one and write the contents on the sheet so that the cards can be removed for further use. While these tasks were completed the respondent was given a short exploratory questionnaire to complete.

A short exploratory questionnaire was devised to obtain background data very quickly and so that some perceptual data could be obtained, which was difficult to obtain by other methods. In particular, data was required to develop a profile of the respondents, such as their age and experience; also issues regarding perception of predictability in the environment and perception of competitors needed to be explored. Such perceptions are thought to be important issues in the theoretical literatures and such data is difficult to obtain by any other method.

Nine aspects of the perception of predictability in the environment were rated in the exploratory questionnaire using a seven point Likert scale. The following perceptions of predictability were included: customers' needs; customers' buying behaviour; success of new product lines; competitors' behaviour; delivery time from suppliers; response to special offers; food fashions; customers' complaints; and staff strengths and weaknesses. The perception of competitors was also explored by simply asking the respondents to list

their major competitors and to rank order their importance. Another reason for the use of an exploratory questionnaire was to pilot it for any further large-scale study.

In the final stage of the interview process the cognitive map drawn by the respondent is discussed and the five most important factors for success chosen by each respondent in the sorting task were investigated further by use of laddering technique. The use of a form of sorting task to 'kick start' the laddering protocol has been used by Jenkins and Johnson (1997) and proved to be successful in their study. The main advantage is that an independent process, not directly initiated by the interviewer, is used to start the laddering protocol and this is less biased that other possibilities. Laddering technique was deemed most suitable for investigating the antecedents and consequences of strategy belief structures, because it is a common technique used to explore personal goals and other consequences. It is also a somewhat consistent and structured technique, which again is useful for reducing potential bias and minimizing any interaction between researcher and respondent. Such consistency in laddering protocol aids the comparison of the data from each respondent.

The consistent approach to laddering technique as outlined by Reynolds and Gutman (1988) was used in each interview. In this approach the interviewer asks the same question 'why is that important to you?' after every response. All laddering interviews were initiated in each case by one of the five most important factors chosen by the respondents themselves during the sorting technique. For example, the interviewer informed the respondent that he/she chose x factor as the most important for success - 'why is that important to you?' The five most important factors chosen in the sorting technique were used to 'kick start' the laddering interview in each case. The technique was also used to ladder in the other direction if the interviewer wanted clarification of 'how' a particular factor became important. The interview procedure of asking these questions is often referred to as 'laddering up' and 'laddering down'.

As the five most important factors ranked in the sorting task were used to start the laddering interviews, the data obtained in the laddering interviews complements the data obtained in the sorting task along a means-end chain. The first five factors rank ordered as the most important for success (rank order 1 – 5) were used as the basis of the

laddering interviews [21]. This generated a potential two hundred laddering responses (5 x 40; N = 40). One hundred and ninety five responses were actually given by respondents. The small shortfall is due to the fact that responses to belief factors at the top of the list also covered the responses to belief factors nearer the bottom of the list in a few cases. In other words, for example, the factors rank ordered 4 or 5 were introduced and discussed by respondents when covering factors rank ordered 1, 2 or 3.

The discussions relating to the relationships between factors within the cognitive maps and the laddering responses were recorded using a tape recorder and these tapes were transcribed *verbatim* by an independent specialist audio typist. It should be noted that such an interview protocol is very structured and does not allow for much flexibility, but this is thought to be important to alleviate potential bias. The overriding consideration in the current study is the generation of a large number of cognitive maps that need to be compared like with like, therefore a consistent and structured approach is required. There is some opportunity for flexibility in discussions near the end of the interview but at this stage the cognitive map is complete and therefore potential bias is of lesser concern than depth of understanding and verifying causal links within the map. The interview protocol could be thought of as divergent and in direct contrast to convergent interviewing where the interviewee becomes more structured and focused as the interview proceeds (see Palmer, 2005). This alternative approach is justified because the main overriding concern is to reduce interviewer-respondent interaction early on in the interview when the cognitive map is being produced in order to reduce bias as much as possible.

5.5 Summary

Four techniques are used to obtain the data in the empirical phase of this study. Sorting technique was used as the main data collection method to identify the ten most important factors in the content of respondents' cognitive maps. Procedures recommended in leading academic journals and used by previous researchers such as Markóczy and Goldberg (1995) and Walsh (1988) when investigating belief structures through sorting technique were adopted in this study. Furthermore, factors used by researchers in prior

[21] Only the five most important factors were used to start laddering interviews due to time constraints expressed by respondents

empirical studies were incorporated into the pool of factors presented to respondents in this current study. However, only those factors which were deemed to be important for practice in a retail context were included, and some factors had to be re-worded to make them understandable to the retail store managers taking part in this current study. Factors associated with theoretically possible strategy belief structures were generated from a synthesis of the literatures and also included in the sorting list. Some difficulty was experienced in generating factors associated with Chaos strategy belief structures and this has a potential to bias the results by limiting the chance of finding them. However, factors associated with unpredictability will be investigated in an attempt to resolve this issue for further more detailed study.

The sorting task generated the ten most important factors thought by each respondent to be responsible for the success of the retail store. These ten factors were then used to generate an individual causal cognitive map by each respondent drawing in the relationships between factors during the interview. This consistent method of generating cognitive maps facilitates their direct comparison. The technique is also associated with a lack of researcher-respondent interaction which considerably reduces any possibility of bias. As this protocol facilitates the drawing of cognitive maps by each respondent during the interviews, rather than the more usual method of the researcher completing this post interview, this method was used to further increase data integrity.

Laddering technique was chosen as a suitable technique to obtain data on the antecedents and consequences of strategy belief structures. This technique is well known and often used by cognitive researchers when investigating such issues. In addition an exploratory questionnaire was also deemed to be useful to quickly obtain profile data on the respondents and explore perception consequences such as the perception of predictability in the environment and the perception of competitors. These techniques complement each other so that data can be reviewed to bring any inconsistencies to light and this is important for a review of data integrity.

CHAPTER 6

ANALYTICAL METHODS

There is not a definitive analytical method used to study respondents' different cognitive strategic orientations or strategy belief structures through a comparison of their cognitive maps. This is a relatively unique and difficult task associated with this current study. For example, this comparison has to account for differences in cognitive maps based on the ten most important belief factors identified by respondents, and the structural relationships between them, arranged in various ways. Furthermore, strategy belief structures are only those belief structures that define *ways* (strategy processes) to meet aims and objectives and this adds more complexity to the task of comparison. Such complexity needs to be addressed in this chapter to identify the 'best' analytical methods to conduct this task. There is a need to explore the analytical methods best suited to compare different strategy belief structures found within cognitive maps with those postulated from the *a priori* theoretical literatures.

6.1 The Comparison of Causal Cognitive Maps

Some leading authors in management cognition (e.g. Eden and Ackermann, 1998b; Hodgkinson, 1997a; Huff and Fletcher, 1990) point to the difficulties that researchers experience when comparing cognitive maps. Whereas there are techniques to compare cognitive maps based on their structural properties, a more difficult problem seems to be associated with comparing the factors or nodes within causal cognitive maps (Eden and Ackermann, 1998b). Some progress has been made on this difficult problem as Eden and Ackermann (1998b) and Nicolini (1999) point out, but there are some philosophical differences underpinning the methods used to compare cognitive maps and these need to be discussed to highlight some of the implicit assumptions.

Nicolini (1999) outlines some of the main points that distinguish between different research positions as far as analytical methods are concerned. Some researchers using cognitive mapping in the management field implicitly suggest that such mental structures are accessible, whereas other researchers suggest that this is problematic. Axelrod

(1976), one of the pioneers of cognitive mapping, for example, suggests that cognitive maps are graphic representations only. From this perspective it is problematic to make specific inferences regarding decision-making. Eden (1992), another pioneer of cognitive mapping, seems to take up a similar position and suggests that cognitive maps are representations and cannot claim to capture what is in the mind of the manager. For such researchers, cognitive maps seem to be regarded as instruments of representation, which only aid discussion and analysis. The terminology adopted in this thesis is consistent with this concern because the term 'cognitive model' is used to refer to cognition in individual managers whereas the term 'cognitive map' is used to refer to the representation of that cognition. It is this representation that is produced during the interview process. Even though the accuracy of representation is advanced in this empirical study by getting the respondents to develop their cognitive maps in real time during the interview process, it is still only a representation of cognition rather than cognition itself. It is this representation that is compared using any analytical method.

One of the main analytical methods used to compare cognitive maps, that of comparing distance ratios, takes a different view and seems to consider cognitive maps are 'hard data' that is accessible for detailed analysis. This does not seem feasible when considering that cognitive maps are representations. Therefore this philosophical position is not supported by the arguments given in this thesis. However, it is a main analytical method used to compare cognitive maps and does need to be reviewed to consider the possibility of its use in this current study.

6.1.1 Measuring distance ratios

Langerfield-Smith and Wirth (1992) have developed a quantitative method for comparing cognitive maps by calculating the distance ratio based on the maximum distance score between two cognitive maps. The idea of this quantitative method is to sum up, factor by factor and by the strength of the relationships between factors, all the differences between the elements of two cognitive maps. However, the limitations associated with this method outlined by Markóczy and Goldberg (1995) suggest that it is unsuitable for use in this current study.

1. The distance ratio method does not distinguish between the choice of factors. Although some factors are more different than others the difference is set to a maximum, unless two identical factors are chosen. This limitation is particularly problematic in connection with this current study, because different but theoretically similar factors are used based on an interpretation of theory. Some factors were specifically included in the sorting task to be closely associated. For example, 'Developing staff' (factor 6) and 'Learning to improve' (factor 9) are closely associated with developmental strategy paradigms within the literatures and were included in the sorting task for this reason. Whereas these two factors are closely associated theoretically, they would be scored at a maximum distance apart, based on the formula to calculate the distance ratio. This problem suggests that the distance ratio method is unsuitable for this current study. Two respondents could choose very similar factors suggesting a common strategic orientation, but would possess completely different distance ratio scores.

2. Another limitation of the distance ratio method is that it does not distinguish between the rank ordering of factors so that the most important factors are treated the same as less important factors. This limitation suggests that detail contained in the data will be lost through the use of this analytical method.

3. A final limitation, according to Markóczy and Goldberg (1995), is that it assumes non-cyclical cognitive maps. This limitation is problematic in respect to this study, because of the presence of cyclical feedback loops in some respondent's cognitive maps and this is typical in causal cognitive maps (see Bougon, Weick and Binkhorst, 1977). Therefore, comparing a simple linear cognitive map with a more complex one containing feedback loops does not seem possible.

The above limitations deem that this quantitative method is not suitable due to the specific nature of the current study. Also if researchers suggest that cognitive maps are merely representations, they are seemingly unlikely to use detailed quantitative methods to compare them. For such researchers, a content analysis and interpretive methods would seem much more appropriate, and this position was adopted with regard to analysis in this current study. Due to the nature of the data, it was difficult to justify the use of the distance ratio method even without the limitations listed above. The main data

collected are of a qualitative visual representation form and should be treated as such when using analytical methods. Quantitative methods to compare cognitive maps were therefore rejected and not undertaken when analysing the data. Qualitative analytical methods to compare cognitive maps seem more appropriate considering the representational nature of the data. Two different forms of comparisons seem to have been made in prior studies: prototypical comparisons and individual comparisons.

6.1.2 Prototypical comparisons

Several authors have addressed the problems associated with combining cognitive maps to produce a composite map sometimes directed at an organizational representation (e.g. Bougon, Weick and Binkhorst, 1977; Eden and Ackerman, 1998; Clarke, Horita and Mackaness, 2000). The main idea behind a prototypical comparison of cognitive maps is that individual maps can be combined to produce a composite one representing a larger group of individuals such as an organization. Thus it is possible to compare the individual to the group. This type of comparison has advantages because it provides a benchmark to use as a basis of comparison (Clarke, Horita and Mackaness, 2000) but there are disadvantages because it is difficult to envisage how group cognition is merely the sum of individual parts. Clarke, Horita and Mackaness (2000) for example, suggest that a composite map can only provide the scope and boundary of organizational knowledge so a prototypical comparison can be made only on this knowledge basis. However, there are many problems encountered in producing a composite map such as introducing the need to code different individual responses when combining maps and therefore this method of analysis was avoided in this current study. Another problem is that this current research project is focused on comparing cognitive maps through reference to theoretical strategic orientations so that individual differences can be explored. Prototypical comparisons are made by reference to a group of individuals rather than to theory, so, due to the potential limitations and the particular focus required for this study this type of comparison was not made.

6.1.3 Individual comparisons using content analysis

Content analysis is a common technique for comparing individual cognitive maps. (see Table 7).

A COMPARISON OF ANALYTICAL METHODS USED IN EXEMPLARY COGNITIVE STUDIES IN THE STRATEGY DOMAIN

Domain	Sampling	Variables studied	Number of managers (Response rate)	Research methods	Empirical Studies and Analytical methods
Belief structures and influence on information processing	None stated 121 students agreed to take part in study	1. Goals 2. Department by function	107 available work histories (Response rate: 44.6%)	Sorting method and case analysis (identification of problems and information in a case)	Walsh, J. P. (1988) Individual differences multi-dimensional scaling
Competitive group structures	35% of the 17 firms listed as manufacturers of high quality knitwear.	1. Competitive space 2. Boundaries of competitive groups 3. Beliefs about identity and performance	Not stated (Response rate of individual managers not stated)	Semi-structured interviews combined with secondary data Top-down method to determine competitive space	Porac, J.F., Thomas, H. and Baden-Fuller, C. (1989) None stated
Strategic groups as a result of perception and cognition	6 of the 18 bank holding companies – chosen for diversity as characterized by industrial observers	1. Clustering of strategic groups	23 provided usable data (Response rate: 77%)	Semi-structured interviews using Repertory Grid technique	Reger, R.K. and Huff, A.S. (1993) Cluster analysis
Cognitive complexity – the configuration of the cognitive map (not content of map)	26 companies: 12 French and 14 British. Selected on product/ service; levels of concentration; variability by country; geographic scope; size of firm	1. Perceptions of the environment	26 chief executives (Response rate not stated)	Open ended "loosely structured" interviews	Calori, R., Johnson, G, and Sarnin, P. (1994) Content analysis - developed into cognitive maps. Complexity measured by: the score of comprehensiveness multiplied by the score of connectedness[22]
Individual beliefs	6 international companies contacted, 5 participated, 4 in this study	1. Organizational membership 2. Individual characteristics 3.Closeness to cluster centre 1 and 2	91 managers (Response rate not stated)	Sorting method used to elicit causal maps Questionnaire for individual characteristics	Markóczy, L. (1997) Distance ratios calculated to input into cluster analysis. Ward's method used [23] Pearson Correlation between the variables Hierarchical regression T tests

Table 7

Authors such as Calori, Johnson, and Sarnin (1994) and Clarke, and Mackaness (2001) have used this method and it seems much more suitable to this task given the limitations of the other main method, measuring distance ratios, outlined above. A visual

[22] Comprehensiveness is the number of concepts in the map; Connectedness is the number of links divided by the total number of concepts.

[23] Similarities to cluster centres was used rather than cluster membership which is sensitive to cut off points and technique used.

comparison of cognitive maps is possible, as is more detailed content analysis to investigate the positioning of factors within cognitive maps and their structure. To aid the content analysis, all the cognitive mapping data were entered into the computer programme 'Decision Explorer'. All the cognitive maps presented in Appendix 1 were drawn by the respondents themselves during the interview. Each respondent was responsible for positioning the ten most important factors on plain A3 size paper and drawing lines with arrows to signify the positive and negative relationships between factors. The output from 'Decision Explorer' is represented as closely as possible to the originals which were drawn by hand. The only variation is that 'Decision Explorer' software can only draw straight lines and this limitation required a slight repositioning of factors in a few cases. The respondents were not limited by the use of straight lines when using a marker pen to draw lines during the interview.

6.2 Analysis of the Structural Positioning of Factors

The structural positioning of factors within cognitive maps is thought to represent an individuals classification of factors. This can be investigated by calculating the indegree and outdegree of all factors presented to respondents in the sorting task. The indegree is the number of paths leading into a factor from other factors, whereas outdegree is the number of paths leading from a factor. Previous research by Bougon, Weick and Binkhorst (1977) observed that objectives are distinguished from other factors contained in cognitive maps by the presence of paths in causal linkages leading into and ending with them. In other words, objectives are distinguished from other factors by their high indegree score [24].

More detailed analytical techniques are directed at identifying objectives or ends of strategies within cognitive maps. In prior empirical studies the analysis of causal maps has been attempted through a systematic method by a calculation of the indegree and outdegree of factors or nodes within cognitive maps (Bougon, Weick and Binkhorst, 1977; Pieters, Baumgartner and Allen, 1995). The indegree is the number of paths leading into a factor from other factors, whereas outdegree is the number of paths leading

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[24] The accuracy of this method is questioned when applied to the data. An associated method which improved the accuracy of the identification of objectives is discussed and implemented in Part 3.

from a factor. Prior research by Bougon, Weick and Binkhorst (1977) observed that objectives are distinguished from other factors contained in cognitive maps by the presence of paths in causal linkages leading into and ending with them. Due to this structural phenomenon prior research by Bougon, Weick and Binkhorst (1977) specifically highlights the importance of the score for indegree, which is calculated as the average number of paths leading into a factor. This research suggests that a high score for the indegree distinguishes which factors are thought of as ends or objectives by individuals, and differentiates these ends from other aspects of cognitive maps such as givens and means [25] (see the clear categorization of ends or aims and objectives which are distinguished from other factors by possessing a high score for indegree in Bougon, Weick and Binkhorst, 1977, pp. 614). Consequently, this method was applied to the data in this study.

6.3 Analysis of Cognitive Complexity

Other content analysis approaches such as calculating the complexity within cognitive maps is also appropriate for individual comparisons. In the management literatures the complexity of cognitive maps seems to be studied in two ways. Firstly, complexity seems most usually studied through an analysis of cognitive categorizations (e.g. Dutton and Jackson, 1987; Porac and Thomas, 1990). For example, cognitive categorization is used to help understand managers' competitive cognitive structures such as those used to classify competitors in strategic groups (e.g. Grønhaug and Falkenberg, 1989; Porac, Thomas and Baden-Fuller 1989; Reger and Huff, 1993). In connection with competitive cognitive structures, categorization theory (Rosch, 1978) is used to help understand complexity and this is denoted by the increase in the richness of the classificatory framework displayed by managers.

Secondly, cognitive complexity is studied by analysing the content of cognitive maps directly. In this approach the concepts within the content of cognitive maps are

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[25] Care must be taken when making a direct comparison with the terms used by Bougon, Weick and Binkhorst (1977) because the term 'means' is used in their article in a similar sense as strategy processes or *ways* in this thesis. In this thesis the term 'means' is used to be consistent with Venkatraman (1989) to signify the resources used when deploying strategies.

investigated as are the structural relationship between them. Several methods are then used to determine the different complexities found. This can be done through analysing the relationship between the factors or nodes and the structural relationship or links between them. In this way important factors within a particular cognitive map are highlighted and a score for the complexity of linkage is given. This second approach has the benefit of directly measuring the complexity of cognitive maps and will therefore be used in this present study.

There are several methods used to analyse cognitive complexity. Most of these methods, however, such as the strength of the casual link, which is calculated by adding up the strength scores or chain length, can only effectively be applied to unrestricted cognitive maps. Due to the restricted number of factors or nodes used in this study (factors were limited to the ten most important factors) only one method seems appropriate to apply to the data. The link to node ratio seems the most appropriate analytic method to use as a measure of complexity, because it is not so sensitive to restrictions imposed by the research method employed in data collection. It is also a common method used by researchers (see Calori, Johnson, and Sarnin, 1994).

This method was used to calculate the ratio of factors or nodes to the number of links. However, the number of factors remains the same in all cases, because these were restricted to ten by the method used to generate the cognitive maps. Consequently, the analysis is also restricted to the number of links only. Even with this limitation the cognitive complexity score should still provide a useful comparison of the cognitive complexity of individual respondents. In causal cognitive maps where feedback loops can exist, links with two-way relationships between two factors are possible, but if these links are counted twice, a higher score for cognitive complexity results and this seems unwarranted by the complexity of the map. To account for this problem of over-emphasising complexity by counting two-way links, the links between factors in the cognitive maps will be counted only once.

6.4 Summary

A review of the analytical methods that are possible to apply to the data suggests that the research position adopted by the author is important in making a decision as to what

methods are most appropriate. In this thesis the cognitive maps, which form the main part of the data, were deemed to be instruments of graphical representation of cognition to aid discussion, and not actual cognition. Therefore, content analysis and interpretive methods were considered most suitable. The limitations associated with the main quantitative technique of measuring distance ratios suggested that this technique was not suitable to apply to the data. Prototypical comparisons were also rejected because of problems associated with their generation and the particular focus required in this current study. Individual comparisons using content analysis was deemed the most suitable to apply to the data in this current study and this method has been used by researchers such as Calori, Johnson and Sarnin (1994) in prior empirical work.

Several analytical techniques are appropriate to apply to the data. An analysis of the positioning of factors within cognitive maps by calculating the average indegree and outdegree of factors is useful to help interpret managers' classification of these factors such as the classification of some factors as objectives and others associated with strategy processes used to achieve them. Analysis of cognitive complexity is also appropriate to help clarify individual differences in cognitive maps but this analysis is somewhat limited because of the method used in the generation of the cognitive maps. The use of sorting technique to focus only on the ten most important factors will limit the complexity found in each map. However, because of the standardized sorting procedure used to generate each cognitive map more valid comparisons of cognitive complexity can be made.

The analytical techniques developed in prior research when focused on individual comparisons of cognitive maps are now applied to the data in this current study. In particular the data were analysed for indegree and outdegree to distinguish between factors that tend to be viewed as objectives by respondents and other factors such as those that make up strategy processes or ways to achieve objectives. Objectives tend to be positioned at the ends of a chain of reasoning in cognitive maps so the researcher has to 'work backwards' to identify strategy processes used to achieve them. The strategy processes used by respondent managers to achieve these objectives were then compared to theoretical strategy processes outlined in the framework.

Section Review: Review of Part 2

In Part 1 of this thesis the need to develop new knowledge and understanding of strategic orientation in practice was introduced as well as the requirement to compare the strategy belief structures of front-line managers within a single organization with those theoretically postulated from the literatures. This research agenda set up many challenges associated with comparing cognitive models of individual managers. A review of the literature appertaining to the most suitable research methods to use in the current study highlighted sorting technique as a suitable method to uncover managers' 'theories in use' because it is a very standardized approach and this helps to limit bias as much as possible and also aids comparison.

Causal cognitive mapping was deemed a suitable technique for comparing and contrasting different strategy belief structures used in practice. Cognitive mapping is a representational technique and a modified version of the standard approach to generate cognitive maps using sorting technique, as recommended by Markóczy and Goldberg (1995), was employed. This modification, which enlisted the use of respondents drawing their own cognitive maps in real time during the interview was considered more appropriate because of increased speed and accuracy of representation. Laddering technique was also briefly discussed because it was considered the most suitable method to obtain data relating to antecedents and consequences of strategy belief structures used in practice. An exploratory questionnaire was also used to obtain background data as quickly as possible and also rate respondents perception of the environment.

The sorting task was developed so that a standardized set of factors can be presented to each respondent. Factors used in prior studies were included in the sorting task as were factors specifically associated with theoretical strategy belief structures likely to occur in practice synthesized from the strategy literatures. Details of the data source and the organizational context were provided, as was the interview protocol used in the empirical phase. Analytical techniques were then discussed and individual comparisons using content analysis was considered the most appropriate technique for use in this current study.

In the next, Part 3 of the thesis, the data collected from forty retail store managers within a single organization are analysed using the methods discussed in Part 2 so that the empirical findings can be summarized.

PART 3

SUMMARY OF EMPIRICAL RESEARCH FINDINGS

In this part of the document the analytical techniques discussed in Part 2 are applied to the data. The empirical research findings are summarized and related to the research objectives and issues that emerged from the literature review. The implications for theory and further empirical research are also discussed.

In Part 1 of the thesis, immediately following the introduction, four research objectives were outlined. The first objective was to develop a framework to specify different theoretical cognitive strategic orientations to be investigated during the empirical phase. This objective was achieved in Part 1. The other three objectives remain outstanding and are related to the empirical phase of the research. In this, Part 3 of the thesis, the findings are summarized under the following headings with the associated remaining research objectives:

The Different Theoretical Strategic Orientations in Practice

- *To further develop the framework based on an investigation of the existence of different theoretical cognitive strategic orientations in practice through empirical research.*

The Antecedents and Consequences of Strategic Orientations

- *To investigate the antecedents and consequences of different cognitive strategic orientations through empirical research.*

  These are investigated as well as moderating variables that influence the strategic orientation-performance relationship.

- *The findings are summarized and included in a model to outline the cognitive strategic orientations embedded in the practice of individual front-line managers*

The research objectives have been addressed in the presentation of the empirical research findings and will be discussed in turn during the next chapters.

CHAPTER 7

DIFFERENT STRATEGIC ORIENTATIONS IN PRACTICE

Before detailed findings are reported relating to the research objectives first there is a need to present a profile and background details of the respondents included in the empirical phase of the study.

7.1 The Respondents

The respondents are all retail store front-line managers in charge of managing small grocery stores that contribute to a branch network of the same organization operating within the convenience store sector. Forty (N = 40) grocery retail store front-line managers were interviewed in the empirical phase of this study and a profile of these managers is summarized in Table 8.

PROFILE OF RESPONDENTS

N = 40 All respondents were grocery store front-line managers in a single organization						
Gender	Male			Female		
No. of store managers within gender group	34			6		
Age (yrs.) (Mean = 33.53)	18-24	25-29	30-34	35-39	40-45	>45
No. of store managers within age group	8	10	5	6	5	6
Experience within industry (yrs.)	Mean = 13.16					
Experience within company (yrs.)	Mean = 9.31					
Experience as a store manager (yrs.)	Mean = 5.27					
Experience at present store (yrs.)	Mean = 1.79					

Table 8

The organization taking part in the empirical phase of the study operated two hundred and twenty seven (227) stores throughout southern England, U.K., at the time the interviews took place. Therefore, the respondents taking part represent 17.6% of the total number of store branch managers within the firm at the time.

The data in Table 8 indicates that out of a total of forty respondents, thirty-four were male and six were female. Many respondents are very experienced with a mean of 13.16 years experience within the industry and a mean of 5.27 years experience as a store manager. The mean of 1.79 years experience in their present store indicates the usual company policy of moving store managers to different stores approximately every two years. The stores that the respondents manage range in size from 20,000 to 1,400 square feet with a mean of 5260 square feet. And the number of employees that they manage ranges from 7 to 70 with a mean of 27.2 employees.

7.2 The Identification of Different Strategy Belief Structures

In this section the findings in relation to the existence of different strategic orientations in practice, defined in terms of the strategy belief structures outlined in Part 1 of the thesis will be presented. One of the major expectations that emerged out of the literature review was that individual front-line managers within the same organization possess different strategy belief structures within their cognitive maps. These different belief structures, it is postulated, will be related to different theoretical strategic orientations developed *a priori* from a review of the strategic marketing and strategic management literatures.

A large variety of different beliefs were found in the cognitive maps of respondents (see the forty cognitive maps in Appendix 1). The number associated with each of the factors contained within the cognitive maps refers to the rank order position of importance of each factor for success (i.e. 1 = most important; 10 = least important). These cognitive maps were drawn by the respondents themselves, during the interview, rather than post hoc by the researcher. The positioning of factors in the cognitive maps can therefore be used as the basis of inferences and this would not be possible using a post hoc approach to cognitive map generation.

The main operational difficulty in analysing these belief factors is to distinguish beliefs in relation to strategy from other beliefs. In Chapter 4 the scope of the strategic orientation construct was discussed and the view that strategy can be seen as various

ways to a particular stated end (Venkatraman, 1989) was also adopted here. The standardized end in this study was the general aim of success of the retail store. Objectives are other ends and the choice and nature of these objectives will likely be influenced by a particular strategic orientation (Hitt, Dacin, Tyler and Park, 1997). Therefore, based on the scope of the strategic orientation construct adopted in this current study, strategic orientation can be investigated as the strategy processes or *ways* managers use to achieve aims and objectives. Consequently, the beliefs that directly lead to objectives were analysed for themes presented in the theoretical literatures. This procedure of content analysis leads to the need to identify objectives [20].

7.2.1 Identification of objectives

Due to the difficulty of analysing causal cognitive maps that are non-linear and contain feedback loops (Bougon, Weick and Binkhorst, 1977), most methods of content analysis are difficult to apply to the data. This problem is particularly associated with causal cognitive maps rather than hierarchical cognitive maps. These latter, sometimes referred to as hierarchical value maps because they usually attempt to link attributes to personal values or goals, are usually developed through other techniques such as laddering technique, and have a linear structure without the complication of feedback loops.

The average indegree and outdegree were calculated for each factor presented to respondents in the sorting task. There was an expectation based on prior research that objectives would be clearly identified by a high indegree score. The results are not as conclusive as expected from this previous research. Bougon, Weick and Binkhorst (1977) for example, obtained high generalized indegree scores from 1.6 to 6.1, based on what they term an average cognitive map, constructed by combining twelve individual cognitive maps. In their study the ends or objectives are clearly identified as having high indegree scores of between 3.3 to 6.1.

Some important objectives were identified by high indegree scores in this study, but other factors, not positioned at the end of a chain of links within cognitive maps and therefore seemingly not operating as objectives, also obtained high indegree scores. It seems that central factors, in the middle of a chain of links, can also score high for

[20] Respondents were not asked directly about their classification of factors in case the discussion biased further responses. The possibility that managers do not focus directly on objectives in a causal manner also needed to be investigated.

indegree. The difference between these central factors, and those factors classified as objectives positioned at the end of a chain of causal links, is that central factors also have high outdegree scores. These central factors seem to represent strategy processes or *ways* to meet objectives and are therefore important to this study. Whereas factors classified as objectives are thought to only have high indegree scores, factors associated with *ways* or strategy processes seem to have balanced indegree and outdegree scores.

To overcome such analysis difficulties, a modified method was used to calculate what is termed the 'abstractness' of the factors. The abstractness is defined as the ratio of indegrees over the indegrees plus outdegrees of a factor (Pieters, Baumgartner and Allen, 1995). As it is a ratio, the score for abstractness varies from 0 to 1; the higher the index the higher the proportion of links leading to a factor; and the lower the index the higher the proportion of links leading from a factor. A high score for abstractness suggests that a factor is classified by respondents as an objective, because there are many more links leading into such factors than leading out. A low score for abstractness, on the other hand, suggests that a factor is seen as a resource or a given because such factors are used in strategy processes and are often positioned at the start of causal chains of links. It is logical to propose that factors associated with strategy processes or *ways* are positioned with a median score for abstractness, because such *ways* are positioned before, and lead to, objectives. However, it is problematic to use such median scores for abstractness as the only method to identify factors contributing to strategy processes, because secondary objectives are also positioned before primary or main objectives and have similar median scores. It is difficult to think of a method that might be able to separate out these two classes of factors because they occupy similar positions in cognitive maps.

To calculate the indegree and outdegree, a cause and effect matrix consisting of the 52 x 52 factors, included in the sorting task, was produced for each respondent's cognitive map. Each respondent's cause and effect matrix was added to a large spreadsheet so that all the rows and columns (52 x 40 respondents) could be added together. The addition of the columns gives the score for indegree for each factor, and the addition of the rows gives the score for outdegree. The average or arithmetical mean indegree and outdegree were calculated from the addition of all the links between all of the factors within all forty cognitive maps. These are presented in Table 9.

MAIN FACTORS RANKED BY ABSTRACTNESS

Factors Important for Success	Average Indegree	Average Outdegree	Abstractness	Rank
Support from head office	0.10	0.93	0.10	1
Management intuition	0.03	0.25	0.11	2
Geographical position of store	0.03	0.15	0.17	3
Personal leadership style	0.48	1.23	0.28	4
Personal motivation	0.85	1.63	0.34	5
Knowledge of internal operations	0.15	0.28	0.35	6
Planning ahead	0.88	1.55	0.36	7
Company brand image	0.20	0.25	0.44	8
Delegating tasks to others	0.33	0.38	0.47	9
Developing staff	1.38	1.50	0.48	10
Knowledge of customers	0.48	0.50	0.49	11
Differentiation from competitors	0.18	0.18	0.51	12
Employee flexibility	0.45	0.40	0.53	13
Motivation of staff	1.78	1.28	0.58	14
Learning to improve	0.95	0.60	0.61	15
Internal efficiency	0.53	0.30	0.64	16
Speed of response to change	0.33	0.18	0.65	17
Current turnover	0.20	0.10	0.67	19
Building resources for the future	0.53	0.20	0.73	21
Product promotions	0.40	0.15	0.73	21
Personnel turnover	0.68	0.25	0.73	21
Service quality	1.83	0.50	0.79	23

Factors scoring zero for either average indegree or outdegree have been omitted from the table

Table 9

Table 9 also lists the score for abstractness, based on the ratio; indegrees over the indegrees plus outdegrees, and the rank order of factors based on their abstractness score. Factors scoring zero have been omitted from the table. The average indegree scores achieved in this study are much lower than in some previous research (Bougon, Weick and Binkhorst, 1977) but higher than some other prior research (Pieters, Baumgartner and Allen, 1995), which suggests that it is problematic to compare scores of indegree with prior empirical studies. It seems the scores are sensitive to the research method employed to generate the cognitive maps. For example, causal cognitive maps constructed post in-depth interview can lead to very large cognitive maps that are not limited to the ten most important factors as is the case in this current study. In larger cognitive maps larger numbers of factors can lead to objectives and therefore this can increase the score for the indegree. Figure 1 presents the data in graphical form.

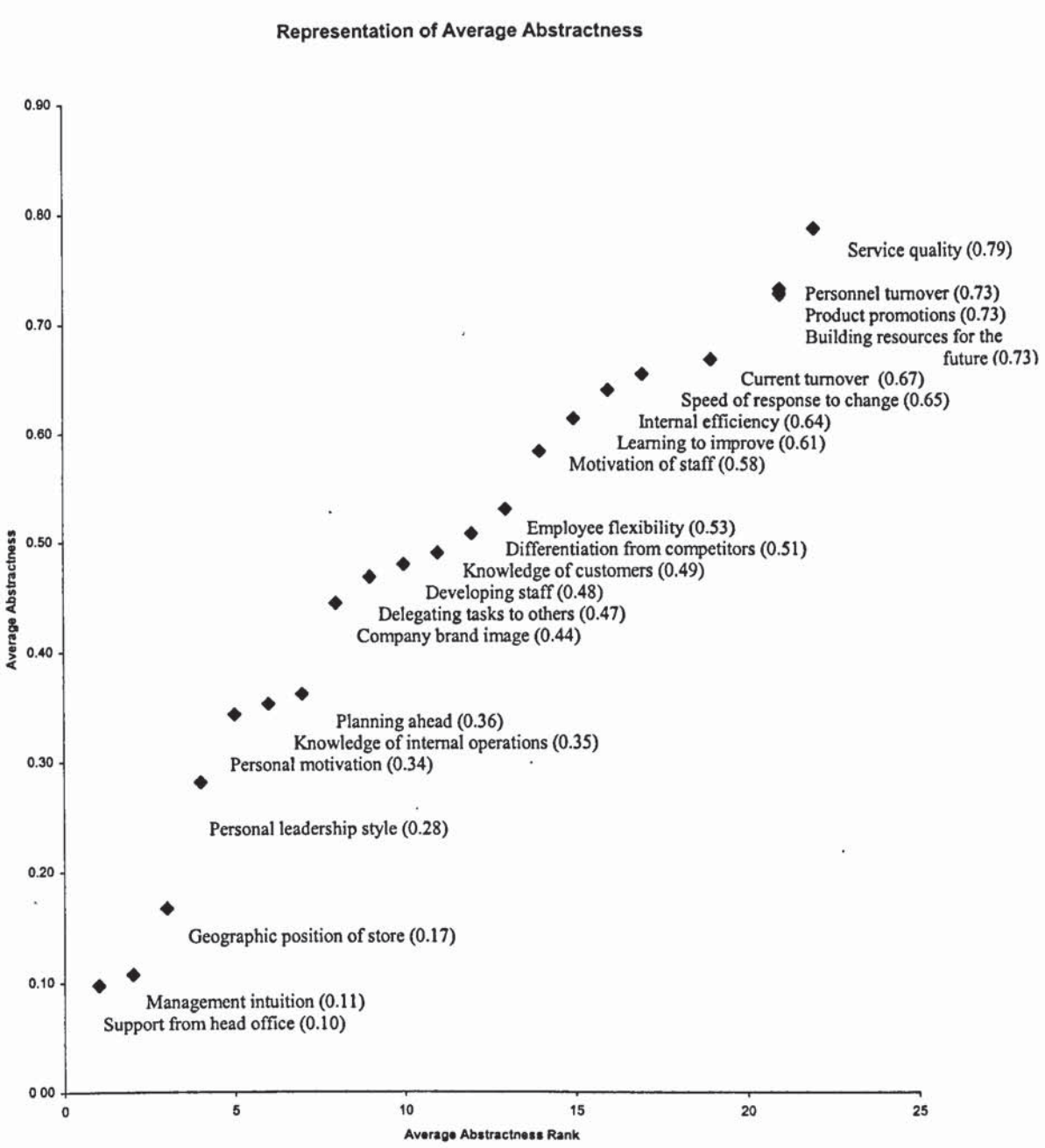

Figure 1

The graph in Figure 1 is very useful for identifying the primary objectives of the participating store managers: 'Service quality', a reduction in 'Personnel turnover', 'Product promotions', and 'Building resources for the future'. These objectives are the same as those identified from a visual comparison of the cognitive maps of participating managers based on noting the ends of chains of causal links (see Appendix 1.). These objectives have a high score for abstractness, which means that many more causal links lead into the factor than lead out, and the chain of links often ends with them. In other

words these factors are at the end of causal chains of relationships between factors important for success.

However, some secondary objectives, which lead to other primary objectives do not score highly for abstractness and this is problematic for the systematic identification of objectives by this method. For example, 'Employee flexibility', which is present in many cognitive maps because it seems to be required to achieve the primary objective of 'Service quality', achieves a medium score for abstractness. Factors associated with strategy processes or *ways* to achieve objectives also receive a medium score for abstractness, therefore this method does not clearly separate *ways* from secondary objectives. They both seem to be positioned in the middle of chains of causal links in cognitive maps leading from resources or givens to primary objectives or ends. Consequently, they both have balanced indegree and outdegree scores i.e. they have about the same number of factors leading in to them as leading out from them. Future research needs to be directed at this problem so that methods are devised that effectively delineate these two.

The graph in Figure 1 is also very useful to highlight some resources and givens. Factors such as 'Support from head office' and 'Management intuition' are positioned at the start of causal chains of links in cognitive maps and therefore seem to act as resources or capabilities, which are used by front-line managers to achieve ends.

In summary, the calculation of abstractness provides a more systematic method of classifying primary objectives and separating these from other factors in cognitive maps. The research highlighted that beliefs concerning the 'best' strategy processes or *ways* to achieve ends seem to be positioned in the middle of chains of causal links in cognitive maps, between resources and givens at the start and primary objectives at the end. However, secondary objectives are also found in similar positions in cognitive maps and it seems impossible to separate these from beliefs about strategy processes by their abstractness score alone. From a visual analysis of cognitive maps, however, secondary objectives are positioned directly before primary objectives and are associated with effectively meeting primary objectives. Now that ends of strategies have been identified both by a visual comparison of cognitive maps and through the above analysis, the strategy belief structures that address ends can be analysed.

7.2.2 *Content analysis of store managers' most important belief factor for success*

Strategy belief structures are composed of beliefs about strategy and the relationships between these beliefs. Firstly, there is a need to analyse respondents' most important belief or the factors they ranked as the most important factor for success. Some of these most important beliefs are not associated with *ways* to achieve ends, which suggests that strategy processes are not always of primary importance to front-line managers. These managers, it seems, can be primarily focused on different ends (objectives [21]), *ways* (strategy processes), means (resources) or givens (seemingly unchangeable aspects of the internal and external environment).

An analysis of the choice of the most important factor in achieving success of their store is outlined in Table 10.

THE FREQUENCY OF THE MOST IMPORTANT FACTOR FOR SUCCESS

The Most Important Factor (rank order of importance = 1)	Classification of Factors	Frequency	Percent
Service quality	End (objective)	14	35.0
Personal motivation	Means (resource or capability)	7	17.5
Planning ahead	Rational strategy process	5	12.5
Geographical position of store	Given	4	10.0
Motivation of staff	End (objective)	3	7.5
Detailed analysis of profitability	Rational strategy process	1	2.5
Targeting growth markets	End (objective)	1	2.5
Developing staff	Developmental strategy process	1	2.5
Personal leadership style	Means (resource or capability)	1	2.5
Support from head office	Means (resource or capability)	1	2.5
Knowledge of customers	Means (resource or capability)	1	2.5
Shared corporate culture	Means (resource or capability)	1	2.5
	Total	40	100.0

Table 10

The findings indicate that the respondents' most important belief is directed in different ways. A considerable proportion of respondentss (18 with N = 40) were primarily

[21] Ends are usually thought of as both aims and objectives. However, only different objectives were analysed because the same aim of success (of the store) was standardized and pre-determined at the start of the interview with each store manager.

focused on ends or objectives such as 'Service quality', 'Motivation of staff' or 'Targeting growth markets'. As far as the scope of the strategic orientation construct adopted in this study is concerned, these front-line managers seem to give most weight to objectives, which are the consequences of their strategic orientation, rather than to their strategic orientation itself. In other words, it is possible to postulate that some managers may be less concerned about the strategy processes or *ways* they use to achieve an objective, because their primary focus is on an objective itself. This finding is consistent with that of prior research conducted by Bougon, Weick and Binkhorst (1977) which found that participants paid particular attention to variables that are heavily controlled by other variables. These authors postulate that this effect may be based on the assumption that individuals also think that they can control these variables. The data suggests that a similar effect is operating in this study.

A small number of respondents seem to be primarily focused on strategy processes rather than objectives. These front-line managers give most weight to factors important in rational strategy processes such as 'Planning ahead' and 'Detailed analysis of profitability' or developmental strategy processes such as 'Developing staff' to achieve objectives. Such managers focus on factors associated with rational and developmental theoretical strategic orientations as their most important belief of how to achieve success.

Some other respondents have a primary focus on their own personal attributes such as their leadership qualities and cite their 'Personal motivation' and 'Personal leadership style' as being the most important factors for success. However, on closer study of the links within these managers' cognitive maps it seems that these personal factors invariably occur at the start of the causal chain of links, which usually end with specific objectives (see the cognitive maps of respondents 4, 6, 20, 21, 25, 19 and 39 in Appendix 1). These factors are not presented as direct *ways* to objectives and therefore cannot be considered to be part of the strategic orientation construct. Respondents seem to be suggesting that these personal attributes are used in strategy processes to achieve success and therefore seem to act as means (resources or capabilities).

Other respondents, again, cite external factors such as the 'Geographic position of the store' as the most important factor for success. These front-line managers seemingly have no control over the primary focus of their success and in this sense this external factor is deterministic. Some managers believe success is determined by an external

factor over which they have no control. This factor again does not seem to be a part of the *ways* to achieve aims and objectives, and therefore should not be included as part of the strategic orientation construct. Such factors possibly act as 'givens' (Bougon, Weick and Binkhorst, 1977) as they seem to represent the degree of difficulty of managing in a particular situation. In this sense such factors seem to act as moderating variables that influence the performance consequences of a strategic orientation. The 'Geographic position of the store' may be given more emphasis by retail managers in this study because of the usual company policy of moving store managers to a different store approximately every two years. The manager's success, it seems from this perspective, can be largely determined by what store they are sent to manage. If, for example, they are sent to a store in a poor geographic position, they are unlikely to be successful even if they are an excellent store manager.

In summary, the choice of the most important factor to achieve success strongly suggests that front-line managers possess different strategy belief structures. Evidence of 'rational' beliefs about strategy which highlight the importance of factors such as 'Detailed analysis of profitability' and 'Planning ahead' were found in some respondents' cognitive maps whereas 'developmental' beliefs such as 'Developing staff' were found in others. Such issues are discussed in the theoretical literatures dealing with rational planning and resource-based theory/process learning literatures respectively. Evidence of deterministic beliefs, which suggest that external factors outside the store managers' control such as the 'Geographic position of the store' determine success are also represented in Table 10. However, an analysis of the causal linkages in the cognitive maps of the managers that choose this factor as the most important for success suggests that it is not associated with *ways* to achieve objectives. This factor is therefore outside the scope of the strategic orientation construct and seems to act as a given which has to be accepted by any manager. It may act as moderating variables between a strategic orientation and its performance consequences.

Alternatively, many other respondents seem to be focused primarily on objectives or ends, which are consequences of strategic orientations. Other managers are focused on themselves and in particular their personal attributes as the primary source of success. Such personal attributes seem to act as means (resources or capabilities) to be used in strategy processes directed at success. It is possible to conclude that the most important belief factor for success that front-line managers' choose is focused either on their

strategic orientation (*ways* or strategy processes used to achieve objectives); on means (resources and capabilities) which are used in strategy processes; ends (objectives) which are the consequences of strategy processes; or givens (which seem to act as moderating variables which influence the strategic orientation-performance relationship).

The finding that the primary focus of front-line managers is on different facets of strategic management has some serious implications for future research. First, it seems that managers within the same organization can have a strong strategic orientation or a weak one dependent on their primary focus. For example, by definition, if managers' most important belief is focused on objectives it seems self evident that these managers will possess a weaker strategic orientation than others who focus primarily on strategy processes or *ways* to achieve ends such as objectives. In other words there is more of a focus on the consequences of a strategic orientation than the strategic orientation itself[22]. Second, it seems that front-line managers within the same organization can be primarily focused in completely different ways, which suggests that many problems of classification of strategic orientation do occur at an organizational level.

7.2.3 Content analysis of all important beliefs chosen

When all ten beliefs are studied, a more comprehensive picture of beliefs within cognitive maps of respondents emerges (see Table 11). Table 11 indicates, again, that evidence of rational beliefs about strategy are present and this can be seen through the high incidence of factors such as 'Planning ahead'. Evidence that developmental beliefs about strategy exist can be seen through the high incidence of factors such as 'Developing staff', 'Learning to improve' and 'Building resources for the future'. Due to the high percentage scores for these factors it seems that many store managers in the respondents' organization are likely to possess developmental strategic orientations. Deterministic beliefs are relatively less important when taking all factors into account. For example, the belief that success is determined by the 'Geographical position of store' has a less prominent impact when considering all factors. Interactive beliefs, which suggest that strategy is an interactive process (e.g. strategy emerges through interaction with competitors), are present but also less prominent as can be seen by the low incidence of belief factors such as 'Differentiation of products/service from competitors'.

[22] This is partially a definition issue because in this study the strategic orientations construct was defined in terms of a strategy process to meet ends such as objectives. Such ends are associated with strategy content.

Factors associated with chaos and unpredictability such as 'Management intuition', which suggests that data is not given a priority in strategic decision making, are also of relatively minor importance to respondents in this study.

THE FREQUENCY OF ALL TEN FACTORS IMPORTANT FOR SUCCESS

	Frequency	Percent
Planning ahead	32	8.0
Co-ordinating operations	5	1.3
Developing staff	33	8.3
Current resources	8	2.0
Building resources for the future	11	2.8
Motivation of staff	36	9.0
Personal motivation	28	7.0
Learning to improve	22	5.5
Personal leadership style	22	5.5
Geographical position of store	4	1.0
Support from head office	17	4.3
Speed of response to change in customers needs /competitors	9	2.3
Differentiation of products/service from competitors	5	1.3
Management intuition	5	1.3
Service quality	30	7.5
Personnel turnover	14	3.5
Internal efficiency	10	2.5
Employee flexibility	11	2.8
Knowledge of customers	16	4.0
Knowledge of internal operations	7	1.8
Delegating tasks to others	15	3.8
Company brand image	5	1.3
Product promotions	9	2.3
Shared corporate culture	5	1.3
Total	359	90.4
	(400)	(100)

Factors less than 1% frequency omitted from table

Table 11

7.2.4 The content analysis of strategy belief structures

Whereas insights can be developed from a study of the rank order of the most important belief factors in achieving success, more detail is provided by combining a study of

belief factors with how they are linked or structured. An analysis of cognitive structures highlights the expected cause and effect relationships between factors. In this study the scope of the strategic orientation construct is outlined, based on the belief structures (i.e. beliefs and how they are structured) that make up the strategy processes or *ways* used by managers to achieve aims and objectives.

Rational strategy belief structures. Theoretically, rational strategy belief structures include the notion that the 'best' *ways* to achieve success are through analytical and planning processes such as the 'Detailed analysis of profitability' and 'Planning ahead'. There is, however, a relatively low incidence of such 'rational' belief structures.

The evidence for rational strategy belief structures can be found through the existence of the following causal links:

> **'Planning ahead' – 'Detailed analysis of profitability' – 'Knowledge of customers' – 'Speed of response to change' – 'Service quality'**

This belief structure is not common in respondents' cognitive maps and was found in the cognitive maps of only two managers: respondents 8 and 15 (N = 40). See Figure 2.

COGNITIVE MAP OF RESPONDENT 8

(Collapsed to show largely 'Rational' ways to an Objective) [23]

Figure 2

[23] See the full cognitive map of respondent 8 in Appendix 1. The numbers attached to factors in the cognitive maps refer to the rank ordering of the importance of the factor. Rank order 1 is the most important factor for success through to 10 as least important.

The incidence of rational beliefs about strategy is less than expected. There was an expectation, based on prior theory, that in relatively stable environments (such as seemingly occur when managing a retail grocery store) rational analysis and planning would be most effective and therefore rational analytical beliefs most prominent. Furthermore, grocery store managers have seemingly much more opportunity for rational analysis and planning than other front-line managers operating in other industries. For example, payment by store card and the use of loyalty schemes are features of most stores so that large amounts of data on customers are available for the manager to analyse. In the case of the organization included in this study, detailed information was available at head office, but this information seems to be rarely requested by the respondents who are managers of individual stores in the branch network.

When asked why they did not use detailed data and analysis, most respondents suggested that there was too much data available and they did not have the time to analyse it in detail. Only general information was regularly requested and provided by head office. This information gave the breakdown of sales for the same time in the previous year and this was used as the basis of developing a turnover target for store managers to achieve. More informal data gathering based on talking to customers was the usual basis for decision making using a more subjective analysis. This finding suggests that whereas a creeping rationality may exist for front-line managers based on the demands of head office and external drivers (Fredrickson and Iaquinto, 1989; Miller and Friesen, 1980), when the demands of that rationality become too overwhelming these managers may ignore objective data and obtain more subjective data instead. This subjective data seems to be easier and quicker to analyse and interpret. The overwhelming nature of more objective data seems to justify this alternative route to analysis.

Developmental strategy belief structures. Evidence for developmental strategy belief structures can be found through the existence of the following causal belief structures in large numbers of respondents. The following series of factors are linked in different ways to a common primary objective, that of 'Service quality'.

The following causal links are common:

> **'Learning to improve' - 'Developing staff' - 'Motivation of staff' - 'Employee flexibility' - 'Service quality'**

This type of developmental belief structure suggests that to achieve the aim of success, front-line managers should focus on the primary objective 'Service quality'. Furthermore, the 'best' *ways* to achieving the aim and objective is by 'Developing staff' and 'Learning to improve'. These increase 'Motivation of staff' and 'Employee flexibility' which in turn impact on the primary objective. This type of developmental strategy belief structure can be found in the cognitive maps of twenty-eight respondents (N = 40). Not all the factors (nodes) are included in all of the twenty-eight cognitive maps, and the factors are not all linked in identical ways, but the basic structure is very similar. An example of this belief structure is seen in the cognitive map of respondent 28 in Figure 3.

COGNITIVE MAP OF RESPONDENT 28

(Collapsed to show largely 'Developmental' ways to an Objective)

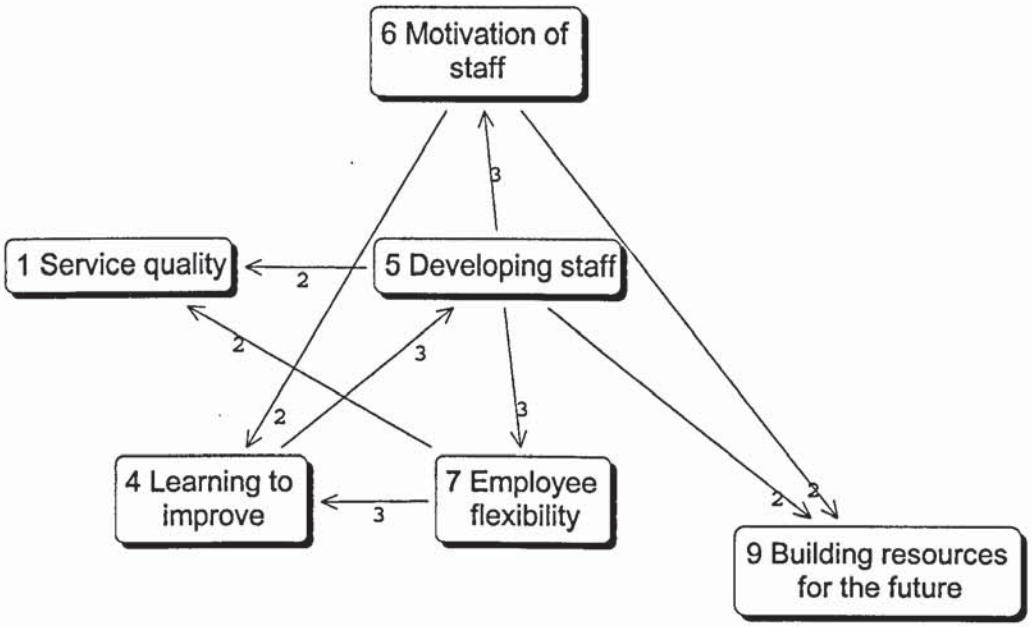

Figure 3

In Figure 3, the cognitive map has been collapsed to focus on the key *ways* to achieve an objective. Primary objectives are represented as the tail of the causal links within cognitive maps; in the case of respondent 28, 'Service quality' is the primary objective for current operations. This tail position in a causal model is a standard indicator of an objective or end (see Bougon, Weick and Binkhorst, 1977). There are few, if any, links

emerging from a primary end or objective [24]. The developmental *ways* or developmental strategy belief structures to achieve the objective occur before it in the causal structure of cognitive maps. In the case of respondent 28, the 'developmental' secondary objective 'Employee flexibility' is also addressed by developmental *ways* such as 'Learning to improve' and 'Developing staff' and this impacts on achieving the primary objective 'Service quality'.

Whereas some developmental strategy belief structures are focused on current objectives and current operations, it seems that some front-line managers are focused additionally on future orientated 'developmental' objectives such as 'Building resources for the future'. See also Figure 4.

COGNITIVE MAP OF RESPONDENT 38

(Collapsed to show 'Rational and Developmental' ways to an Objective)

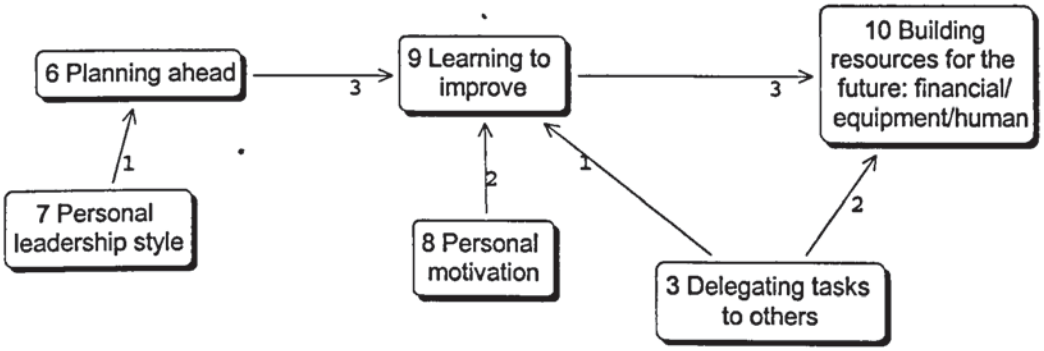

Figure 4

The example of the cognitive map of respondent 38 presented in Figure 4 highlights the developmental *ways* and future orientated 'developmental' objectives found in respondents' cognitive maps. In this example 'Planning ahead' seems to be strongly directed at 'Learning to improve' and 'Building resources for the future' (+3 for the strength of the causal link). This respondent is also focused on 'Service quality' as a

[24] This is based on representational analysis given the number of factors that could be chosen by respondents in this study. In reality there can be further links between a primary objective and an aim such as 'success of the store' which was the standard end presented to all respondents

separate, stronger [25] strand in the cognitive map (see the full cognitive map of respondent 38 in Appendix 1).

Both respondent 28 (Figure 3) and respondent 38 (Figure 4) seem focused on two temporal dimensions. One, on current operations and success where developmental *ways* such as 'Developing staff' are used to achieve current success through a focus on 'Service quality'. Two, on future success, so that at the same time the manager has a 'developmental' objective of 'Building resources for the future', and this is rationally planned through a developmental 'Learning to improve' process and by 'Delegating tasks to others'. Thus evidence for an integration of rational and developmental strategy processes or *ways* to achieve both current and future ends seems to exist.

Interactive strategy belief structures. Interactive beliefs about strategy focus on the interactive nature of the environment. Interaction with competitors, customers and barriers to change are prominently highlighted in the theoretical literatures. These interactive factors do not seem prevalent in the factors chosen by managers as important for success. As highlighted in Table 11 above, interactive ways of thinking about strategy are not common in the cognitive maps of respondents in this study. The presence of factors focusing on interactive beliefs about strategy, such as success is best achieved by 'Differentiation of products/service from competitors', is very limited. The evidence for interactive strategy belief structures can be found through the existence of the following causal links:

> **'Knowledge of competitors' - 'Differentiation of products/service from competitors' - 'Price differentiation from competitors' - 'Maintenance of price leadership'**

This type of belief structure can be found in the cognitive map of one respondent – respondent 35. (N = 40). See Figure 5.

[25] Based on the rank order of importance of factors

COGNITIVE MAP OF RESPONDENT 35

(Collapsed to show largely 'Interactive' ways to an Objective)

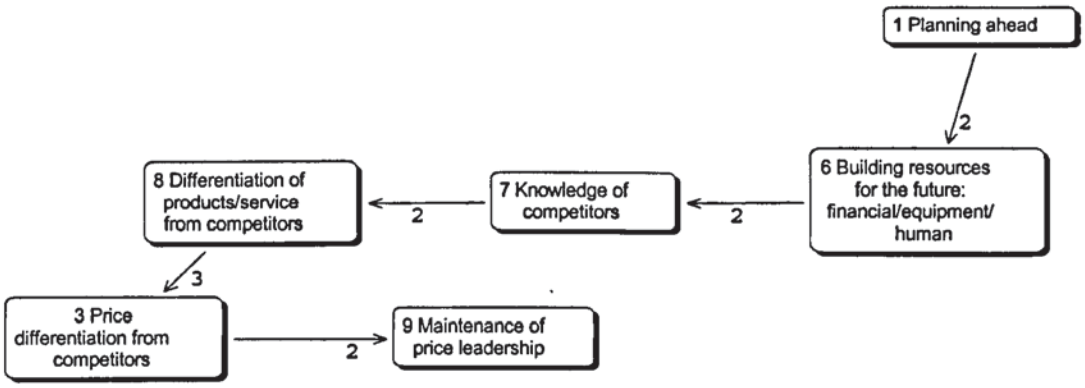

Figure 5

Interactive strategy belief structures outlined in the theoretical literatures are demonstrated in the cognitive map of respondent 35, because in this case the factors leading to an objective focus on 'Differentiation of products/service from competitors' and 'Price differentiation from competitors'. Even the objective, 'Maintenance of price leadership', at the end of the causal sequence of links, is focused on competitive interaction. Therefore, the belief structure of respondent 35 indicates more interactive beliefs about strategy, but rational beliefs such as 'Planning ahead' and a developmental factor, 'Building resources for the future', are also present.

Deterministic strategy belief structures. No evidence for the existence of 'deterministic' factors outside the managers' control were found in *ways* to achieve aims and objectives. Therefore, the findings from this study do not confirm the existence of deterministic strategy belief structures. However, deterministic factors are very important to a seemingly small number of respondents and were included in their cognitive maps. Four respondents (N = 40) ranked the 'Geographic position of the store' as the most important factor for success (rank order 1) and this finding suggests that some front-line managers are trapped in a rather fatalistic way of thinking, where the most important factor for success is outside their control and determined elsewhere (see 7.2.2 above). These managers seem to think that their success is determined by what store they are sent to manage and its geographic position in relation to customers and the position of competitor stores. Therefore, there is some evidence to suggest that a very strong deterministic influence exists in some cognitive maps.

Chaos strategy belief structures. No evidence for the existence of 'chaos' factors associated with unpredictability were found in the *ways* to meet aims and objectives. For example, 'Management intuition', is likely to be chosen by respondents if high levels of unpredictability were perceived to exist. In such circumstances there may be more of a need to focus on non-factual information (see Clarke and Mackaness, 2001). 'Management intuition' is present in the cognitive maps of respondents 12, 17, 25, 37 and 39, but it is invariably positioned at the start of the causal chain of links. This position of the factor suggests that it is perceived as a means (resource or capability) rather than part of different strategy processes or *ways* to achieve ends such as aims and objectives. Factors associated with unpredictability, such as 'Management intuition', 'Innovative products' and 'Fashionable products' were not found to be present in strategy belief structures directly leading to ends.

Some difficulty was experienced in obtaining factors in cognitive maps that would highlight different strategy processes to deal with forms of chaos, and more work needs to be undertaken to determine factors that highlight such possible beliefs about strategy.

Integrated strategy belief structures. Some of the evidence above suggests that integrated strategy belief stuctures exist where beliefs associated with different theoretical strategic orientations are integrated in some way. For example, the cognitive map of respondent 38 highlights developmental strategy belief structures to a current objective and rational strategy belief structures to a 'developmental' future orientated objective (see the full cognitive map of respondent 38 in Appendix 1). An analysis of the data in this study suggests that a common integration is that between rational and developmental beliefs, because it seems that respondents often analyse and plan for developmental issues. This finding is consistent with theorists who consider that unique resources can be identified and developed through a rational approach [26].

Another example of an integrated strategy belief structure is seen in the cognitive map of respondent 15. See Figure 6.

[26] Whereas it is possible that unique difficult to imitate resources can be planned in advance through rational processes, it seems also likely that some examples of this may just provide a post hoc rationalisation of what has happened through historical accident by developmental growth.

COGNITIVE MAP OF RESPONDENT 15

(Collapsed to show 'Rational' and 'Developmental' ways to an Objective)

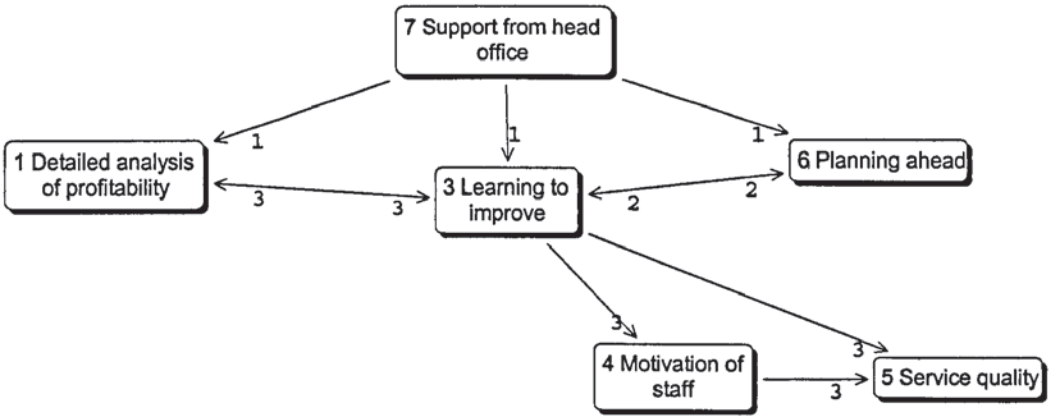

Figure 6

In the cognitive map of respondent 15, rational *ways* to the aim of success and the objective of 'Service quality' seem to dominate by a focus on 'Detailed analysis of profitability' and 'Planning ahead'. However, developmental longer-term factors such as 'Learning to improve' (rank order 3) are also very important within the belief structure. This finding highlights an example of the learning dilemma outlined by Levinthal and March (1993) which suggests that managers have to balance the conflicting demands of trying to achieve current success based on current knowledge with that for future success and gaining further knowledge.

Some front-line managers seem to balance these two temporal dimensions within their cognitive maps by employing seemingly different strategic orientations. A rational strategic orientation, which is more focused on current operations, and a developmental strategic orientation, which is more focused on future operations. This finding has some resonance with research that focuses on 'short term' versus 'long term' organizational focus in the strategic orientation literature (e.g. Doyle and Hooley, 1992). In contrast with such prior research, however, the findings here suggest that these two, seemingly different time horizons can be addressed by the same individual, and therefore these temporal dimensions should not be considered only as alternatives. In other words, the data do not support the overtly simplistic notion that individual managers, at least, can be thought of as either 'short term' or 'long term' in their time horizons, because several individuals seem to focus on both and try to balance the two.

An analysis of the data from this study suggests that at least some front-line managers possess integrated strategy belief structures in the sense that they combine beliefs from various theoretical perspectives of strategy within their belief structures. Indeed it is probable that all managers may possess such integrated beliefs about strategy to some extent. Due to the research limitations, especially limiting the study of factors within the cognitive maps to the ten most important, it is impossible to be certain. Alternative research methods such as those used to develop more comprehensive cognitive maps and quantitative research incorporating factor analysis are required to fully investigate the nature of this integration of beliefs.

7.3 Summary

In summary, the analysis of the empirical evidence obtained in this study suggests that managers can possess rational, developmental, or interactive strategy belief structures within their cognitive maps as well as an integration of these. Rational strategy belief structures were found within two cognitive maps. These belief structures are based around 'Planning ahead' as a result of 'Detailed analysis of profitability' and 'Knowledge of customers' as *ways* to meet aims and objectives. These causal belief structures are closely associated with the *a priori* assumptions developed from the theoretical literature such as the rational planning literature. Strategy from this perspective is more analytical, based on analysis of data and gaining knowledge, and has a balanced internal and external focus.

Developmental strategy belief structures were found within twenty-eight cognitive maps. These belief structures are based around 'Developing staff' and 'Learning to improve' as *ways* to meet aims and objectives. Some of the major advantages of these belief structures are that they seem to be associated with addressing secondary objectives such as 'Employee flexibility', 'Motivation of staff' and a reduction in 'Staff turnover', which are themselves resources or capabilities difficult for competitors to imitate. These causal developmental belief structures are closely associated with the *a priori* assumptions developed from the theoretical literature such as the resource-based view and the process learning literature. Strategy from this perspective is a developmental longer-term process and is focused internally.

Interactive strategy belief structures were found within one cognitive map. These belief structures are based around 'Knowledge of competitors' and 'Differentiation of products/service from competitors' as *ways* to meet aims and objectives. These causal belief structures are closely associated with the *a priori* assumptions developed from the theoretical literature addressing the concepts of positioning, differentiation and niche in a management context. Strategy from this perspective is more interactive and based on finding gaps or positions left by competitors and therefore strategy has a more external focus.

Furthermore, there is evidence to suggest that some managers possess integrated strategy belief structures, as a mixture of rational and developmental belief structures were found within cognitive maps. However, theoretical deterministic and chaos strategy belief structures were not found in the cognitive maps of participants in this current study.

The high incidence of developmental strategy belief structures found within cognitive maps in this study provides strong evidence for the existence of common strategy belief structures for success. The existence of common strategy belief structures suggests that many front-line managers have developed their beliefs through experiential knowledge of cause and effect relationships between factors for success within the same retail context. In other words, an analysis of the data in this study confirms that certain strategy belief structures are likely to be found dominant within a particular strategy-making context. The data seem to support the notion that cognitive models are developed over time, based on experiential learning while working in the same industry or organization. Such a proposition, however, need to be confirmed by using alternative, more statistically generalizable research methods.

There is a need to incorporate the above findings into a model of strategic orientation in practice. Consequently, Developmental, Rational and Interactive strategy belief structures have been added to an outline model. See Figure 7.

AN OUTLINE MODEL OF STRATEGIC ORIENTATIONS IN PRACTICE, THEIR ANTECEDENTS AND CONSEQUENCES

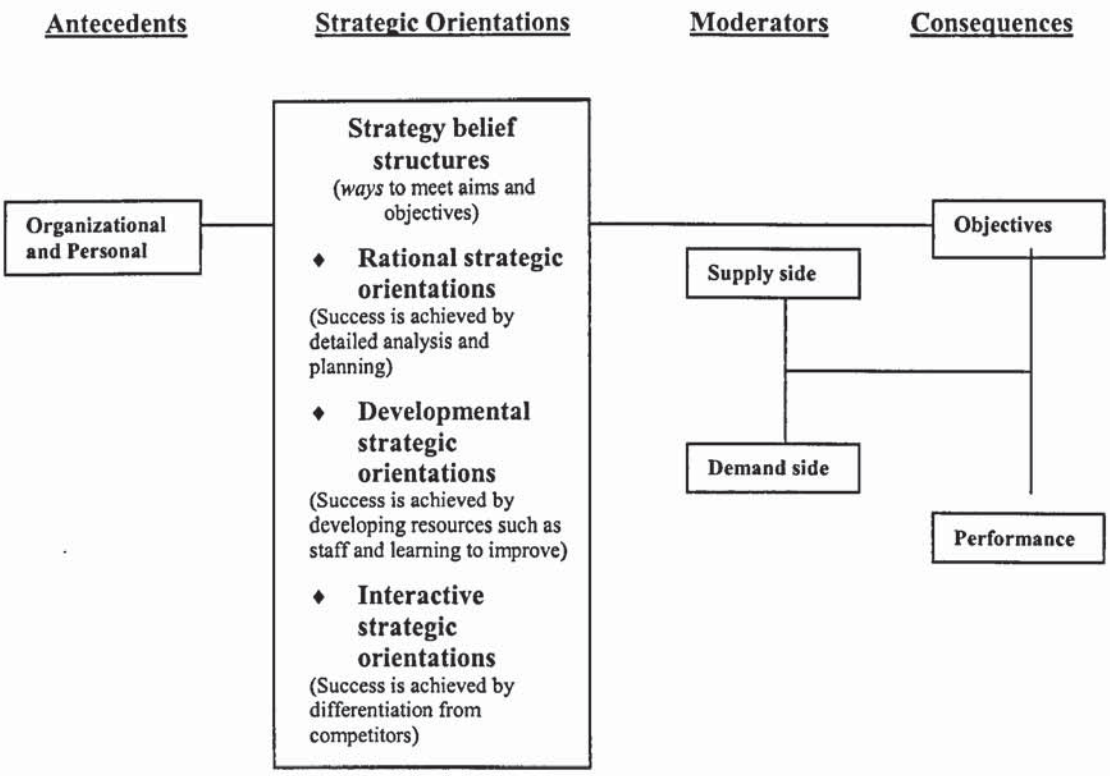

Figure 7

An outline model is presented in Figure 7 and this is provided on the basis of the findings at this stage, but more detail will be added as the findings are discussed in subsequent sections. These findings will be incorporated into a more detailed model presented in Figure 13. For example, the findings in subsequent sections will aid the development of this model by a focus on the antecedents and consequences of strategic orientations or strategy belief structures, and the variables that respondents believe moderate the impact of strategic orientations on performance are investigated and also built into the model.

CHAPTER 8

DIFFERENT LEVELS OF COGNTIVE COMPLEXITY

In this chapter the findings in relation to the different levels of cognitive complexity will be presented. Cognitive complexity has been the centre of increasing interest in the strategy domain. One of the main reasons for this is that researchers are attempting to develop cognitive explanations for differences in the performance of individuals. For example, the study of the cognitive complexity of experienced individuals is progressing to compare managers that may be regarded as 'experts' in their field of work and who display superior performance with other individual managers that are less experienced and may not perform so well.

Complexity within cognitive models is thought to develop directly, through experiential learning, personal encounter and experience, and in directly through abstract communication such as managers being told about something by other managers. Experienced individuals are thought, according to Fiske and Taylor (1991), to generalize commonalities in stimuli after repeat exposure so that their cognitive maps reflect more abstract traits rather than concrete behaviour. Experience, it seems, leads individuals to generalize and infer more often, such as when they form impressions about people they know.

The complexity of strategic thought is referred to in the theoretical and empirical literatures which focus on rational paradigms in strategic management. For example, Senge (1990) has suggested that rational planning was devised to deal with detail complexity, a type of complexity exemplified by a large number of reasonably predictable variables. Furthermore, Fredrickson and Mitchell (1984) and Fredrickson (1985) used comprehensiveness as a proxy for rational decision-making processes when investigating rational behaviour. These authors seem to use comprehensiveness as a measure in an attempt to capture this detail complexity. In relation to this present study, therefore, there is an expectation that higher levels of cognitive complexity will be associated with rational strategy belief structures in individual managers within the same organization.

8.1 Analysis of Cognitive Complexity

A visual comparison of cognitive complexity can be undertaken by reference to all forty cognitive maps in Appendix 1. Whereas the number of factors remains the same, the complexity of linkages between factors varies considerably.

The analytical technique of calculating the factor (node) to link ratio as outlined in Chapter 6 was applied to the data but there are some limitations on the use of this technique because of the restricted number of factors included in each map. If there were no restrictions on the number of factors chosen and larger cognitive maps were produced, other analytical methods could also be used. For example, analysis of the cluster index or the degree of grouping of nodes in the cognitive map, and the average chain length, which if larger is supposed to indicate a greater degree of explanation (see Clarke and Mackaness, 2001). Due to the restrictions placed on the generation of cognitive maps these methods were not used.

However, an analysis of the data suggests an interesting finding in relation to the average chain length method of calculating cognitive complexity. This method suggests that a high score for the average chain length is a good indicator of cognitive complexity and degree of explanation. However, the data in this study seem to suggest the opposite, so that a high chain length could equally indicate a lack of complexity (see the cognitive map of respondent 8 in Appendix 1). The cognitive map of respondent 8 has a high chain length, but a very simple or simplistic notion of the structural relationship between factors important for success. The cognitive map is very linear with one factor leading directly to another in a simple fashion. This example suggests that this method of calculating cognitive complexity may give undue weight to linear complexity, whereas the highest score for complexity based on the factor (nodes) to links ratio attributes higher scores for more central structuring in cognitive maps. Central structuring is where the causal links are directed at a centrally positioned factor (see for example the cognitive map of respondent 31 in Appendix 1). The structuring of cognitive maps as an explanation of cognitive complexity is discussed below.

A visual comparison of different cognitive maps tends to agree with the factor (node) to link ratio approach for calculation, because this comparison suggests that central structuring should indeed receive higher scores for complexity. The average chain length method of calculating cognitive complexity might be appropriate for use in Hierarchical

Value Maps, often developed through laddering technique, because these maps are all linear in structure. In linear hierarchical value maps longer chain length may indeed signify higher complexity.

As previously stated, authors have noted the differences in complexity of individuals' cognitive maps (e.g. Hodgkinson and Johnson, 1994) and there are several explanations outlined in prior research to explain this phenomenon.

8.2 Different Explanations for Cognitive Complexity

The literature highlights several prior explanations for the existence of different cognitive complexity in cognitive maps. For example, high levels of experience (e.g. Fiske and Taylor, 1991; Sharma, Levy and Kumar, 2000) and the scope of the organization (Calori, Johnson and Sarnin, 1994) are both thought to influence the cognitive complexity of individual managers. Furthermore, in this study there was an expectation that different strategy belief structures might be associated with different cognitive complexity, but as many developmental strategy belief structures were found and few others, it was difficult to investigate this issue thoroughly. Other potential explanations emerged out of the findings such as the influence of centralized cognitive structuring and cognitive complexity linked to different cognitive activity or style. All these possible explanations are discussed in the remainder of this chapter.

8.2.1 Cognitive complexity and experience

One rationale for the research interest into the influence of experience on cognitive complexity is an attempt by researchers to understand the differences between 'expert' managers and others. One major explanation for cognitive complexity is that 'experts' with high performance have more complex cognitive maps (e.g. Fiske and Taylor, 1991; Sharma, Levy and Kumar, 2000). Authors such as Sharma, Levy and Kumar (2000) have highlighted the importance of knowledge to the high performance of 'experts' and researchers investigating the cognitive maps of 'experts' have found, for example, that expert knowledge is more complex but also more usable (Fiske and Taylor, 1991). It is, however, not possible to investigate this theory directly using the data from this study, because the data relating to high performance was not available. It is possible to investigate a similar version of the theory based on the experience of respondents, because according to researchers such as Fiske and Taylor (1991) and Sharma, Levy and

Kumar (2000), novices with extremely little experience of management may, by comparison to 'experts', have very low cognitive complexity.

The data presented in Table 12 lists all forty participants by experience as a store manager in years and their cognitive complexity score based on a calculation of the link to node ratio in each case.

EXPERIENCE AND COGNITIVE COMPLEXITY (N = 40)

Participant	Experience as store manager (yrs)	Cognitive complexity score
1	4	9
2	1	9
3	10	16
4	1	12
5	0.2	10
6	1	9
7	11	23
8	6	10
9	7	14
10	8	12
11	5	14
12	6	9
13	0.06	11
14	6	12
15	6	13
16	6	11
17	6	12
18	3	10
19	3	9
20	23	12
21	0.5	10
22	0.5	6
23	2	12
24	6	9
25	6	14
26	0.2	10
27	5	10
28	10	18
29	4	12
30	19	7
31	8	18
32	10	15
33	1	8
34	6	14
35	0.1	9
36	3	12
37	5	8
38	3	9
39	0.2	22
40	8	18

Table 12

The data presented in Table 12 do not suggest a possible straightforward correlation between non-experts and cognitive complexity. Some non-experts [27], or those front-line managers with only an extremely limited experience as a manager, such as respondent 22 do have relatively low scores for cognitive complexity. However, another non-expert (respondent 39) with very limited experience as a store manager (0.2 years) has a high score for cognitive complexity of 22. Another store manager (respondent 30) with long experience has a low score for cognitive complexity (7). It seems that further research and analysis of expert versus non-expert would not fully explain the differences in cognitive complexity scores found in the data. It might provide some explanation for the findings but another explanation is also required.

8.2.2 Cognitive complexity and the scope of the organization

Another explanation found in the prior research literature for the difference in the complexity of cognitive maps is that this complexity reflects the variety of the environment and the scope of the organization that managers have to deal with (Calori, Johnson and Sarnin, 1994). Managing an environment with additional complexity, according to Calori, Johnson and Sarnin (1994), requires managers to develop complex ways of thinking to reflect their tasks.

However, it is possible to largely dismiss the complexity of the environment and the scope of the organization as explanations for the different levels of cognitive complexity found in this study. This is possible because all the respondents were involved with the same or extremely similar environments and a very similar complexity of task within the same organizational scope. All respondents occupy the same job position within the same organization operating within a close geographic proximity. There is, therefore, a need to find an alternative explanation for the very different cognitive complexities found in the respondents in this study and presented in Table 12.

8.2.3 Cognitive complexity and strategy belief structures

Environmental complexity has been further discussed in relation to strategy paradigms in the strategic management and strategic marketing literatures. These literatures suggest

[27] Non-experts were defined as store managers with one year or less experience. These managers have a mean cognitive complexity score of 10.55 compared to a mean of 12.48 for all other participants. Analysis was not attempted due to the small size of sample

that rational planning was devised to deal with detail complexity (e.g. Senge, 1990). A type of complexity exemplified by large numbers of reasonably predictable variables. Furthermore, Fredrickson and Mitchell (1984) and Fredrickson (1985) used comprehensiveness as a proxy for rational decision-making processes in studies of strategic decision-making behaviour. Such studies imply that rational strategy belief structures may be associated with high levels of cognitive complexity, because rational analytical thinking is required to deal with large numbers of variables.

Different levels of cognitive complexity were not found to be associated with any particular strategy belief structures in individual managers, but the nature of the data made it difficult to investigate any possible relationships. Due to the limited number of respondents found with rational belief structures it was difficult to address the expectation that emerged from prior research. The expectation, therefore, that high levels of cognitive complexity are associated with rational strategy belief structures was not confirmed due to limited data.

However, some front-line managers, with developmental strategy belief structures and seemingly less concerned with rational analysis and planning, have high scores for cognitive complexity (see, for example, the cognitive map of respondent 40 in Appendix 1. This respondent with a developmental strategy belief structure has high cognitive complexity). The findings suggest that comprehensiveness in strategic decision-making processes should not only be used as a proxy for rational strategic decision making as it may also be associated with other strategy processes such as developmental ones.

8.2.4 Cognitive complexity and focus on important beliefs

Prior cognitive research in the strategy domain seemingly does not highlight the influence of the focus on important beliefs and the influence of this focus on linear or central structuring of cognitive maps, which in turn seems to influence cognitive complexity [28]. In this current study all the cognitive maps were drawn by the respondents themselves, a method that seems less popular than post hoc generation by researchers. This self-draw method does have the advantage, however, that respondents represent the

[28] The centrality of a factor is a common calculation (see Decision Explorer software) but this is a slightly different phenomena. A factor can have a high centrality even if positioned in a linear structure of a cognitive map because centrality is the position of a factor within a chain of links (i.e. the factor is in the middle of the chain) and does not indicate the overall structure.

positioning of factors in the cognitive map directly and without the influence from the researchers analysing the map. As a result a more accurate analysis of the structure of cognitive maps can be developed.

Different levels of cognitive complexity were found to be associated with different cognitive structuring. Centralized structuring, with causal links leading into factors, which are centrally positioned in the cognitive map, generate higher cognitive complexity scores than linear structuring. For example, the cognitive maps of respondents 7, 28, 31 and 39 are more centrally structured and also generated high scores for cognitive complexity. The cognitive maps of respondents 5, 8, 19, 22, 29, 30, 33, and 35 on the other hand, have more linear structuring and generate lower scores for cognitive complexity (compare low scores for cognitive complexity in Table 12 with linear structuring in cognitive maps found in Appendix 1). The relatively low average indegree score for factors included in the cognitive maps of participant store managers in this current study seems to indicate that many front-line managers possess more linear structuring to their cognitive maps. This is supported by the visual reference to the cognitive maps presented in Appendix 1.

Some very centralized structuring was found in the cognitive maps of several store managers such as in those of respondents 31 and 40. Centralized structuring within cognitive maps seem to occur when there is a great deal of focus on a very important belief factor. In the case of respondent 31 this high degree of focus is on the objective 'Service quality', whereas in the case of respondent 40 there is a strong focus on 'Developing staff', a developmental strategy process used to meet the objectives of reducing 'Personnel turnover' and 'Building resources for the future' [29].

Central structures to cognitive maps generate very high indegree scores for the central factor, because this factor has many other factors and causal links leading in to it. Linear structures in cognitive maps on the other hand, seem to generate low average indegree scores because one factor tends to lead to another factor in a linear fashion with a single link. Further research is required to systematically investigate the relationships between different cognitive structuring (central and linear) found in cognitive maps and its consequences.

[29] These last two factors are classified as objectives because the content analysis reveals that they are the only factors in the cognitive map of respondent 40 that have no causal links running out of them.

The research has highlighted a possible implication for the seemingly important issue of linear and central structuring of cognitive maps. It seems that some managers with central structuring within their cognitive map can be very focused on one issue such as a primary objective or a belief about a strategy process. This issue requires further research and was not highlighted by a literature review. It was only highlighted in this present study by the different and relatively unique methodology adopted of getting the respondents to draw their own cognitive maps during the interview.

8.2.5 Cognitive complexity and cognitive activity (style)

Whereas rational beliefs about strategy are not dominant in the cognitive maps of many respondents, this does not necessarily mean that managers do not use rational strategy processes such as detailed analysis and planning to achieve objectives. The content of a cognitive map may only indicate *what* managers believe and the importance of say planning as a factor. The content of a cognitive map may not throw much light on *how* managers process information. There is a debate in the theoretical literature on the issue of whether cognitive content and cognitive activity (style) are related or completely independent. This debate was briefly discussed in Chapter 3 above and seems to be on-going because no overwhelmingly convincing evidence has been presented on either side. Empirical findings that present alternative evidence in relation to this debate do not seem to be widely reported in the research literatures. An analysis of the data from this study, however, suggests a contribution to the debate. This data was not expected and only highlighted by discussions with respondent 7.

During discussions the issue of cognitive complexity was raised by the fact that this store manager introduced many more causal links into his cognitive map so that it became obvious that the manager's complexity score was very high. When asked why the cognitive map was so complex the respondent replied that he was a planner and even planned the researcher's interview visit into his weekly plan. The respondent does not so much have a strong belief that 'Planning ahead' is an important factor for success, as it is only ranked 9 out of a possible 10 factors, but it seems that planning is an analytical process used to underpin practice. (See the full cognitive map of respondent 7 in Figure 8).

COGNITIVE MAP OF RESPONDENT 7

(Full cognitive map to show high cognitive complexity)

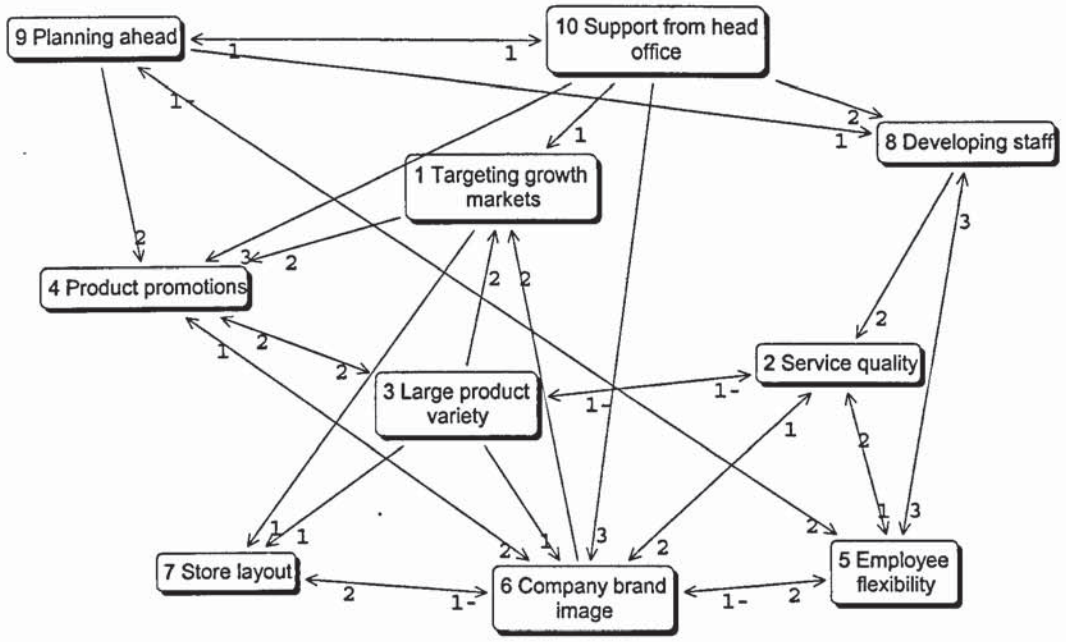

Figure 8

It seems, therefore, that it is not 'Planning ahead' as cognitive content or *what* is believed that is important to this manager, but rather 'Planning ahead' as an analytical process or *how* the manager deals with data. What is surprising is that this analytical process seems to be incorporated into the content of the cognitive map as complexity, based on the number of links indicating causal relationships. As these relationships are usually defined as part of the content of cognitive maps, this case seems to suggest that indeed cognitive activity (*how*) can show up in the cognitive content (*what*) of cognitive maps.

The findings suggest that there may be a relationship between a more analytical cognitive style, based on the brain's physiological make up, and higher complexity of structure in cognitive maps. It is interesting to note that the evidence seems to mirror the findings of Clarke and Mackaness (2001) who investigated 'intuition' from a cognitive content perspective rather than the more usual cognitive style perspective. They found evidence of 'intuition' by the presence of less factual information and simplified structure, so their findings also seem to support the notion that a relationship may exist between cognitive content and cognitive style. This alterative explanation for high cognitive complexity has

emerged out of an analysis of the data in this study and was not predicted from the literature review. This explanation does seem to offer a potential explanation for the high cognitive complexity found in the cognitive map of respondent 7 (See Figure 8). Cognitive style is not investigated here, however, because it requires further research using alternative research methods.

Based on the findings in this current study cognitive activity (style) should be included in studies as a variable that may influence cognitive complexity. This variable should also be introduced into studies as a controlling variable. For example, the study by Calori, Johnson and Sarnin (1994) confirms a relationship between the complexity of the environment and different cognitive complexity. These authors controlled for complexity of the industry and length of interview in their empirical study, but did not seem to control for the cognitive style of the individual top managers which may have influenced their findings to an extent. Managers with a more analytical cognitive style may tend to have a higher score for cognitive complexity and this may not be linked to an environmental effect. Cognitive activity or style may have influenced the results.

8.3 Summary

In summary, the findings suggest that the method of calculating cognitive complexity based on the average chain length is not suitable for application to causal cognitive maps. The method seems to highlight linear simplicity within such cognitive maps.

Prior research suggested that managers' experience influences their cognitive complexity. The expectation that respondents with limited experience, or non-expert managers, would have low cognitive complexity was confirmed in some managers. However, there were notable exceptions found because an individual with very limited experience was found to have a high score for cognitive complexity and some very experienced respondents were found with low cognitive complexity scores. Experience alone does not seem to provide an explanation for such findings.

Prior research also suggested that managing high levels of environmental complexity based on the scope of the organization also results in the development of more complex cognitive maps (Calori, Johnson and Sarnin (1994). However, the data obtained in this study were from front-line managers within the same organization and scope. Therefore the data suggest that cognitive complexity is more independent of the environment and

organizational scope, because a very large variety in the complexity of cognitive maps was still found.

The focus of this current study on strategy belief structures suggested another possible alternative explanation for cognitive complexity: that such complexity may be linked to specific strategy belief structures. However, the expectation that high levels of cognitive complexity are associated with rational strategy belief structures was not confirmed due to limited data.

Two additional explanations for different levels of cognitive complexity emerged out of the data. One is that relationships are likely to be found between a strong focus on an important belief, which seems to generate more centralized structuring, and high cognitive complexity. This possible relationship was not evident from a review of the literature, and this possibility needs to be followed up by further research. It seems from an analysis of the cognitive maps in this study that centralized structuring within cognitive maps occurs when there is a great deal of focus on a particular objective or a key strategic process used to address an objective. In these circumstances this dominant focus has generated much thought to the influence of this key belief and what influences it. Consequently, complexity in structure seems to result from this strong focus.

Another explanation of cognitive complexity also emerged out of the findings. It is that a relationship may be found between a more analytical cognitive activity (style) and more complexity of structure within cognitive maps. Potential relationships between cognitive complexity and *how* managers process information in analytical ways needs to be investigated by further research. It is important to understand if some managers are more able, due to their physiological make up, to deal with detail complexity that is largely the focus of rational decision making.

The above discussion therefore suggests the following propositions that need to be tested by future research:

> *P1. The more that front-line managers focus on a particular important belief, the higher their cognitive complexity.*

> *P2. The more that front-line managers possess an analytical cognitive style, the higher their cognitive complexity.*

CHAPTER 9

ANTECEDENTS TO STRATEGIC ORIENTATIONS

The strategic marketing and strategic management literatures highlight many potential antecedent effects to strategic orientations defined here in terms of different strategy belief structures. However, these literatures largely explore antecedents to behaviour at an organizational level rather than cognition at the level of practice, and therefore some issues may not be relevant to a cognitive analysis. The antecedents addressed by prior research are factors such as past performance (e.g. Hambrick and Snow, 1977), resources (e.g. Dutton and Duncan, 1987), slack resources (e.g. Greenley and Oktemgil, 1998; Sharfman and Dean, 1997), national culture (e.g. Hitt, Dacin, Tyler and Park, 1997) and other internal and external environmental variables such as the problems, opportunities and crises that strategy has to deal with (Dutton, Fahey, and Narayanan, 1983; Fredrickson, 1985; Mintzberg, Raisinghani and Théorêt, 1976; Papadakis, Lioukas and Chambers, 1998).

These factors can be largely classified as either internal organizational or external environmental issues involving the context for strategic decision making. However, it is not feasible to investigate all these effects in this study due to their diverse nature. Another reason is that many of the potential antecedents will be the same for all respondents, because in this study all respondents work for the same organization. Therefore, antecedents such as organizational culture may explain the similarities in the strategy belief structures of respondent store managers but will not explain any differences found.

The following main antecedents have been discussed in relation to cognition and orientation phenomena, and therefore these were deemed to be a more fruitful focus of investigation in this study. This focus does not mean to imply that other factors have no influence. The strategic marketing and strategic management literatures highlight the following main factors as antecedents. One, the internal organizational environment with variables associated with organizational size, rewards and other extrinsic motivational factors being important and also organizational culture and socialization. Two, the

external environment with variables associated with environmental stability or change being important. Three, personal factors are also potentially important because more experienced managers have been found to possess more complex cognitive maps [31]. These main potential antecedent effects will now be discussed in more detail.

9.1 Organizational Antecedents

Prior research, such as that presented by Fredrickson and Iaquinto (1989), suggests that organizations, and by implication its managers, experience a tendency to rationality or creeping rationality based on variables such as organizational size and team continuity.

9.1.1 Organizational size

The size of store was investigated based on the store area and number of staff managed. The number of staff managed was reported as being a very important variable to respondents and this varied from 7 to 70 staff with a mean of 27.2. All stores could be classified as small in comparison to supermarkets and the differences in sizes did not result in completely different organizational structures, therefore a detailed analysis based on the size of the stores managed by respondents was not justified. However, the data suggest that organizational size is an important antecedent to strategy belief structures. A comment by respondent 34 is typical of several respondents reporting the influence of organizational size:

> " Smaller stores with fewer members of staff would have to have multi-skilling ... it is just the fact that you need multi-skilling in smaller sites just for the flexibility in the team and otherwise you just wouldn't be able to cover every single job. If there is not enough money for wages to allow one person to do every job ... in a large store they have always got people to do everything, but here (in this store) probably one person does three, possibly four jobs, where they (large store) would have one person to do each job".

Several managers also reported the problems associated with managing small numbers of staff. They suggested that they might have to undertake additional tasks themselves if employees were not available. Therefore, 'Employee flexibility' and 'Personnel turnover' were reported as being very important to store managers in the convenience sector. For example eleven managers (N = 40) included 'Employee flexibility' as a secondary

[31] This antecedent suggests an adaptive view of the development of cognitive models.

objective in their cognitive maps [32]. Such managers seem to have developed objectives and their strategic orientation in an attempt to be effective when managing small numbers of staff.

In comparison, several respondents had experience of working in larger supermarkets when employed by competitors, and stated that store managers of larger supermarkets could rely more on deputy managers and section supervisors if staff problems such as sickness occur. Such respondents seem to feel exposed to higher risk of staff problems due to managing smaller numbers of staff. It seems that this perception of higher risk of staff problems is influential to the development of objectives to attempt to reduce this risk. It also seems that one major way to address this risk is through developmental strategy belief structures. In other words, managers focus on developing their staff through learning and this leads to a multi-skilled workforce that can undertake many tasks. 'Employee flexibility' is increased and 'Personnel turnover' reduced so that risks of staff problems are reduced considerably. Such an explanation seems to fit the presence of relatively large numbers of respondents with developmental strategy belief structures within the data.

Prior research suggests that as organizations become larger, they become more rational, because they have to justify their decisions to a larger and often external audience. If an organization is a public limited company, for example, it has to produce audited accounts and this necessity might instil a creeping rationality (Fredrickson and Iaquinto, 1989) in managers, because of the need to collect and analyse data for legal reasons. Another potential source of creeping rationality would be the need to borrow money from banks, because documentation to back up a rational argument for funds would be required. There was an expectation, therefore, that the head office of the organization taking part in the study would place certain rational criteria on their line-managers and these would be incorporated into their strategy belief structures over time. There was an expectation that 'rational strategy' factors such as 'Planning ahead' based on 'Detailed analysis of profitability' and 'Control of input costs' would be dominant within cognitive maps, but this was not found to be the case in this study. A content analysis of the data therefore suggests the following proposition:

[32] These objectives are classified as secondary because they are usually positioned in the causal links before the main or primary objective of addressing 'Service quality'.

P3. The smaller the organizational size (by number of employees), the more likely that front-line managers possess developmental strategy belief structures.

9.1.2 Organizational reward structures

It seems likely that extrinsic motivational factors could be antecedents to strategy belief structures, because some organizational goals are likely to be emphasised by upper management and reinforced by organizational reward structures (e.g. Dearborn and Simon, 1958; Walsh, 1988). Such potential antecedents could encourage the possession of some particular beliefs that could become embedded into strategy belief structures. In this study, it is possible that such factors will influence the development of all respondents' cognitive maps to some extent because all participants will be influenced by the same extrinsic motivational factors. On the other hand it is also possible that some respondents are more responsive to such reward structures than others.

Several respondents reported rewards such as a sales bonus and career development as being very important consequence of strategy belief structures and meeting objectives. These issues are discussed in more detail below under consequences of strategic orientations. Such reward structures, put in place by the organization, seem to be influential in fostering some strategy belief structures. However, the influence is complicated by the different reward structures in place. Respondents reported that the sales bonus reward, as may be expected, is focused on performance objectives such as beating turnover targets based on like for like sales in previous periods, and the reduction of waste. Annual data is also included in such targets to reflect variation in demand. These targets seem rational in nature as profitability objectives are widely discussed, for example, in the rational strategic planning literature.

There is an expectation that such rational targets will be reflected in the strategy belief structures of store managers. However, this expectation was not supported by the data because of the low incidence of rational strategy belief structures found. Surprisingly, a financial bonus as a reward does not seem a strong antecedent to the development of rational strategy belief structures. Perhaps there is not a high risk if managers do not profit maximize, whereas managers may perceive a high risk if they do not develop staff.

The other main aspect of the reward system is career progression, and this seems to be a much stronger antecedent to strategy belief structures in this study. Many store managers such as respondents 2, 3, 5, 10, 14, 15, 19, 24, 27, 28, 29, 30, 31, 32, 33, 36, 38, 39, and 40 reported that they aimed for career progression to a larger store or the operation executive (area manager) position as personal career goals.

For example, when respondent 24 was asked about his career path he stated:

> "At the moment it's to progress to a bigger store with higher turnover. And again that comes down to the way the company perceives your performance in the current store".

Another example is provided by respondent 40, who was asked if his career path was important:

> "Very. I have got an opportunity to move up, and I'm being fast-tracked for a whole region of stores" (operation executive or area manager position).

Some of these respondents further reported that the operation executive or area manager position is developmental in nature. In other words this higher promotional position requires managers to develop other store managers within their given region of about ten stores. As current store managers perceive that this main promotional position requires a developmental approach, there seems a strong potential reward for them to possess developmental strategy belief structures in their current job.

Career progression seems to be important to the success of reward system within the organization. If managers have considerable career aspirations within an organization they are likely to accept organizational expectations and build these into their cognitive models. In the organizational context reported here, therefore, there seems a direct career benefit of possessing developmental strategy belief structures. The success of reward systems based on career aspirations seems to explain relatively large numbers of similar belief structures found in the data. A content analysis of the data, therefore, suggests the following proposition:

> *P4. The greater the perception of reward from possessing particular strategy belief structures, the greater their incidence.*

9.1.3 Organizational culture

Social interactive explanations of cognitive development suggest that this development can be attributed to individuals' mental processes in grappling with events in the environment or through socially shared cognitive activities such as arguments about a problem.

The data present a picture of sufficient uniformity within cognitive maps to suggest a cultural or social effect may be operating. For example, twenty-eight managers (N = 40) were found to have similar developmental strategy belief structures. The beliefs chosen from the sorting task were similar as was the structural relationship between them. For example, the primary objective 'Service quality' is prominent at the end of causal chains of links as are the strategy processes or *ways* to achieve this objective through 'Learning to improve' and 'Developing staff'.

On the other hand, this uniformity may be due to other antecedents such as organizational size and reward structures, because some major differences in cognitive maps are also evident. The data provide evidence of alternative strategy belief structures as well as the variety and different number of objectives addressed by managers within the same organization. Also some structural differences in cognitive maps are evident such as the presence of linear or centralized structuring (see *8.2.4* above) which may indicate a different degree of focus on objectives. Again, different beliefs are present in some cognitive maps and not others as are different structural relationships between these beliefs. Furthermore, the complexity of cognitive maps varies greatly from a score of 6 to 23. The presence of such differences suggests that organizational culture is a relatively weak antecedent to the development of cognitive models as a whole.

The reporting of cultural belief factors within the most important factors for success in cognitive maps of respondents was also relatively low. However, five respondents included 'Shared corporate culture' within their cognitive maps. If the position of this factor is studied it seems to act as either a resource or an antecedent for four out of the five respondents, because the factor is situated at or very near the start of the causal chain of links. The data does seem to support, therefore, a cultural antecedent as being important for a small number of managers. All these five respondents possessed similar developmental strategy belief structures.

Various cultural or social [33] phenomena have been studied as antecedents to cognitive models in the strategy domain. Hitt, Dacin, Tyler and Park (1997) focused on socialization at the national level and investigated different strategic orientations of individual managers (Korean and American) linked to different national cultures. Seemingly, the main driver behind this approach is that socialization or culture is deemed to be a social contextual phenomenon (Whittington, 1993) and therefore social, economic and political context play a major role in the development of cognitive models. National culture is therefore considered to be a strong antecedent to different systems of assumptions and beliefs about strategy.

Other empirical studies, such as that conducted by Porac, Thomas and Baden-Fuller (1989), found strong industrial socialization antecedents that seem to have influenced the cognitive models of executives. In their study, executives within the traditional up-market Scottish knitware industry were reported to have formed, what these researchers term 'cognitive oligopolies', with a very limited perception of competition.

The results of these prior studies suggest that culture and socialization are strong antecedents to cognition, therefore by implication, homogeneous strategy belief structures are likely to be found within the cognitive maps of managers within the same organizational culture. The data from this current study only offer limited support for this expectation.

Other more direct evidence, based on the study of cognitive maps of managers in the same organizational culture, however, suggests the opposite, that heterogeneous strategy belief structures will be found. Hodgkinson and Johnson (1994) for example, found striking differences in the form and richness of individual cognitive maps within the same organizations. This evidence implies that cultural or social phenomena may be only weak antecedents to the development of cognitive models, otherwise such differences are not likely to occur. However, we are not told of the precise detail of this form and richness, so the data presented above illuminates this missing detail in previous research.

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[33] The terms social or socialization and culture are used synonymously in this thesis, because from a cognitive point of view it is the socialization aspects of culture that are important as antecedents to individual cognitive models or schemas. A cognitive view of culture is taken, which suggests that culture can be thought of as the shared knowledge structures of groups of individuals (Smircich, 1983).

An analysis of the data from this study seems to partially support both arguments. Culture is therefore included in the model in Figure 9 and in the full model presented in Figure 13 as an antecedent to the development of strategy belief structures. In this study it is difficult to rule out cultural influences, because the differences in cognitive maps that are evident in this study may be due to a lack of uniform culture. The participants are from various different stores within a branch network and in these circumstances culture is likely to be less uniform anyway. It seems reasonable to postulate, therefore, that the influence of culture will depend on its uniformity within an organization. Consequently, the following proposition is suggested:

> *P5. The greater the uniformity of organizational culture, the more uniform the strategy belief structures.*

However, a problem may occur when investigating such a proposition. If organizational culture, from a cognitive perspective, is the shared knowledge structures (or belief structures) of individuals within an organization then it is difficult to separate culture as an antecedent from the strategic orientation construct itself. From a cognitive perspective both are defined in terms of beliefs.

9.1.4 Organizational politics

It is notable that political considerations are rarely found within respondent's cognitive maps and laddering interview responses. For example, 'Barriers to change within the organization', a factor which might signify a political dimension to managing a retail store, was chosen by only two respondents in the sorting task. This relatively low incidence may reflect the research methods employed (Nicolini, 1999) because a focus on cognition may have automatically de-emphasised the political nature of strategic decision making. On the other hand, respondents' lack of political considerations in strategy practice may reflect their high level of autonomy, but this seems less likely.

9.2 The External Environment

An adaptive view of the development of cognitive models implies that past experience of a particular external environment would contribute to the adaptation of strategy belief structures to environments most appropriate for their success. For example, managers with experience of environmental stability may be more likely to possess a rational

strategy belief structure, because some stability is required for rational approaches to strategy such as rational planning to be effective [34].

There was an expectation that grocery retail store managers operate in a largely stable external environment. This seems to be confirmed by a typical response to a question on the predictability of the environment given by respondent 33:

> "So like last year's promotions we'd have kept, so we know what we'll sell, stock and order".

Again from respondent 9:

> "Some things within retail are very predictable ... for example trends and times of the year, and certain things that you're going to need to do".

Such responses suggest that some stability does exist within the external environment. Due to the largely stable environment in which the respondent retail store managers operate, there was an expectation that a large proportion of respondent managers would possess rational strategy belief structures. However, the data do not support this expectation, because the expected rational beliefs are not common in the cognitive maps of respondents (see *7.2.4* above).

Theorists concur with these sorts of expectations when they discuss, for example, the dominant rational planning paradigm in strategic marketing and strategic management. Ansoff (1979), for example, suggests that this paradigm was developed to deal with the problems of managing companies in relatively stable moderately complex external environments. Senge (1990) offers a similar analysis when he states that the sophisticated tools of analysis, forecasting and planning were designed to deal with detail complexity, a type of complexity exemplified by a large number of variables. Empirical evidence to support this view was presented by Fredrickson and Mitchell (1984) who found that comprehensiveness, a proxy measure of rational behaviour in strategic decision processes, exhibited a consistently negative relationship with performance in unstable environments.

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[34] The adaptive view of the development of cognitive models could undermine the importance of orientation phenomena, because by continually adapting to changing environments the predictable consequences of the orientation would be more limited.

Managers with experience of environmental turbulence, on the other hand, may be more likely to possess different cognitive models. For example, managers may be more likely to possess interactive strategy belief structures that reflect their continual interaction with large numbers of competitors who are constantly bringing out new products.

Some respondents seem to highlight forms of unpredictability in the external environment. For example, respondent 13 suggests:

> " ... I mean the weather is unpredictable, you can't predict sort of a level customer thing, because you have only got to have one bad day of weather and it knocks your sales down".

Predicting the weather is important to grocery store managers in the South of England region because good weather, for example, may see a vast increase in short term demand for fresh products such as salads and meat or fish for barbecues. Accurate prediction of the weather and good ordering can increase turnover substantially.

An analysis of the data, however, suggests that the stability of the external environment is less important to the development of strategy belief structures than theory and prior empirical evidence suggests. As all the respondents are employed as branch store managers within the same organization they all largely experience similar environmental stability and instability. The data suggest that managers themselves can classify even a reasonably predictable environment as unpredictable if they focus on some unpredictable issues such as the weather and give these issues more emphasis than other issues that are more predictable.

As the data do not seem to concur with prior research which suggests the influence of the external environment as an antecedent to the development of strategic orientations, it is not included into the model in Figures 9 and 13. However, future research investigating strategy belief structures within different external environments might conclude that this does have more influence.

9.3 Personal Antecedents

The social cognition literature considers antecedent effects on cognition and recognizes the importance of domain-specific knowledge and the situation in which cognition takes place (e.g. Levine, Resnick. and Higgins, 1993). This literature has challenged the assumption that cognition is exclusively an individual act. Experimental evidence

suggests numerous social interactive effects, such as the mere presence of other individuals can increase the speed of performance of simple tasks and slow performance when undertaking more difficult tasks (Schmitt, Gilovich, Goore and Joseph, 1986). Other experimental evidence suggests that perception is influenced by the social role assigned to individuals. Expectations from other staff that particular managers, such as retail store line-managers, possess certain characteristics can be a self-fulfilling prophecy. Staff will go out of their way to identify such characteristics because their cognitive models of how store managers' operate include these characteristics.

9.3.1 Personal experience

Key line-managers, such as the store managers included in the empirical phase of this study, are likely to have built up their strategy belief structures through considerable experience as a store manager and while working in more junior positions. Indeed, many respondents reported that they had worked in junior positions within their present or competitor organizations and had attended training courses as part of their current position as a store manager.

Several respondents reported that previous experience has greatly influenced their current management beliefs and activity. For example, the following quotation from respondent 40 illustrates the experience of trying out different management techniques, which seem to be influential in formulating the respondent's current developmental beliefs:

> "I got seconded into the logistics area ... I spent a year or so of not being nice to people. Because you have to, to get the job done ... I came back into stores because my secondment finished ... and suddenly, I was in such a culture where ... you would tell people to do it, but you wouldn't get the response. And then it came to the point at which I thought – How would I like to be spoken to? – And what I then tried to do was build a team ethic ... So what I started to do was give people the opportunity to make mistakes, and take control and ownership. And slowly but surely I've started to have people who will do the job for me. And then something quite erratic happened, turnover increased. Because instead of having one person saying – Do this, do that! – Everyone was looking out for each other... I would say everyone got developed and trained and coached into doing this (store managers) job".

Respondent 37 also suggested that experience is important:

> "I think through experience you know sometimes what's going to work, what's not going to work, particularly with people".

Respondent store managers often emphasised the importance of experience and this seems to have been obtained by trial and error learning by themselves and by using strategies that they had seen work in the past for their supervising managers when in more junior positions. For example, respondent 38 also suggested that experience gained through working for other managers had been influential to his development:

> "I've been motivated by other managers. Two specific managers really helped me and motivated me through my career. And I've taken from all the people I've worked for, the various managers I've worked for, I've taken bits and pieces, their strengths, and tried to bring it all in to me. And hopefully my AM's (assistant managers) will take pieces of my strengths, and other managers' strengths, and that will help develop them".

Some respondents also reported that they avoided the use of strategies that did not work in the past. Many of these strategies seem to relate to managing staff, as this is a difficult task and an important part of managing a retail store. Many respondents reported that they knew what it was like to be managed and these respondents seem to have worked their way up from junior positions within the company. They seem to have considerable empathy with their employees currently in such junior positions.

The data also highlight the importance of personal experience to the development of knowledge and capabilities. Some strategy belief structures may foster particular knowledge and capabilities that may be important for managing in one context but not in another. For example, respondent 34 reported that he took over managing his current "problem store" to replace an ineffective manager who had experience in the management of a larger supermarket.

> "The previous manager had been brought in here (this store) from a larger store with a ... higher turnover and a lot more staff, therefore he didn't need to do as many tasks in his previous store as you would need to do here. So his multi-skilling wasn't up to looking after a smaller store".

It seems that knowledge and capabilities developed in a large store did not prove to be useful to this manager in the convenience sector. Respondent 34 also reported that a broader knowledge and much more flexibility are required when managing smaller stores with fewer specialist staff. On the other hand, the management of large stores seems to require more analytical skills and more delegation to specialist staff. It seems that based on considerable past experience managers can develop a strong strategic orientation

associated with particular knowledge and capabilities that may not fit new conditions where a different form of management is required.

The above responses from respondents confirm the importance of personal experience as an antecedent to the development of strategy belief structures. An analysis of the data therefore suggests the following proposition:

> *P6. The greater the personal experience of past success based on a particular strategic orientation, the stronger the strategic orientation.*

9.3.2 Personal attributes

The data also highlights the possibility that some personal attributes such as cognitive activity or style might influence strategy belief structures. (see the discussion on cognitive complexity and cognitive activity or style in *8.2.5* above). However, further research is required to fully investigate this issue, because the focus on cognitive content in this current study precluded a detailed investigation of cognitive activity.

9.4 Summary

The findings from this study suggest that strategy belief structures are developed due to both organizational and personal antecedents. Particularly influential organizational antecedents are organizational size and organizational reward structures. It is also possible that organizational culture has an influence to the development of specific strategy belief structures. A particularly influential personal antecedent is the personal experience of managers where both positive and negative personal experiences seem to have been influential. The store managers have learnt from operations and putting past strategies into practice and these seem to influence their current belief structures. As strategy belief structures are developed though learning by doing over a considerable time, based on knowledge of cause and effect relationships and reinforced by reward structures, they are likely to remain consistent and difficult to change. These factors emerging from the data are included in the model in Figure 9.

INCORPORATING THE FINDINGS ON ANTECEDENTS INTO THE MODEL

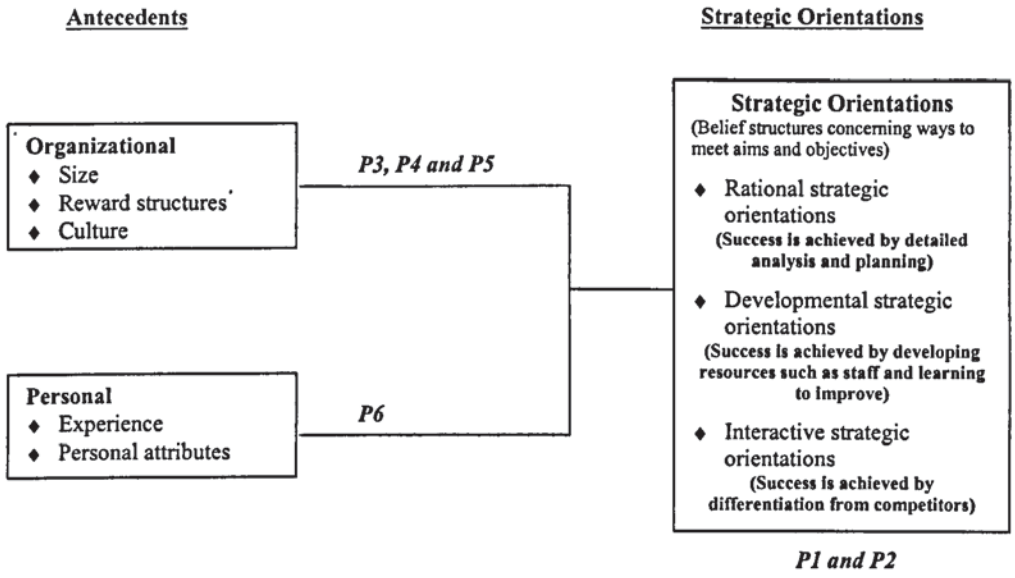


Figure 9

CHAPTER 10

THE CONSEQUENCES OF STRATEGIC ORIENTATIONS

The data reveal several important insights into the consequences of strategic orientations defined in terms of different strategy belief structures. These consequences are believed or expected consequences reported by respondent store managers. No attempt has been made to verify these beliefs by obtaining more objective data, such as performance figures. Not only are there many problems associated with obtaining accurate performance data, but there are also problems associated with linking a construct operating at a personal level to consequences operating at a different organizational level of analysis. The consequences reported here are beliefs or expectations of cause and effect relationships only.

The general aim of success of their store was given to all respondents at the start of the interviewing process and this was given as a general consequence. However, the research highlighted various additional consequences of strategy belief structures. Strategic orientations are different strategy processes or *ways* directed at meeting objectives. Therefore, the specific objectives reported by respondents are firstly analysed and discussed. Then perception consequences are analysed to see if any relationships are evident in the data between different strategy belief structures and perception of the environment. In particular the perception of predictability of the environment, the perception of competition and issue diagnosis are explored. Following this, the reported expected consumer responses from meeting objectives are considered, as are performance consequences and the fulfilment of personal goals.

10.1 Objectives as Consequences

The data raise several issues in relation to objectives. Meeting objectives is thought of as a consequence of strategic orientation because strategy is defined as different *ways* to stated ends and these ends are aims and objectives. Therefore, addressing objectives is naturally a consequence of defining strategic orientations as different strategy processes. However, the literature review into the practice perspective highlighted the possibility

that managers might or might not consciously focus on objectives and both possibilities were built into the research design.

10.1.1 Focus on objectives

An analysis of the data suggests that the front-line managers taking part in this study do largely consciously focus on objectives in a causal manner. Objectives can be identified at the end of causal links between factors within thirty-three cognitive maps presented in Appendix 1. In other cases where the presence of feedback loops mean that it is not easy to identify objectives visually, it does not necessarily follow that these managers do not focus on objectives. The data seems, therefore, to support the contention that front-line managers consciously develop and target objectives in an effort to improve performance. This pragmatic notion that managers learn from what works best in achieving effects (Peirce, 1878; James, 1948) seems to be an explanation for this focus on objectives rather than any alternative non-conscious explanation. However, it must be remembered that there was no intention to uncover the managers' underlying unconscious tendencies associated with management styles involving practical mastery (Bourdieu, 1990), therefore the focus on cognitive content is likely to have biased findings.

The notion that management style is important to an understanding of practice, on the other hand, was highlighted by the data. 'Personal leadership style' is important to the front-line managers taking part in the study because twenty-two respondents included this in their cognitive maps as an important factor for success. This factor was ranked in the top five factors important for success in twelve cases and included in the laddering data, but only eleven responses were made. A content analysis of the data suggests that respondents see their leadership style in terms of "leading by example" and "motivating staff" directed at "team relationships" and "team building". The findings point to the notion that a conscious focus on objectives and an unconscious management style are not mutually exclusive explanations for practice but are interlinked. A particular management style may have been, for example, partially developed due to the focus on particular objectives such as team building.

10.1.2 Choice of objectives

Two types of objectives were identified in the study. Primary or important objectives positioned at the end of causal links within cognitive maps, and secondary objectives.

Secondary objectives are sometimes positioned before primary objectives, and relate to fulfilling these more effectively. All forty cognitive maps were analysed for primary and secondary objectives both visually and based on the scores for abstractness outlined in Table 9 and Figure 1 (above). The abstractness of factors was analysed because primary objectives are known to have a high score for this. However, a problem arose when visually analysing the objectives within seven cognitive maps because the end of the chain could not be identified due to feedback loops or a lack of linkages. It was therefore difficult to identify primary objectives in these cases and these were excluded from the analysis.

Based on the analysis of the other thirty three cognitive maps, twenty respondents were found to focus on 'Service quality' as a primary objective; nine respondents focus on 'Learning to improve'; eight respondents focus on 'Personnel turnover'; six respondents on 'Building resources for the future'; five respondents on 'Internal efficiency'; and four respondents on 'Knowledge of customers'. Twenty-one other factors can be classified as objectives in this way. Therefore, an analysis of the data suggests that the choice of objectives by store managers is wide and diverse and this is in contrast to expectations for some prior research into strategic orientation. For example, prior research undertaken by Hitt, Dacin, Tyler and Park (1997) suggests that culture influences the strategic orientation of managers and their choice of their objectives. Consequently, there were two expectations in relation to the choice of objectives by respondents in this present study.

The first expectation was that the same or similar objectives might be found to be present in all participants' cognitive maps, because they all come from the same national and organizational culture. The findings do not fully support this expectation, based on prior research, that culture will tend to unify the choice of objectives, because the findings indicate a large variety of different objectives chosen by respondents and this should not be the case if culture is a main driver of the choice of objectives. All the respondents were from the same national and organizational culture, therefore very similar objectives should have been chosen if culture was a dominant antecedent. The variety in the choice of objectives in this study is due to phenomena other than national or organizational culture.

Some limited support to a cultural explanation for the choice of objectives is given by the data, because twenty respondents can be clearly identified as focusing on the primary objective 'Service quality' within their cognitive maps [35]. This dominance of a particular objective is an expectation if culture influences the choice of objectives.

However, on closer study it was found that respondents focused on this objective for different reasons. For example, some respondents focused on this objective in an attempt to achieve more customer loyalty, whereas others focused on the same objective in an attempt to achieve more differentiation from competitors. Such differences in rationale seem to undermine a simple cultural explanation for the dominance of this particular objective. The data here paints a more complex picture of the relationships between strategic orientations and the choice of objectives than presented by prior research (e.g. Hitt, Dacin, Tyler and Park, 1997). Future research needs to be directed at this complex relationship, because it only formed a small part of this current study.

The second expectation was that it might be possible to postulate a relationship between different strategy belief structures and the choice of store managers' objectives from an analysis of the data. The data partially supports the expectation of a relationship between different strategy belief structures and the choice of store managers' objectives. Twenty-eight respondents were identified with developmental strategy belief structures that lead to the primary objective of 'Service quality'. However, the same objective was also addressed through other strategy belief structures. An analysis of the collapsed cognitive maps in Figures 2, 4, and 6 suggests that the same primary objective, 'Service quality', can be addressed through Developmental *ways*, or Rational *ways* as well as a mixture of both. The data, therefore suggests that the same objective can be addressed though different strategy processes, because there are different *ways* to meet an objective. The dominance of developmental *ways* to meet the objective of 'Service quality', however, suggests that these *ways* to achieve an objective are more effective than others. This may be the reason why some strategy belief structures exist more than others in large numbers of respondents.

It is possible to postulate that developmental *ways* to meet the main objective of 'Service quality' are more effective, because these developmental *ways* also address secondary

[35] Thirty respondents if all instances are taken into account, including cognitive maps with feedback loops.

objectives important for meeting the main objective. In other words, extra capabilities are generated by addressing an objective through these developmental *ways*. It may not be a coincidence that 'Employee flexibility' and 'Personnel turnover' are also addressed largely by developing staff, whereas they do not seem to be addressed by rational *ways*, for example. Rational *ways* to meet the objective 'Service quality' are outlined in Figure 3. The focus seems to be on 'Planning ahead' and 'Detailed analysis of profitability' to obtain the correct mix of products, especially cheaper products for customers based on 'Product promotions'. 'Service quality' from a rational perspective seems to be defined differently with more of a focus on knowing what products customers want and providing them, and less of a focus on direct staff relationships with customers. More research is required to more fully explore the complex relationship between strategy belief structures and primary objectives before any propositions can be made.

The data provides more clarity in relation to the relationships between strategy belief structures and secondary objectives. Many of these respondents include interim or secondary objectives such as 'Employee flexibility' and reducing 'Personnel turnover', and these were positioned in cognitive maps as leading directly to a primary objective such as 'Service quality'. Such as position suggests that these secondary objectives need to be addressed to improve the success of addressing the primary objective.

Consequently, secondary objectives are included in the model (Figure 13). Many secondary objectives rely on the staff response to the strategic orientation of the store manager and agreement with the main objectives outlined by the manager. Therefore, capabilities in dealing with staff, motivation and leadership are required for these secondary objectives to be met. The data highlight the possible relationship between developmental strategy belief structures, which are directed at developing staff, and the consequences in terms of meeting secondary objectives such as 'Employee flexibility' and reduction in 'Personnel turnover'.

The following propositions are therefore suggested in relation to meeting secondary objectives, and provide the rationale for the existence of developmental strategy belief structures:

> *P7. The more front-line managers possess developmental strategy belief structures, the greater the employee flexibility and the lower the personnel turnover.*

P8. The greater the employee flexibility and the lower the personnel turnover, the greater the perception of offering higher service quality.

It is possible to identify two different perspectives of service quality in responses from respondents. These two perspectives seem to be completely different because they are based on different beliefs, such as beliefs about differentiation and positioning, and therefore do not seem to be simply a focus on different dimensions of a multi-dimensional service quality construct. Consequently, it may not be useful to associate the different perspectives with different strengths of standardized dimensions within, for example, the SERVQUAL model (Parasuraman, Berry and Zeithaml, 1988).

One perspective of service quality is associated with the majority of respondents. These respondents seem to concur that service quality is focused on friendly service based on interaction and relationships with customers. The main rationale behind this focus seems to be to build customer loyalty by meeting customers service expectations and to differentiate from competitors. Respondents seem to suggest that this interactive perspective of service quality is best addressed through developmental strategic orientations, by 'Developing staff' to increase 'Employee flexibility' and maintain consistency of staff by reducing 'Staff turnover'.

Another perspective of service quality is associated with a smaller number of respondents. These respondents seem to concur that service quality is focused on convenience by obtaining the correct mix of products for customers and the consistency of product provision. This perspective of service quality seems to be best addressed through rational strategic orientations, by analysing customers requirements and altering the product mix on the shelves especially through 'Product promotions'. This perspective also requires an attention to ordering products on time and logistics to get them to the correct place on the shelves. A rationale for this rational perspective of service quality is that convenience stores are only convenient if customers can obtain a good range of products that they need. If customers cannot find what they want quickly, they will visit supermarkets operated by competitors.

The above notion that different perspectives of service quality exist provides an explanation how the same objective can be addressed through various strategy belief structures. It seems that the objective may not be exactly the same even though the label 'Service quality' is used by both sets of front-line managers. The data provides

interesting unintended findings in relation to the possible relationships between strategy belief structures and different perspectives of service quality (a primary objective). It seems that these different perspectives are based on the main source of differential advantage; either friendly relationships or correct mix of products and the consistency of provision. Possible relationships between strategy belief structures and different perspectives of objectives need to be explored in much more detail by further, more directed research.

10.1.3 Rationale for the choice of objectives

To investigate the underlying reasons for each participating store manager's choice of objectives, laddering technique was used. This technique was used as a suitable method to obtain more detailed data on the rationale for the choice of objectives and the consequences of meeting these objectives. Only the five most important factors for success were used to start the laddering interviews, so only important objectives were investigated further by this method. The objectives highlighted by the highest scores for abstractness in Table 9 and Figure 1 are now investigated based on the laddering interviews. These objectives are: 'Service quality', 'Personnel turnover', 'Product promotions' and 'Building resources for the future'.

There is a dominance of one primary objective, 'Service quality', in the cognitive maps of respondents, as it is included in thirty cognitive maps (N = 40). An analysis of the reasons for the choice of 'Service quality' as a main objective becomes apparent when studying the responses to the laddering interviews. Twenty-four respondents included 'Service quality' in their top five factors important for success and the responses from these respondents can be classified as follows:

- Thirteen respondent store managers reported that the main reason that the objective 'Service quality' is important to them is to increase "repeat customers" or "repeat business", which suggests a focus on customer loyalty.

- Five respondents reported that the main reason that the objective 'Service quality' is important to them is to meet "customer expectations" such as "convenience", which suggests a focus more directly on customer needs.

- Five respondents reported that the main reason that the objective 'Service quality' is important to them is to be "different (differentiate) from competitors", which suggests a focus on competitors.

- One respondent reported that the main reason that the objective 'Service quality' is important is that it results directly in "profits" which suggests a focus more directly on financial performance. However, many of the respondents suggesting a main focus on customers or differentiation from competitors also reported performance consequences as further consequences of meeting the 'Service quality' objective.

'Personnel turnover' is included in fourteen cognitive maps, but only five respondents ranked it in the first five factors important for success. These instances are included in the laddering interviews. A content analysis of the data suggests that three respondents reported that they personally benefit from a reduction in 'Personnel turnover' by saving time on training new staff. Two respondents think that it benefits relationships with customers and therefore seems to ensure that the primary objective, 'Service quality', is achieved.

'Product promotions' is included in nine cognitive maps, but it is only ranked in the first five factors important for success in four cases. These instances are included in the laddering interviews. A content analysis of the data suggests that all four respondents think that promotions are an important part of turnover (respondent 11 gave the figure of 35% of sales). One respondent further thought that promotions kept customers loyal, whereas another respondent thought they were important for the reputation of the store and the store manager.

'Building resources for the future' is included in eleven cognitive maps, but only five respondents ranked it in the first five factors important for success. These instances are included in the laddering interviews, but only four responses were made. A content analysis of the data suggests that two respondents thought that learning and team building enhanced 'Service quality'. One respondent thought that there was a time benefit from building resources, so that a store manager would have more time for other things if resources were built. Another respondent thought that building resources addressed risk.

These findings again present a complex picture of the relationship between strategy belief structures and the choice of objectives. Some store managers seem to choose objectives to enhance the performance of their stores through a focus on customers and differentiation from competitors. There are personal benefits, such as personal rewards, from increasing store performance and some respondents report these personal benefits associated with fulfilling objectives. Other store managers seem to choose objectives closely associated with their strategy belief structures. For example, some respondents are focused on the objective of 'Building resources for the future' and this objective seems closely associated with developmental strategy belief structures so that there is a fit between an objective and the strategy processes or *ways* used to meet the objective.

The data have been obtained within a single organization, and do highlight the lack of consensus within an organization of what the management objectives should be and these influence the organizational focus as a whole. An analysis of the data strongly suggests that there are some classification problems in attributing whole organizations to a particular organizational focus because individual managers within the same organization can be focused in different directions. However, researchers could resolve some classification problems if they consider alternative organizational focus variables as continua, rather than being discrete and use multiple sources of data collection within an organization.

In summary, primary and secondary objectives can be incorporated into the model presented in Figure 11 below, based on the findings. With regard to the rationale for the choice of objectives a variety of responses from respondents can also be included in the model as further consequences of meeting objectives. The responses include the following items: benefits to customers which suggests a response from customers is expected; organizational benefits such as performance consequences, addressing risk and differentiation from competitors; personal benefits such as saving time and reputation; For these consequences to materialize there needs to be a staff response. More details of the consequences of strategy belief structures and meeting objectives are outlined below. The consequences are brought together to provide a comprehensive list of consequences reported by respondents to add to the model in Figure 11.

The data also highlight the possibility that objectives may also act as antecedents to strategy belief structures. In other words, it is possible that the nature and number of the

objectives lead managers to possess a particular strategic orientation as the *way* to achieve them. This possibility was highlighted by analysis of the cognitive map of respondent 7 (see Figure 8). This store manager has five objectives represented in his cognitive map and has the highest score of all forty respondents for cognitive complexity. It is possible that trying to balance the demands of large number of objectives may have contributed to using a rational planning process to deal with this complexity and this is expressed by a large number of links between belief factors in the cognitive map. The strong possibility that objectives are both consequences and antecedents to strategy belief structures needs to be reflected in the model which incorporates all the findings and presented in Figure 13. A feedback loop to connect consequences to antecedents is therefore included.

10.2 Perception Consequences

In this section the different perceptions of front-line managers with different strategy belief structures are explored. The intention was to explore different perceptions of the participating store managers to help develop more detailed propositions for further research. There was an expectation that store managers with particular strategic orientations would perceive the environment as more predictable than other managers with a different strategic orientation. There was also an expectation that they might perceive competition and issues in differently. To obtain perceptual data to further investigate the consequences of strategy belief structures, a short exploratory questionnaire was administered to all respondents and this was used so that respondents could rate issues such as the predictability of the environment and the perception of competition.

10.2.1 The perception of predictability

The perception of predictability in the environment may be important for an understanding of other consequences of strategy belief structures. It is likely that these perceptions are consistent with front-line managers' strategy belief structures, and this may be important because the perception of change influences the response to change (e.g. Barr, Stimpert and Huff; 1992; Barker and Barr, 2002).

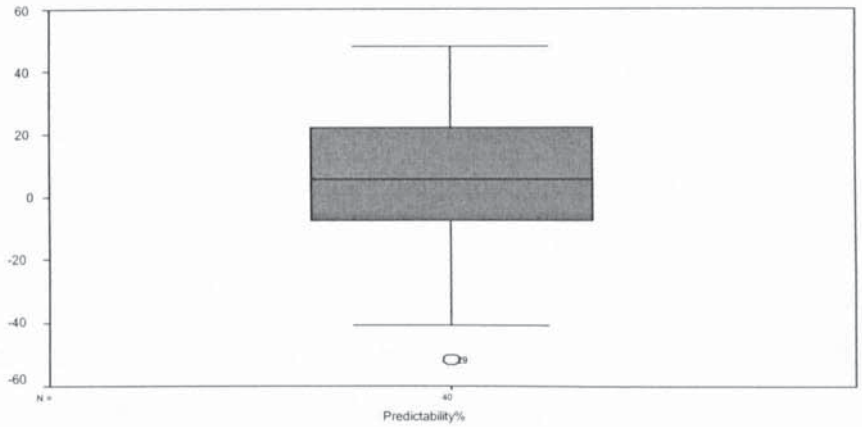
Surprisingly, the results show a slightly skewed normal distribution of perceived predictability/unpredictability (See Table 13 and Figure 10).

THE PERCEPTION OF PREDICTABILITY OF THE ENVIRONMENT
(as a percentage - descriptive statistics, N = 40)

		Statistic	Std. Error
Predictability%	Mean	4.81	3.37
95% Confidence Interval for Mean	Lower Bound	-2.00	
	Upper Bound	11.63	
5% Trimmed Mean		5.56	
Median		5.56	
Variance		453.871	
Std. Deviation		21.30	
Minimum		-52	
Maximum		48	
Range		100	
Interquartile Range		29.63	
Skewness		-.511	.374
Kurtosis		.362	.733

Table 13

THE PERCEPTION OF PREDICTABILITY OF THE ENVIRONMENT
(as a percentage - box plot and normal plot, N = 40)



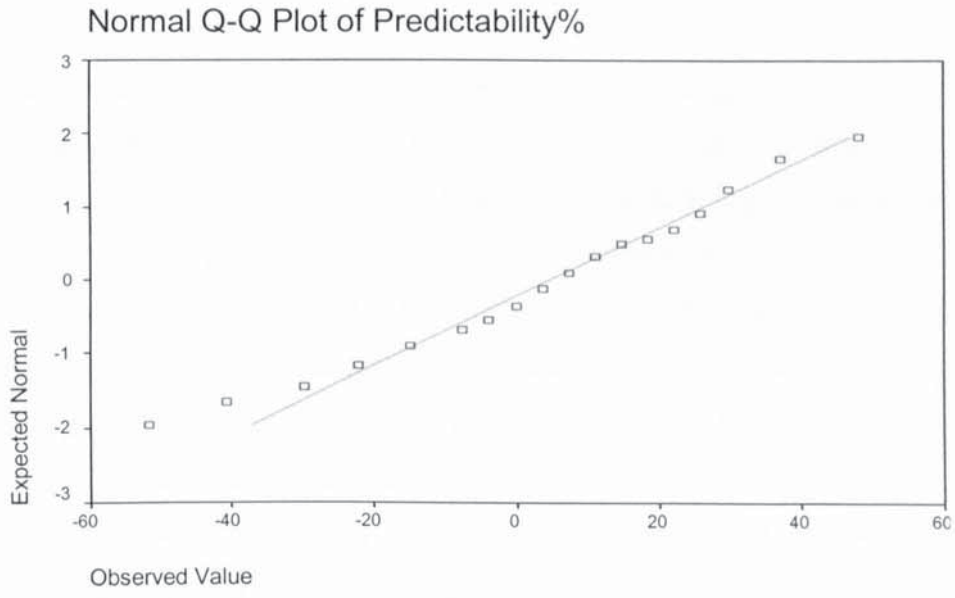


Figure 10

The results are surprising because there was an expectation, due to the nature of the grocery retail industry and the amount of data available to store managers, that they would find their environment largely predictable. This was found to be the case for some store managers, but not for others, as nearly an equal number of managers perceived the environment in opposite terms, i.e. largely unpredictable.

The perception of predictability in the environment is likely to be influenced by the sorts of environments that managers operate in and previous learning about the stability of certain variables. For example, the rational planning literature suggests that planning requires reasonably predictable environments (Fredrickson and Mitchell, 1984; Fredrickson, 1985; Mintzberg, 1973). Therefore, there was an expectation that front-line managers with rational strategy belief structures would be more likely to perceive the environment as predictable, because stability is not only necessary for rational planning to be effective, but continual analysis has an assumption of predictability.

Due to such expectations outlined in the prior literature, the perception of predictability of the environment was investigated by a short questionnaire of an exploratory nature, given to all respondents. Nine aspects of both the internal and external environments were rated for the perception of predictability using a seven point Likert scale. The following factors were included and rated by respondents: the predictability of: customers' needs; customers' buying behaviour; success of new product lines; competitors' behaviour; delivery time from suppliers; response to special offers; food fashions; customers' complaints; and staff strengths and weaknesses.

There was a further expectation that those respondents choosing factors associated with rational beliefs discussed in the theoretical literature such as 'Detailed analysis of profitability' and 'Planning ahead' would see the environment as largely predictable. The findings do seem to support this assertion, but they are very tentative because only two store managers included factors associated with rational beliefs in their cognitive maps. Both these managers with rational strategy belief structures rated the environment as either very predictable (37% predictable) in the case of respondent 8, and predictable (14.5 % predictable) in the case of respondent 15. Based on the content of belief structures the data tentatively suggest a relationship may be found between the perception of predictability and rational strategy belief structures. Therefore, the following proposition is included for further investigation:

P9. The more front-line managers possess rational strategy belief structures, the more they perceive the environment as predictable.

There was also an expectation that those store managers choosing factors associated with chaos strategy belief structures in the theoretical literature such as 'Management intuition' may see the environment as largely unpredictable, but no data was obtained to investigate this issue. This is due to the lack of incidence of chaos strategy belief structures found in participating store managers' cognitive maps. There was no expectation of a relationship between predictability of the environment and developmental strategy belief structures and none was found.

Much more work is required to fully validate a scale to measure predictability of the environment (see Spector, 1992), but the exploratory findings reported here suggest the following. One, the issues associated with different forms of unpredictability outlined in the theoretical literature may indeed be important for strategy. Further investigation by additional research on a large sample of respondents seems to be justified due to the normal distribution of predictability/unpredictability found in a relatively predictable industrial context. Research is required to investigate why different respondents find the same sort of environment as either very predictable, very unpredictable or various degrees in between. This seems an important issue to address in order to more fully understand managers' perceptions of their environments, and this is important for a further understanding of the responses to environmental change.

Two, the findings suggest that industrial context may not be a major influence on store managers' perception of predictability. All respondents were operating in what may be thought of as a reasonably predictable industry within the same organization and doing the same job. Consequently, industrial and organizational effects seem to be a less important influence on the perception of predictability than expected. It is suggested here that some personal beliefs, such as rational strategy belief structures, may be influential in determining the perception of predictability or vice versa, because the perception of predictability can act as an antecedent. This explanation, however, does not account for the varied perception of predictability of respondents with developmental strategy belief structures in the data. Further research is required to investigate this phenomenon in more detail.

10.2.2 The perception of competition

The perception of competition is considered as very important in the strategy domain, because managers can overlook some competition with disastrous consequences, and this issue has been highlighted in prior research such as that undertaken by Porac, Thomas and Baden-Fuller (1989). Consequently the perception of competition was investigated by asking all respondents to list the rank order of the most important competitors and factors perceived to differentiate their store from competitors. (See Table 14).

THE PERCEPTION OF THE MOST IMPORTANT COMPETITORS AND DIFFERENTIATION FACTORS

	Most Important Competitors			Differentiation Factors		
	Rank 1	Rank 2	Rank 3			
1	Tesco	Sainsbury's	Independent	Local	Fresh food	Service
2	Tesco1	Tesco2	Asda	Local	Good service	Good value
3	Tesco	Sainsbury's	Budgens	Local	Friendly	Old fashioned
4	One Stop	Newsagent		Size	Availability	Variety
5	Co-op	Sainsbury's	Waitrose	Location	Lack of car parking	Friendlier staff
6				Friendly atmosphere	Organisation	
7	Sainsbury's	Somerfield	Waitrose	Opening hours	Smaller size	Smaller range
8	Tesco	Local	Iceland	Open 24 hours	Post office in store	
9	Sainsbury's	Tesco	Dillons	Personal service	Compact store	Free delivery
10	Tesco	Aldi	Kwik Save	Size	Product range	Service
11	Asda	Co-op	Tesco	Higher pricing	Smaller size	Car parking
12	Tesco	Alldays		Size	Product range	Service
13	Somerfield	Iceland		24 hour opening	Convenience	Small and friendly
14	Somerfield	Sainsbury's	Tesco	Location	Car park	Reliable
15	Tesco	Sainsbury's	M&S	Service	Easier shopping	Good standards
16	Waitrose	Iceland		Opening times	Strong promotions	Personal service
17	Tesco	Iceland	Sainsbury's	High street location	Local store	Community store
18	Tesco			Size	Product range	Car park
19	Tesco	B.P.	Total	Good promotions	Under one roof	Competitive prices
20	Waitrose	Tesco	Sainsbury's	Local	Fresh foods	Staff very friendly
21	Co-op	Waitrose	Spar	Location	No car park	Pricing
22	Tesco	Somerfield		Fresh foods	Friendly service	Value
23	Tesco	Morrisons	Londis	Friendly staff	Customer knowledge	Fresh food focus (75%)
24	Tesco	Local	Forbouys	Service	Product range	Opening hours
25	Safeway	One Stop	Tesco	Location	Fresh foods	Service
26	Tesco			Size	Customer service	
27	Tesco			Always fresh food	Village location	Value
28	Sainsbury's	Tesco	Gateway	Location	Customer knowledge	Free home delivery
29	Tesco	Sainsbury's	Safeways	Local store	Local staff	Wide range for small store
30	Waitrose	Somerfield	Asda	Location	Friendly staff	Range available
31	Tesco	Sainsbury's	Morrisons	Local monopoly	Local trade	
32	AA Fisher	Tesco	Sainsbury's	Service	Availability	Team Morale
33	Tesco	Waitrose	Independent	Customer knowledge	Service	Availability
34	Tesco	Waitrose	Budgens	Location	Service	Product range
35	Spar	Alldays	One stop	Deliveries	Bigger store	15% staff discount
36	Tesco	M&S	Iceland	Promotions	Fresh foods	
37	Tesco	Iceland	Sainsbury's	High street location	Convenient size	Fresh foods
38	Sainsbury's	Somerfield	Alldays	Quality fresh food	Strong promotions	Customer service
39	Sainsbury's	Waitrose	Iceland	Local	Opening hours	Fresh
40	Tesco	Sainsbury's	Safeways	Convenient	Local	Fresh

Table 14

Tesco and Asda are active in operating Superstores which stock a vast number of diversified items, not all traditionally associated with grocery retailing. Supermarkets, operated by all larger competitors are usually focused on a large range of grocery products with many also stocking additional non-food products such as electrical goods and clothing. Convenience stores, which are smaller again in size, offer a smaller range of stock which is predominantly food based, but with limited choice compared to larger stores.

The data indicate that the respondent store managers have a broad but local perception of competition. It seems that the classification of the retail sector based on the size of store is not a distinguishing factor as far as perception of competition is concerned. There seems to be a perception that competition comes from various different sectors of grocery retailing. There is little evidence of similar convenience stores being regarded as the only competitors, therefore the data do not support the notion that there is limited perception of competition within the convenience sector of grocery retailing.

In contrast, prior research by Porac, Thomas and Baden-Fuller (1989) provides empirical evidence that executives within an industry can develop competitive cognitive structures or models with similar very limited perception of competition. As Weick (1995) points out, their study highlights the importance of identity and beliefs associated with identity in competitive strategy research. Sensemaking is wrapped up in the beliefs of managers so that they develop sensemaking frameworks from identity beliefs based on the answers individuals give to questions such as 'who am I?', 'who are we?' and 'who are they?'. The 'we' is the organization that the manager belongs to and the 'they' are the competitors as conceptualised by the manager. Developing the answers to such questions in a decision-making context is important to sensemaking and these answers seem to be embedded in the cognitive models of managers.

The data seem to suggest that respondent store managers define competition at a local level dependent on current competition. In other words, it is the location that seems to be important to the perception of competition, rather than any other criterion. When studying the competitors listed in Table 14, it is surprising to note the large variety of perceived competition. For example, Tesco is listed as the main competitor by 22 respondents. This may not be surprising because this competitor seems to be involved in a strategy of expanding market share by offering lower prices and is simultaneously

opening new small stores, such as Tesco Express, to compete directly in the convenience sector. Sainsbury's is listed as the main competitor by five respondents, and this competitor is also expanding in the convenience sector; Waitrose is listed as the main competitor by three and Somerfield by two respondents. Two respondents even considered the competition to include another store within their own organization. No evidence of a possible relationship between different strategy belief structures and the perception of different competition was found.

There was also an expectation that a possible relationship might exist between strategy belief structures linked to particular objectives and the consequences in terms of perception of differentiation from competitors. For example, a manager perceiving 'Service quality' to be an important objective for success is likely to perceive 'service' as being important for differentiation from competitors. The data strongly support the expectation that a relationship exists between factors included in cognitive maps and perception of differentiation. For example, respondents 1, 2, 10, 12, 15, 16, 22, 24, 26, 33, 34, and 38 list 'service' as a factor important for differentiation from competition and 'Service quality' is a primary objective within their cognitive maps. Service was a differentiation factor listed by thirteen respondents, therefore in twelve respondents out of thirteen, a relationship was found between factors perceived as differentiators from competition and a primary objective within their cognitive maps. Many respondents seem to have chosen their primary objective to enhance differentiation from competitors.

Similarly, staff issues such as friendly, motivated staff are perceived to be differentiators from competition by respondents 5, 13, 20, 23, 29, 30 and 32 and the factors 'Motivation of staff' and 'Development of staff' were found to be important within their strategy belief structures. Staff as a differentiator from competitors is listed by nine respondents, therefore within seven respondents out of nine, a relationship was found between factors perceived as differentiators from competition and strategy belief structures within their cognitive maps. Many respondents seem to have developed their strategic orientation to enhance differentiation from competitors.

Therefore, based on an analysis of the data it is possible to conclude that respondents perceive differentiation from competitors as a consequence of the strategy processes they use in achieving objectives (which are developed specifically for differentiation from competitors). The perception of differentiation is therefore introduced as a consequence

into the model in Figure 11 at the end of this chapter, and again into the full model presented in Figure 13.

The location of the store is perceived as the most important differentiator from competitors. Eighteen respondents listed this issue as an important differentiator. It seems that many managers believe that a convenient location in a good residential neighbourhood and away from large competitor stores is a key factor to attract local customers. The 'Geographic position of the store' is obviously important to many more managers than expected by an analysis of cognitive maps alone. Although four managers rated this factor as the most important for success, it does not appear in any other cognitive maps. No relationship was found, however, between the location of the store as a differentiator from competition and its presence in the cognitive maps of the respondents. The possible reason for a lack of relationship in this instance is that store managers have no control over this factor, and therefore focus on other factors, where they perceive some control. This explanation does concur with a prior explanation offered by Bougon, Weick and Binkhorst (1977) who suggested that individuals' perceived influence over events seems to explain the position of factors in causal cognitive maps. Objectives are positioned near or at the end of a chain of causal links, possibly because there is perceived to be an influence, whereas factors are positioned near the start of a chain of causal links possibly due to a perception of a lack of influence.

An analysis of the data, therefore, suggests the following proposition:

> *P10. The more there is a perception of control over a factor perceived as a differentiator from competitors, the more the factor is perceived to contribute to success.*

In summary, the findings suggest that respondent store managers have a broad but local perception of competition. The findings highlight the importance of the perception of differentiation from competitors to the formulation of objectives and strategic orientations. The data seem to support the notion that perception of differentiation from competitors acts in two ways. First, as an antecedent to the choice of primary objectives, which in turn influences the development of strategy belief structures. Second, the perception of differentiation from competitors is a consequence of meeting objectives. The data again support the addition of a feedback loop within the model linking consequences to antecedents.

10.3 Issue diagnosis

The perception and categorization of issues are important themes in the cognitive strategic management literature (e.g. Dutton and Jackson, 1987) as these are thought to highlight the cognitive bias and cognitive limitations of managers.

To explore the possibility that front-line managers with different strategy belief structures may categorise issues as opportunities and threats differently, all respondents were asked to list one opportunity and one threat. The content analysis did not reveal any evidence of a possible relationship between different strategy belief structures and different categorisation of issues. An analysis of the data suggests that respondents list largely internal issues as opportunities and largely external issues in relation to competition as threats. In the rational planning literature both opportunities and threats are considered as external issues, but as the store managers cannot look for opportunities outside their store, perhaps this finding is not surprising. These data might go some way to explain the internal focus associated with developmental strategy belief structures found in a large number of respondents.

Perception in the form of problem identification has been studied as a consequence of beliefs in empirical research undertaken by Walsh (1988). The results of this prior study indicate that managers with different belief structures did perceive problems differently. However, this was not confirmed by the findings in this current study. Somewhat similarly, problem categorization in the form of classifying issues as threats or opportunities has also been studied as a part of the evaluation of strategic issues (Dutton and Jackson, 1987). Categorization is thought to precede other perceptions because the social cognition literature suggests that individuals first need to categorize any stimulus before applying their cognitive model or schema to the issue. Empirical evidence suggests that managers tend to view issues as threats unless there is evidence to the contrary (Jackson and Dutton, 1988). Such empirical findings suggest an expectation that managers with different strategy belief structures may categorise issues as opportunities and threats differently, but again, evidence of this was not found.

10. 4 Consumer Responses as Consequences

It is implicit within much of the strategy literature that some form of consumer response is required for performance increases to result from strategies. In respect to orientation

phenomena the literature addressing market orientation in particular (e.g. Kohli and Joworski, 1990) suggests that customer satisfaction will likely lead to an increase in repeat business. Strategy processes or *ways* to meet aims and objectives often require some form of direct consumer response if they are to be successful. This is particularly so when the objectives are focused externally to satisfy customers, such as 'Service quality', rather than objectives focused on internal efficiency. However, both types of objectives are seemingly important because internal efficiency can lead to a reduction in prices, which can have a very positive consumer response.

The data obtained through the laddering interviews highlight that many respondents expect a customer response through meeting objectives. These data was briefly analysed when the choice of objectives was discussed in *10.1.2* above. For example, respondents 5, 8, 14, 16, 17, 18, 19, 22, 23, 26, 31, 35 and 36 report that 'Service quality' is important because it achieves an increase in "repeat customers" or "repeat business". These terms suggest that these respondents expect more loyalty from customers as a consequence of delivering high levels of 'Service quality'. A similar consumer response seems to be expected by respondents 10, 11, 12, 15 and 28 when they report that 'Service quality' "differentiates them from competitors". These respondents seem to be expecting consumers to change their response behaviour and shop at their store rather than competitor stores. Similarly, 'Product promotions' are considered to be important by respondent 7 to "bring in customers" and to create "loyal customers".

The data also suggest that respondents expect a less direct additional consumer response, which has further consequences. For example, respondent 17 reports "word of mouth" advertising as a consequence of customer loyalty. The use of this term suggests that this manager expects to gain 'new' customers by this means. The data therefore support the inclusion of 'Consumer responses' into the model in Figures 11 and the full model in Figure 13, and these responses are perceived to be required before any possible gain in performance materializes.

10. 5 Performance Consequences

In many empirical research studies within the strategic marketing and strategic management literatures it is usual to test the relationship between any construct, such as the strategic orientation construct, and the performance of firms. This is avoided in this

study due to the difficulties experienced by researchers when attempting to undertake such a task. Not only are there problems of developing suitable measurements of performance, but also linking a cognitive construct to organizational behaviour is complex and problematic. This needs to be undertaken before further performance consequences can be contemplated. Due to such problems organizational consequences are not investigated by direct measurement in this study. However, many respondents report expected organizational performance increases by meeting objectives through their strategy belief structures. It must be emphasised that these performance consequences are beliefs of cause and effect relationships which may or may not materialize. It is only these beliefs that are investigated in this study.

The data obtained in the laddering interviews indicate that twenty-three respondents report turnover, sales or profit performance consequences. An analysis of the data reveals that expected performance consequences tend to be linked to specific factors within cognitive maps. These factors are largely either primary objectives or respondents' strategy belief structures, but also some respondents report performance consequences from resources and givens. The following links between factors within cognitive maps and performance consequences are reported in the data:

10.5.1 Performance linked to objectives

An expected increase in performance due to growth or efficiency (also expressed as an increase in sales, turnover or profit) is reported as a consequence of meeting the primary objective 'Service quality' by respondents 1, 3, 12, 14, 15, 16, 19, 22, 26, 31, 36, and meeting secondary objectives of 'Motivation of staff' by respondents 15, 20, 21, 23, 27, 30, reducing 'Personnel turnover' and 'Employee flexibility' by respondent 30. Thus, for these respondents it seems that an expected performance increase is the consequence of meeting primary and secondary objectives.

The comments by respondent 12 is typical:

> "Yes (a focus on service quality is required), to increase sales and to have happy customers".

And again by respondent 18:

> "If you don't offer a good service, most of our service is offered at the checkouts, unless the staff offer them a good service, a friendly smile, a please and a thank you, people tend to think they're miserable, and don't come back. (This is required) To keep our turnover up and to stop them (customers) going to our competitors".

These data obtained from the laddering interviews complement the rank order data obtained through the sorting task with many of the above respondents. It is interesting to note that the same respondents have ranked the primary objective 'Service quality' as the most important factor for success in the sorting task (rank order = 1) and also report performance consequences linked to this important factor. An analysis of the data suggests, therefore, that these respondents have developed a positive relationship between the rank order of the importance of a primary objective within their cognitive maps and the perceived performance consequences of meeting this objective. Due to this perceived relationship it would be surprising if managers did not give priority and much more attention to such objectives and it is likely that such managers have a strong objective orientation rather than a strong strategic orientation. An analysis of the data, therefore, suggests the following proposition:

> *P11. The greater the perceived performance implications of an objective within cognitive maps, the more importantly the factor is ranked and the more attention is paid to it.*

10.5.2 Performance linked to strategy belief structures

An expected increase in performance due to growth or efficiency (also expressed as an increase in sales, turnover or profit) is reported as a consequence of 'Planning ahead' by respondents 24 and 37, 'Developing staff' by respondents 11, 13, 15, 19, 27, 38 and 40, and 'Learning to improve' by respondents 15 and 37. Thus, for these respondents it seems that an expected performance increase is the consequence of their rational or developmental strategy belief structures. Several of these respondents also report objectives ,such as 'Service quality' directly before they report performance consequences. Therefore, the laddering data suggest that respondents perceive direct positive relationships between their strategy belief structures through to meeting objectives and the expected performance consequences. These data obtained from the laddering interviews also complement, precisely, the rank order data obtained in the sorting technique with some of the above respondents. In other words, a factor ranked as

the most important factor for success (rank order = 1) is the same factor that is linked to performance consequences.

10.5.3 Performance linked to other factors

An expected increase in performance due to growth or efficiency (also expressed as an increase in sales, turnover or profit) is reported as a consequence of 'Knowledge of customers' by respondent 13. Thus, for this respondent it seems that an expected performance increase is directly linked to intangible resources such as knowledge. Other respondents, 6, 13, 15 and 23, report an expected increase in performance as a consequence of 'Personal motivation'. Also an expected increase in performance due to growth or efficiency (also expressed as an increase in sales, turnover or profit) is reported as a consequence of 'Geographic position of store' by respondent 8 and 'Product promotions' by respondent 7.

In summary, the data provide ample evidence to suggest that many respondents perceive a relationship between the strategy belief structures, meeting objectives and performance consequences. Therefore, performance consequences are built into the model in Figures 11 and 13. The data also seem to suggest that some respondents perceive the main performance consequences resulting from meeting a primary objective such as 'Service quality'. Other respondents, on the other hand, seem to perceive performance consequences resulting from the *ways* or strategy processes they use to meet objectives or their strategic orientations. An analysis of the data seems to suggest, therefore, that some respondents are more focused on objectives, which highlight the importance of strategy content, whereas others are more focused on strategy processes or *ways* used to achieve objectives. This is the same finding that emerged from the data obtained by ranking factors in the sorting task (see discussion in *10.1* above) [36]. Furthermore, in a small number of cases respondents seem to perceive performance consequences resulting from factors such as their personal attributes ('Personal leadership style' and 'Personal motivation'); deterministic factors outside their control ('Geographic position of store'); or their responsiveness ('Speed of response to change').

[36] The data obtained from the laddering interviews thus complement data obtained in an earlier phase of the interview using a different research method.

10.6 Personal Goals as Consequences

Personal goals are known to exert a powerful influence on behaviour in various domains. For example, personal goals or values have been linked to strategy (Guth and Tagiuri, 1965), television viewing behaviour (McCarty and Shrum, 1993), consumers' self image (Pieters, Baumgartner and Allen, 1995) and buying behaviour linked to attributes of products (Botschen and Hemetsberger, 1998). A detailed understanding of the influence of personal goals on the strategic orientation construct is seemingly lacking.

The data highlight the fulfilment of a variety of personal goals as consequences of meeting objectives and achieving increases in performance. For example, respondents 1, 3, 12, 16, 19, 22, 26, 31, 36 all report an expected increase in performance as a result of meeting the objective 'Service quality'. They then report that this performance increase will further lead to the fulfilment of "job satisfaction" and "belonging to the community" in the case of respondent 1; "career goals" and "security" in the case of respondent 3; a "sales bonus" and "job satisfaction" in the case of respondent 12; "financial and staff rewards" in the case of respondent 16; "career development" including the opportunity to manage a "larger store" in the case of respondent 19; "commitment to the company", "job enjoyment" and "happiness at work" in the case of respondent 22; "overcoming past (in store) difficulties", "job satisfaction" and recognition as a "good manager" in the case of respondent 26; "happy staff", "personal pride", "job satisfaction" and "career (advancement)" in the case of respondent 31; and a "larger store" or another "career development (area manager)" in the case of respondent 36. An analysis of the data suggests, therefore, that a variety of personal goals are fulfilled through meeting objectives and performance targets. Especially prominent seem to be career advancement and job satisfaction goals. Consequently these details are built into the model in Figures 11 and 13.

Personal goals can be studied in isolation or as goal structures involving a network of inter-related goals which are often assumed to be organized hierarchically (Pieters, Baumgartner and Allen, 1995). The data already presented have highlighted this hierarchical structure in respect to objectives. 'Service quality', for example, is presented in many respondents' cognitive maps as a primary objective at the end of a chain of links. Secondary objectives, such as 'Employee flexibility' and a reduction in 'Personnel turnover', however, are often positioned before the primary objective to suggest that these secondary objectives impact on successfully meeting the primary objective. Thus, a

content analysis of the structure of cause and effect relationships within the cognitive maps suggests that respondents often organize objectives hierarchically.

There are many potential personal goals that may be fulfilled as consequences of strategic orientations and meeting objectives. For example, some front-line managers may be more focused on financial goals, such as bonuses, because of other underlying goals such as lifestyle goals. Career advancement goals are also potentially very important and more so to some managers than others. These goals are likely to have an effect through the response to extrinsic motivational influences such as organizational reward systems. For example, some front-line managers with strong career advancement goals are more likely to accept organizational targets, such as turnover and profitability targets if they are deemed to be important by head office, and develop their strategic orientations and formulate objectives to maximise their response to these targets. Such managers are likely to be more focused on particular objectives that they perceive to be linked with performance measures as defined by the organization. Possibly they expect more rapid career advancement and expect their career goals to be fulfilled as a consequence of meeting targets set by head office. Such managers are more likely to be outcome orientated, and focused on the ends of strategy rather than strategy processes, because their main focus is to meet or exceed performance targets laid down by the organization.

Personal goals also seem to be linked to achieving performance consequences through a focus on strategy processes or *ways* to achieve objectives. Links between strategy belief structures, performance consequences and personal goals are reported in the data. Respondents 24 and 37 report an expected increase performance as a result of 'Planning ahead' and further report "bigger store", "achievement" and "family enjoyment" as personal goals; whereas respondents 11 and 40 report an expected increase performance as a result of 'Developing staff' and further report that this performance increase will further lead to a "sales bonus" in the case of respondent 11; and "more free time" and "career progression" in the case of respondent 40. An analysis of the data suggests, therefore, that financial and career advancement goals are expected to be fulfilled by the use of certain strategy processes or strategic orientations used to meet objectives and fulfil performance targets. Consequently these details are also built into the model in Figures 11 and 13.

Personal goals also seem to be linked to achieving performance consequences through a focus on other factors within cognitive maps. Links between various factors, performance consequences and personal goals are reported in the data. Respondents 4, 6, 23, 24 and 27 report an expected increase performance as a result of 'Personal motivation' and then leading to "recognition" and "respect" in the case of respondent 4; "promotion" in the case of respondent 6; "top manager" in the case of respondent 23; "better atmosphere" and "work enjoyment" in the case of respondent 24; "career development" in the case of respondent 27. Additionally, respondent 7 reports an expected increase performance as a result of 'Product promotions' and then leading to "job satisfaction" and "financial objectives met"; respondent 8 reports an expected increase performance as a result of 'Geographic position of store' and then leading to "moving forwards and upwards (both company and self)", "family" and "quality time and mood"; respondent 13 reports an expected increase performance as a result of 'Knowledge of customers' and then leading to "success of team and store" and "successful manager"; respondent 19 reports an expected increase performance as a result of 'Speed of response to change' and then leading to more "confidence". An analysis of the data suggests, therefore, that a variety of personal goals are expected to be fulfilled by a focus on the above belief factors. Especially prominent seem to be lifestyle goals such as enhancing working and family life. Consequently, these details are built into the model in Figure 13.

Various success factors seem to be linked to personal goals without the mediating role of performance. However, performance might be implicit and therefore not mentioned or possibly store managers fulfil personal goals without maximizing performance. They could, for example, fulfil some personal goals by just being perceived to be well organized by other members of staff. The following links between various factors and personal goals are reported in the data. Respondents 8, 15, and 26 report "job satisfaction", "pride" and "respect" as a consequence of 'Detailed analysis of profitability'; respondents 17, 21, 24, 32, 33, 34 and 37 report "control", "organized", "efficiency" and "good manager" as a consequence of 'Planning ahead'. An analysis of the data suggests again, therefore, that a variety of personal goals are expected to be fulfilled by a focus on the above factors. Especially prominent seems to be the notion that 'lower' goals lead to 'higher' goals associated with self esteem and this concurs with prior research such as that presented by Pieters, Baumgartner and Allen (1995). Respondents seem to organize personal goals hierarchically as prior research suggests.

'higher' goals such as "self esteem", "respect", and "security" seem to be perceived as consequences of other goals such as "job satisfaction", "career progression", "good atmosphere at work" and "easier working life". For example, respondent 1 reports "job satisfaction" leading to "Belonging to the community"; respondent 3 reports "career" leading to "security"; respondents 8 and 10 report "good manager" leading to "respect". The achievement of 'higher' goals seems to accrue from the following chain of reasoning.

Strategic orientation and/or meeting objectives > consumer responses > performance > lower personal goals achieved > higher personal goals achieved.

The analysis of the data therefore suggests the following proposition:

> *P12. The greater the fit with personal goals, the stronger the strategic orientation.*

10.7 Summary

In summary, the data largely supports the notion that front-line managers focus on objectives in a cause and effect manner as they attempt to improve performance. The data highlights that these managers are conscious of intended outcomes associated with practice activity and this fits with the pragmatic explanation for practice based on experiential learning.

The data only partially support the expectation based on prior research that there is a relationship between culture and objectives. Whereas there was some similarity in the choice of objectives, there was also found to be a large variety of different objectives chosen by respondent store managers and this should not be the case if culture is a main driver of this choice. The expectation that culture will tend to unify the choice of objectives is only partially supported.

The data also only partially support the expectation of a relationship between different strategic orientations or strategy belief structures and the choice of store managers' objectives. The findings highlight that the same objective can be addressed through various strategy processes or *ways* which suggests that there is not a straightforward relationship between a particular strategic orientation and choice of objectives. It seems

that extra capabilities may be generated by addressing an objective through developmental strategy processes, rather than by others, and this may be key to understanding this relationship. It also seems that there are different underlying reasons for the choice of the same objective and this choice is not necessarily linked to the strategy belief structures of respondents.

Two different perspectives of service quality were highlighted in the data. The presence of two different perspectives seems to explain how this objective (or two perspectives of the objective) can be addressed through different strategic orientations. The two different perspectives seem to reflect alternative beliefs on positioning and differentiation from competitors. One perspective of service quality, which is directed to friendly relationships with customers, is seemingly best addressed through developmental *ways*, by 'Developing staff' to increase 'Employee flexibility' and maintain consistency of staff by reducing 'Staff turnover'. Whereas another perspective of service quality, which is directed at convenience for customers by providing the correct mix of products, is seemingly best addressed through rational analytical *ways*, by analysing customers' requirements and altering the product mix on the shelves especially through 'Product promotions'.

The perception of predictability of the environment is an issue underpinning different strategy paradigms in the theoretical literatures. This issue was explored and a surprising finding emerged which suggested that the industrial context does not seem to be important to the perception of predictability. Within the same reasonable predictable environment respondent store managers thought that the environment was either very predictable, very unpredictable and various degrees in between these extremes. A normal distribution for the perception of predictability was found within respondent managers within the same organizational context. Further research is required to systematically investigate this phenomenon in more detail to see what the consequences are.

The perception of competition was also explored and the findings suggest that respondent store managers have a broad but local perception of competition. The findings highlight the importance of the perception of differentiation from competitors to the formulation of objectives and strategic orientations to meet these objectives.

Respondents seem to rank the importance of factors based on a perception of their contribution to performance. In particular it seems that respondents have developed a

positive relationship between the rank order of the importance of a primary objective within their cognitive maps and the perceived performance consequences of meeting this objective. Similarly, the importance of factors associated with strategy processes seem to be linked to their perceived potential to improve performance. Respondents report that a response from consumers from the strategies they implement is a pre-requisite for performance consequences to materialise.

Prior research into the strategic orientation construct has not emphasised the importance of the fulfilment of personal goals as consequences. The achievement of a large variety of personal goals seems to be linked through many respondents' chain of reasoning to their strategy belief structures and/or their objectives. Both objectives and personal goals, as prior research suggests, seem to be organized hierarchically. An analysis of the data also highlights the possibility that the achievement of personal goals is a major driving force for the development of particular strategy belief structures. Therefore, personal goals seem to be achieved as a consequence of strategy belief structures and meeting objectives, but these goals also act as antecedents to their development.

All these findings are included in Figure 11, which includes the findings in relation to the consequences of strategic orientations or strategy belief structures, and in Figure 13, which is the full model incorporating all the findings in relation to antecedents, consequences and moderating variables. This full model is presented on page 209.

INCORPORATING THE FINDINGS ON CONSEQUENCES INTO THE MODEL

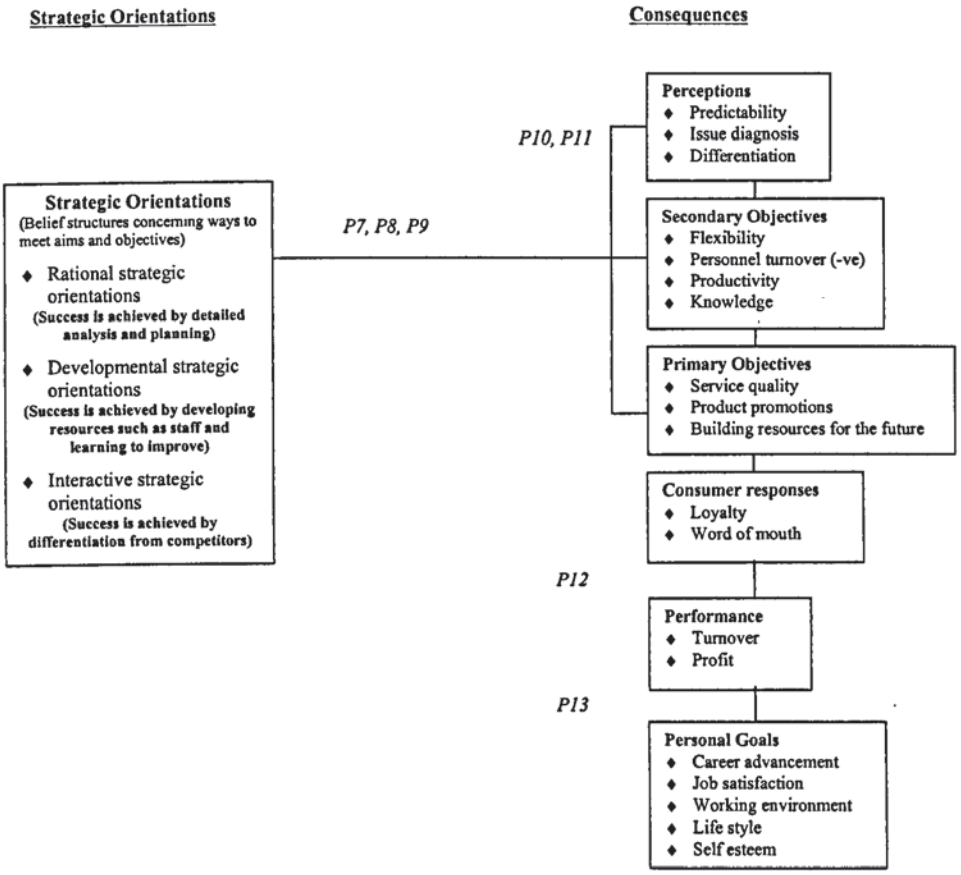


Figure 11

CHAPTER 11

MODERATING FACTORS AND THEIR INFLUENCE ON THE STRATEGIC ORIENTATION - PERFORMANCE RELATIONSHIP

Some of the more comprehensive prior research addressing orientation phenomena, in particular that studying market orientation, emphasises the importance of studying moderating effects to help understand the implications of having a particular orientation under different environmental conditions (e.g. Greenley, 1995; Kohli and Joworski, 1990; Slater and Narver, 1994). It is usual in studies adopting a qualitative theory building approach (e.g. Kohli and Joworski, 1990) to identify moderating variables by asking respondents directly which variables moderate the orientation-performance relationship. However, such a direct approach is unlikely to succeed in this current study; on the contrary, confusion of respondents is likely because various forms of strategic orientation are investigated which adds considerable complexity to the question. Consequently, in this study interpretive methods are used to uncover the likely sources of moderating variables.

It is unlikely that a particular strategic orientation will universally result in a positive relationship with performance. There is therefore a need to study the variables that respondents believe to act as moderators on the strategic orientation – performance relationship. These moderating factors can be divided into two categories: Supply side moderators and Demand side moderators (Kohli and Joworski, 1990).

11.1 Supply Side Moderators

These are the organizational and competitive factors that respondents believe influence (increase or decrease) the strength of the strategic orientation – performance relationship.

11.1.1 Geographic position of the store

Geographic position of the store is one factor that several respondents mentioned as being important and this seems to act as a supply side moderator. This is highlighted by the response from respondent 1:

> "Because that's (Geographic position of the store) one of the major things that you can't control so there is absolutely nothing you can do about that. If it's wrong, it's wrong and it affects all your actions. Because it sets the agenda for what you can achieve. Some stores are about recording growth and other stores can be about just maintaining costs control. The store can be doing quite well but it's never going to be a success so you just control the costs. Somewhere else – okay, we're going to invest in this one, we're going to see what it can do".

It seems that some respondents believe that if a store is in a poor position such as in a run-down high street; in an area that is difficult for customers to park; or close to a large supermarket run by competitors, then their influence on performance will be minimal. They may only be able to influence performance very slightly by controlling costs.

The main problem for store managers is that they have very little control over the range of products they sell and the prices of products in their stores, because these are organized at head office level. During promotions, store managers do have some choice, but this choice is very limited, because they can only choose from a prescribed list issued by head office. Consequently, if consumers have the alternative of a large competitors' store with lower prices in close proximity, they will likely not visit the respondents' store whatever strategies the store manager employs. Managing the stocking levels, promotions and service quality to a high standard would not result in the intended consumer response. In contrast, if a store is in a pleasant residential neighbourhood with good access and a reasonable distance away from competitors then store managers have a much better chance of making an impact. The range of products is also important because a convenience store is only convenient if consumers can find the products they want. Again store managers have little control, because the range may be limited by the size of store they manage.

If in a poor geographic position some respondents seem to believe that they have a lack of control and the 'Geographic position of the store' determines performance. In other words, success is not determined by the store managers' strategic orientation or any strategy processes they employ or objective they may focus on, but by external factors over which the manager has no control. This sort of management dilemma is highlighted in deterministic strategy theory, because in these situations strategy seems largely irrelevant. As respondent 1 suggests in the quotation above, the main thing that store managers can achieve is cost control but this is a limited response to any change externally. To highlight this dilemma one respondent suggested that some stores within

the firm's branch network are known to be excellent performing stores whoever is in charge of running them.

Clearly, if store managers believe they can exert some control, such as through altering aspects of the marketing mix, to attract customers from large competitors' stores, then it is possible that this perception of the lack of control would somewhat disappear.

Some respondents, such as respondent 9, seem to believe that the 'Geographic position of the store' in relation to both consumers and competitors impacts on consumers' responses to their strategies.

> "As a company, the sort of sites that we develop need to be correct. We basically try and go to an area where people have to travel 3, 4 or 5 miles or even further to their nearest Tesco or Sainsbury's, and they might have a small Dillons or something on the corner, but they can't get their weekly shopping within that. So we basically try and stop people having to go to these big supermarkets. And in the past, when I opened a store at XXX; it's a very similar store to this. Same sort of size roughly. Same range etc. Exactly the same. That didn't take off and this place did".

In relation to competition, respondents seem to believe that they can rarely compete on price, therefore they need to be geographically positioned away from intense competition. This finding is consistent with the calls from writers such as Clarke (2000) who highlight the importance of issues such as affluence and mobility and the need to more fully understand their impact on local competition in the retail sector.

The data, therefore, suggest the following proposition:

> *P13. The poorer the geographic position of the store and the higher the level of competition, the weaker the perceived relationship between strategic orientation and business performance.*

Consequently, both geographic position of the store and level of competition are included in the model in Figures 12 and 13.

11.2 Demand Side Moderators

These factors are also potentially influential to the strength of the strategic orientation – performance relationship. These are factors that influence consumer demand and there

are many such potential factors that could act as demand side moderators. As all of the respondents are store managers from the convenience grocery retail sector, the life style preferences and working patterns of consumers, which influence the need for convenience, are likely to impact on performance. Several large supermarkets have entered the convenience sector as a consequence of increasing demand, such as the increased demand for convenience foods (See Mintel 2004).

For working consumers to purchase convenience, however, they require a good disposable income and this is influenced by the state of the economy. Respondents were asked to classify whether a booming economy and a recession would be an opportunity or threat to them. As might be expected, thirty-nine out of forty store managers classified a booming economy as an opportunity, whereas only thirteen managers classified a recession in such a way.

A rationale for this finding is that many respondents seem to perceive that in a weaker economy consumers will become more price-sensitive and not respond to store managers' strategies. Fewer consumers will be prepared to pay a premium for convenience and will therefore be unlikely to visit convenience stores. Service quality is another important issue because it is perceived to be an important differentiator from competition and is an important primary objective positioned at the end of causal chains of links in twenty cognitive maps of respondents. There may be a perception that service will be less important to consumers than price in a weaker economy so store managers will have less influence on performance.

An analysis of the data, therefore, suggest the following proposition:

> *P14. The stronger the regional economic conditions, the stronger the perceived relationship between strategic orientation and business performance.*

Due to perceived impact of the regional economic conditions this variable is included in the model in Figure 12 and 13.

11.3 Summary

The data suggest that both supply and demand side moderators are important in an understanding of the performance consequences of strategic orientations. Future research

may be able to add further detail under the general labels of supply and demand side moderators.

Understanding the influence of moderating variables on particular strategic orientations needs further research. The data present a somewhat confusing picture in respect to this issue. 'Service quality', for example, is a main objective positioned at the end of causal links in twenty cognitive maps of respondents and it seems possible to address this objective through different strategy processes or *ways*. An analysis of the data suggests that it is possible to focus on a primary objective such as 'Service quality' through largely developmental *ways*, rational *ways* and a more balanced mixture of both. Therefore, the findings seem to suggest that it is the objective that is of prime importance rather than store managers' strategic orientation because the objective denotes the content of strategies used to achieve competitive advantage. If 'Service quality' is less important to consumers in a weaker economy because they focus more on price, it is likely not to matter what strategic orientation store managers use to address the objective.

However, a large majority of respondents address this objective through developmental strategy processes or *ways*, and higher levels or different forms of service may be possible through this route. It may also be that this strategic orientation offers additional benefits. For example, the findings suggest that this strategic orientation has a secondary effect of reducing personnel turnover and fostering more employee flexibility and motivation. These may be useful in countering any moderating effects. The high incidence of respondents' reporting 'Employee flexibility' linked to developmental strategy belief structures seems to confirm this, but more detailed research is required to clarify this issue further. Such developmental strategy processes, if they foster more flexibility, may be useful in dealing with economic and competitive turbulence to ensure high levels of performance in various different contexts. This possibility suggests that developmental strategic orientations may foster important capabilities more than other others. As these capabilities are embedded in practice and have been built up through experiential learning over time, they are potentially very difficult for competitors to identify and imitate. Therefore such capabilities are more likely to result in sustainable competitive advantage.

The findings are now incorporated into the model in Figure 12 which highlights the important supply side and demand side variables that moderate (increase or decrease) the strategic orientation – performance relationship.

INCORPORATING THE FINDINGS ON MODERATORS INTO THE MODEL

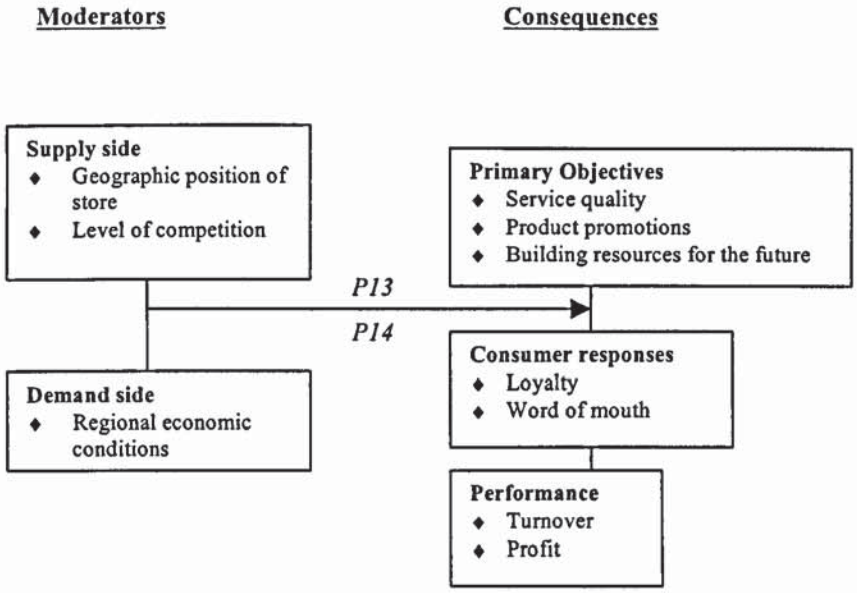


Figure 12

All the previous findings in relation to the antecedents, consequences and moderators can be now incorporated into a more complete model to bring together the various findings. Figure 7 incorporated the findings in relation to different strategic orientations and presented them in an outline model. More detail was added in Figure 9, which added the findings in relation to antecedents of strategic orientations. Again more detail was added in Figure 11, which added the findings in relation to consequences of strategic orientations. Figure 12 adds the findings in relation to moderating variables that moderate the strategic orientation – performance relationship. All these findings are now combined and incorporated into a more detailed model presented in Figure 13. This model represents the best fit to the data collected on strategic orientations in practice to-date.

INCORPORATING THE FINDINGS INTO A DETAILED MODEL OF STRATEGIC ORIENTAIONS IN PRACTICE, THEIR ANTECEDENTS AND CONSEQUENCES

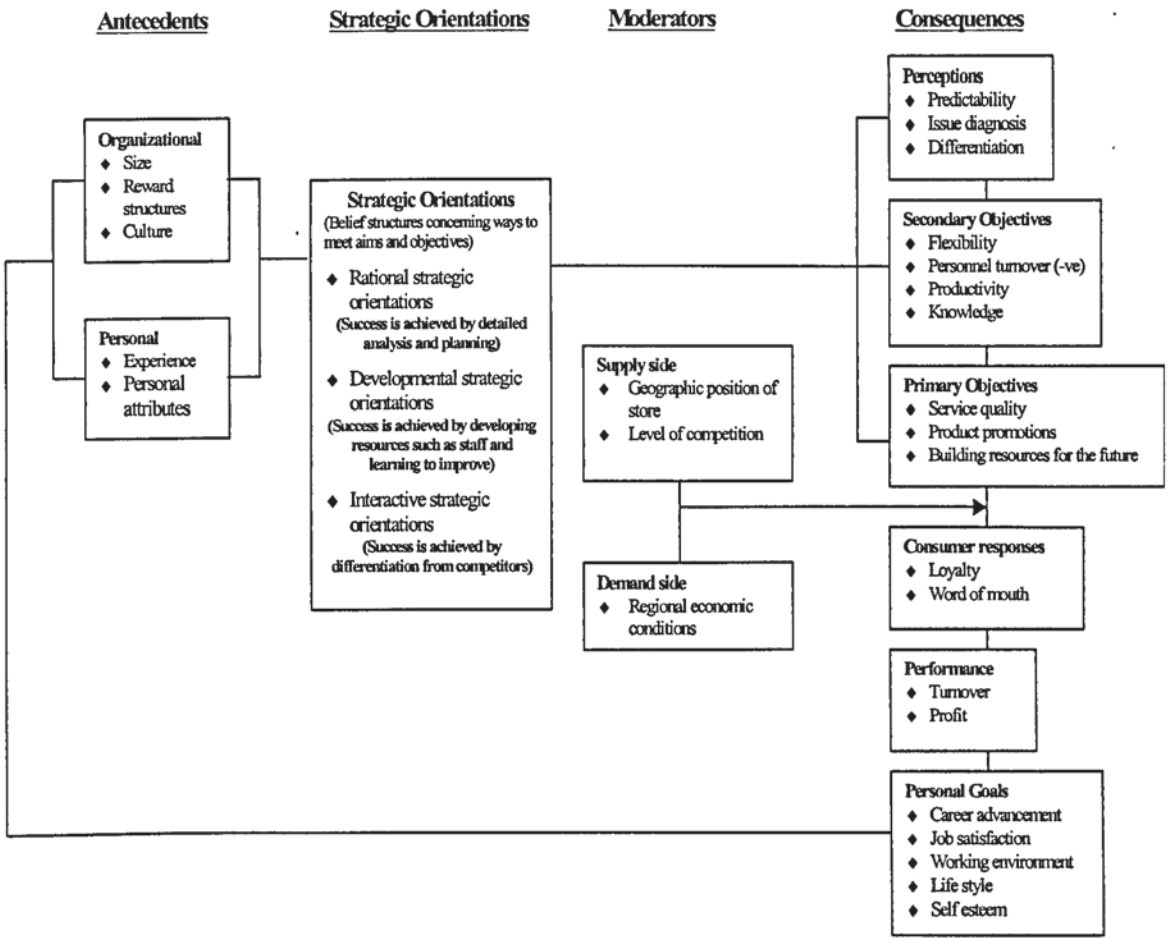


Figure 13

The detailed model incorporating all of the findings to-date, based on the data obtained within a single organization, is presented in Figure 13. This detailed model presents a complex picture of strategic orientations, their antecedents and consequences and many aspects of this model are new insights. In particular the identification of different cognitive strategic orientations or strategy belief structures and the relationships between these and primary and secondary objectives have not been clarified in detail before. Indeed, much empirical research into the strategic orientation construct focuses only on either objectives (usually expressed in terms of an organizational focus) or strategies themselves (usually expressed in terms of either content or process at an organizational level) rather than the complex relationships between the two. The findings from this study highlight that an understanding of both strategy processes and objectives are required to provide a more comprehensive picture of how and why strategies are developed.

Additionally, other consequences such as the importance of personal goals have not been highlighted as important to understanding the influence of strategic orientations in prior research. This is important to fully understand the consistency of strategic orientations and to more fully understand what underpins managers' choice of objectives and their practice. Furthermore, the antecedents and moderators are introduced based on field research. Prior research taking a cognitive perspective of strategic orientation has used national culture as an implicit differentiator of strategic orientations, but the findings from this current study question such a simplistic assumption. The study highlights that other variables apart from national culture, such as organizational reward structures are important to the development of strategic orientations, as are personal experience and personal attributes. The presence of such additional complexity, based on empirical research undertaken within a single organization, starts to put more emphasis on understanding personal variables and their influence on beliefs within the strategy domain.

However, the model presented in Figure 13 has only been developed based on a single empirical study within one organization. It is likely that the model will need to be modified by further findings based on future research. Such future research is required to confirm the findings from this current study and develop our knowledge of strategic orientations in practice, their antecedents and consequences even further.

CHAPTER 12.

CONCLUSION

The study has contributed to knowledge in several domains. In the introduction to the thesis the need for theory development was identified because an analysis of the prior literature indicated that researchers were having difficulty operationalizing a cognitive definition of the strategic orientation construct. To overcome this difficulty a theoretical framework was developed *a priori,* based on the contrasting assumptions and beliefs about strategy found in the extant literatures. In this frame five different possible theoretical cognitive strategic orientations likely to occur in practice were postulated. These were investigated in the empirical phase of the study and three different 'new' cognitive strategic orientations were found; labelled: rational, developmental and interactive strategic orientations. The findings suggest that front-line managers employ rational analytical, developmental or interactive strategy processes to achieve aims and objectives. The findings suggest that front-line managers can have a balanced internal/external focus, an internal focus or an external focus on competition respectively. The literature also points to the possibility that managers can be focused on internal interactive effects, but such a strategic orientation was not found.

Another major issue highlighted in the introduction was that current knowledge of strategic orientation is largely limited to an organizational level of analysis from a top management perspective. It is most usual for researchers to investigate strategic orientation at the level of the firm using cross-sectional studies based on a response from one member of the top management team. It was pointed out that not only does such a research design have serious limitations but there is also a lack of understanding of strategic orientation operating at a cognitive level when managers are engaged in strategy practice. Furthermore, prior research has identified that strategies can emerge from what is possible at lower levels in organizations and front-line managers at such levels are becoming key to the development of effective strategy if organizations are to respond quickly in hyper-competitive environments. However, there is a lack of knowledge of how strategy tends to emerge from practice activity at these levels and why it emerges in particular ways. The research highlights a pragmatic perspective in the development of strategic orientations used to achieve objectives emphasising experiential learning based on attempts by front-line managers to improve performance. The front-line managers

taking part in the study had learned, from past experience, the 'best' strategy processes or *ways* to achieve increased performance and these strategy belief structures were incorporated into their cognitive maps. The primary and secondary objectives chosen by these managers were also directed at differentiation from competition and attempts to improve performance and these were related to managers' personal goals and values. Cognitive strategic orientations are likely to be stable over time because they are linked to personal values which are enduring. In sum, the study has contributed to new knowledge of strategic orientations at the level of practice and this contributes to a cognitive explanation for emergent strategy.

The research highlights that in a large spatially distributed branch network of retail stores front-line managers develop strategy processes and objectives themselves to deal with the competition at a local level. This competition can vary from one location to the next and therefore locally developed strategies may tend to undermine any consistency in strategies developed for the organization as a whole. Traditional rational hierarchically formulated strategy has difficulty dealing with such variable conditions and this may be an overriding reason why strategy can emerge from practice in this context. The pragmatic perspective of strategy highlighted in the research gives much more weight to management trial and error and learning what works in a particular practical context. The research highlights that front-line managers develop strategy processes and objectives that work effectively in practice and consequently there is much potential for increasing performance of the whole organization if 'best' practice is adopted by other managers. Much flexibility can also accrue from such an approach if branch managers are continually given the opportunity to try out their strategies in practice and any positive results disseminated to the whole organization.

A contribution to further knowledge of the links between strategy processes embedded in practice and the content of strategies (or ends of the process) within a retail context is made. The research highlights different strategy processes used by front-line retail managers in a branch network of stores and these are linked to consequences such as different objectives directed at attempts to increase performance. Such a delineation between strategy processes and the ends of the process are not always made in strategic orientation studies but this is a weakness that needs to be addressed in future research. The findings from this study may help future researchers avoid this problem by

encouraging them to clarifying the exact nature of an 'orientation' at the start of any study.

Furthermore, a contribution to research methodology is made by addressing problems associated with the comparison of cognitive maps. The methodology used in the study allows for a better comparison of individuals' cognitive maps because of the consistent procedures used in their generation. Also by combining three cognitive techniques: sorting technique, causal cognitive mapping and laddering technique, methodological advantages are demonstrated by providing greater richness of cognitive data associated with strategic orientations than prior studies. Additionally, the development of cognitive maps in real time during the interview also has the advantage of generating more accurate maps and increases the reliability of inferences based on them. In the past non-standardized techniques which have serious limitations, such as open-ended interviews, have been used by researchers wishing to compare cognitive maps but this study demonstrates that such approaches are not necessary.

The major advantage of studying strategic orientation within a single organization is that it was possible to study the differences in assumptions and beliefs about strategy within the same context and this was important to address construct validity concerns when developing theory. A broader study focusing on different strategy making contexts might have highlighted additional different strategy belief structures, but it would be difficult to compare cognitive maps like with like in such different contexts. The study of different strategy belief structures within the same context has added to the robustness of the more limited findings.

12.1 Implications for Empirical Research

Further empirical research needs to be firstly directed to testing the propositions and detailed aspects of the model of strategic orientations in practice developed through this exploratory qualitative study. As the theoretical framework has been empirically investigated in the retail sector, a large quantitative study in this sector is an obvious starting point for further work. It will be interesting to compare the differences in the strategy belief structures of store managers in other retail sectors, such as a comparison of the convenience sector with supermarkets and superstores. However, it is likely that more differences in strategy belief structures will be found when investigating other

industrial sectors. Therefore, studies of other industrial contexts will help develop the model of strategic orientations in practice further and make it more generalizable. Presently, the model has only been developed on the basis of this current study in the retail sector and therefore has limited generalizability. The labels in the model developed from findings in the retail sector, however, are non-specific enough to provide general labels for the addition of more detail based on future research findings.

12.1.1 The strength of strategic orientations

The findings suggest that front-line managers possess strategic orientations of different strengths and this issue needs to be investigated by further research. Some respondents, for example, ranked a certain objective as the most important factor for success. This emphasis suggests that these front-line managers are largely focused on objectives or ends rather than strategy processes or *ways* to meet them. Such managers are likely to possess a weaker strategic orientation than other managers who put more emphasis on strategy processes [37]. Another closely associated issue is that of stability of strategic orientations. If objectives are the primary focus of some front-line managers then their strategic orientations are likely to be less stable than others who emphasise strategy processes, because prior research suggests that strategy content is more changeable.

The findings also suggest that front-line managers possess cognitive strategic orientations to a relative degree. It is not so much that managers possess developmental strategy belief structures completely, for example, but that they possess these belief structures to a relative degree in relation to others. Such a relative position seems to mirror prior research into market orientation (e.g. Kohli and Joworski, 1990) and different degrees of orientation may be best investigated using quantitative methods and appropriate analytical techniques such as factor analysis. Retailing may be a good research context for such a study so that the findings can complement the findings in this current study.

12.1.2 The relationships between strategic orientations and cognitive complexity

The findings present a complex picture of the possible relationships between cognitive complexity and specific strategy belief structures. High cognitive complexity seems to be

[37] Another way of looking at this finding is to consider that some managers are more oriented to strategy processes whereas others are more oriented to strategy content because objective are linked to strategy content.

linked with analytical information processing or *how* managers deal with data rather than the content of any strategy belief structures. In this regard the findings seem to suggest that an analytical cognitive style may be linked to increased cognitive complexity. Further research is required to investigate the relationships between strategy belief structures, cognitive style and cognitive complexity. There are specific managerial implications of such research, because managers with a particular cognitive style may be more suited to dealing with certain forms of complex environments. Those environments, for example, where managers need to address a relatively large number of objectives simultaneously.

Furthermore, the findings also suggest that a relatively high cognitive complexity will be found in respondents with developmental strategy belief structures (see *8.2.3* above). The complexity of addressing developmental issues may be one explanation for this finding, but it may not be the only explanation because a variance in the complexity of cognitive maps was found in respondents with developmental strategy belief structures. Further research is required to investigate these potential relationships in a more systematic way.

The findings also suggest a relationship between the structuring within causal cognitive maps and cognitive complexity (see *8.2.4* above). An analysis of the data seems to suggest that there is a relationship between a strong focus on an important factor which seems to result in centralized structuring and higher cognitive complexity. On the other hand, lower cognitive complexity seems to be associated with linear structuring within causal cognitive maps. Further detailed research is required to fully investigate this issue. It may be that expert store managers tend to have more centralized structuring and higher cognitive complexity, and therefore there are serious performance implications associated with understanding this issue further. Another explanation is that managers with a more analytical cognitive style could have more centralized structuring. Further research needs to investigate these possibilities and their implications.

12.1.3 The relationships between strategic orientations and objectives

Prior researchers (Hitt, Dacin, Tyler and Park, 1997) adopting a cognitive definition of the strategic orientation construct suggested that the nature of objectives will be influenced by a particular strategic orientation. The findings in this study confirm that this may be likely. For example, the main primary objective 'Service quality' was largely addressed through developmental strategy belief structures, but the findings also suggest

that the same objectives can be met through other different rational strategy belief structures. Therefore the picture that has emerged is much more complex than prior research suggests.

To complicate matters even further, the findings also suggest that managers can possess different perspectives of the same objective. For example, 'Service quality' from a rational perspective seems to mean providing the correct mix of products for customers and therefore the strategic orientation is focused on an analysis of customer needs. The same objective, 'Service quality', from a developmental perspective seems to mean something completely different altogether; forming relationships with customers and providing a friendly service. From this second perspective the strategic orientation is focused on the secondary objectives of 'Employee flexibility' and reducing 'Personnel turnover' to help develop and maintain relationships with customers. The notion that an objective leads to a particular strategic orientation, and not the other way around, does not seem to have been given much prominence in prior research into the strategic orientation construct and further research needs to explore this issue systematically.

In contrast, prior research implies that a strategic orientation leads to particular objectives based on a national cultural influence, but the findings here suggest that this is a simplistic notion. For example, 'Service quality' was found to be the most important objective by thirteen respondents to achieve customer loyalty and five respondents focused on the same objective for a different reason, that of differentiation from competitors. In other words the findings highlight that there are different rationales for the focus on the same objective within the same organizational culture. A simplistic study of objectives is unlikely to pick up the nuances of such findings.

Future research also needs to pay particular attention to the scope of the strategic orientation construct as the clear delineation of strategy processes or *ways* from objectives has not always been clear in some previous studies. The findings suggest that defining a strategic orientation on the basis of a focus on a particular objective is flawed because this, by definition, is not necessarily a strategic orientation. The findings in this study highlight this issue because some managers were found to be primarily focused on objectives whereas others were focused on strategy processes or *ways* to meet objectives (see *7.2.2* above). Therefore, the findings seem to mirror the debate in the strategy literatures which emphasises the difference between strategy content which focuses on

the ends of strategy, and strategy process which focuses on the *ways* to get there. It would be interesting to find out the different consequences such as the performance implications of the two different types of focus evident in front-line managers. A comparison of both groups of managers to investigate the consequences of a different primarily focus seems to be warranted.

Future research should be directed at managers' style in practice. The literature suggests two alternative explanations for practice. One is that managers consciously learn what works best in practice whereas another explanation suggests that practice is based on an unconscious style of engagement. The notion that managers develop an unconscious style of management, not directed at objectives in a cause and effect manner, was only partially investigated in this study. Managers were largely found to focus on objectives and this suggests that strategy belief structures are a result of more conscious thought and learning processes as expressed in the pragmatic philosophy literature. Additional research is required to investigate managers' unconscious style of engagement. The focus on cognitive content in this study is likely to have contributed to explanations directed at conscious explanations rather than unconscious style and both need to be included in one study. However, the notion that management style is important was highlighted by the data. 'Personal leadership style' is important to the front-line managers taking part in the study because twenty-two respondents included this in their cognitive maps as an important factor for success. The findings point to the notion that a conscious focus on objectives and an unconscious management style are not mutually exclusive explanations for practice but are interlinked. A particular management style, such as a leadership style, may have partially been developed due to the focus on particular objectives such as team building. It is also possible that each explanation for current practice is related to a temporal dimension. For example, when managers start doing their job they consciously learn what strategy processes work well in practice and what objectives to focus on, but once they have become more expert and develop a particular management style more unconscious explanations for current practice may come to the fore.

Another line of future research should be directed at further exploring the notion that it is unlikely that the same objective can be met equally well through different strategic orientations as strategy processes. For example, additional benefits of 'Employee flexibility' and reduction in 'Personnel turnover' are widely reported by managers with developmental strategy belief structures. It seems that additional capabilities accrue for

managers and the organization by the adoption of particular strategic orientations in practice activity. This potentially important relationship needs to be followed up and extended by further research.

12.1.4 The relationships between strategic orientations and personal goals

The findings highlight the importance of reward structures and personal goals to a detailed understanding of strategic orientations in practice, their antecedents and consequences. The fulfilment of personal goals and the influence of rewards are not given prominence in studies into strategic orientation or other orientation phenomena to-date. Future research to more fully investigate these issues would be beneficial and will likely increase our understanding of the consistency of strategic orientations. Personal goals are a likely source of such consistency because they reflect values or enduring beliefs and are unlikely to change quickly. Such further research may help upper management influence the development of particular strategic orientations within their organizations through the introduction of effective reward structures that may benefit the organization as a whole.

12.1.5 The performance implications

One of the major directions for future research is to address the relationships between different strategic orientation in practice and their performance consequences. Many respondents suggested that they have benefited considerably from their on-the-job experience and employ strategies that they have seen work effectively for other managers in the past. Similarly, negative experiences seem also to have influenced the development of strategy belief structures so such experiences are avoided in future. There are seemingly many potential performance benefits from training junior front-line managers in particular ways.

Furthermore, it seems that the same objectives can be met through different strategy processes or *ways,* but it is likely that some of these *ways* provide more opportunities for increased performance than others. For example, the secondary objectives 'Employee flexibility', 'Motivation of staff' and reductions in 'Personnel turnover' were often linked in respondents' cognitive maps to developmental strategy belief structures. Dealing with objectives through developmental *ways* may provide many advantages such as flexibility and consistency of staff that benefit the managers that adopt such strategic orientations.

The expected advantages reported by respondents are "less hassle" and an "easier working life", more "relationships with customers", more "responsiveness to change", increased levels of "service quality" and increased "sales and profits". Such performance consequences suggest that managers employing developmental strategic orientations may benefit their organizations and obtain additional rewards themselves such as sales bonuses and career development.

The grocery retail sector offers considerable advantages to such studies over other sectors because it may be possible to more easily attribute performance to any management activity. There are many problems associated with attributing performance to any one construct, but in grocery retailing it is often only the store manager that moves from one store to another. Other variables are likely to remain relatively constant. Therefore, the standardization of additional variables that may influence performance is facilitated by the research in the retail sector, and this has the advantage of addressing many potential validity problems associated with such performance research.

A longitudinal research design involving detailed analysis of changes in strategy belief structures together with changes in behaviour and performance within particular stores may be fruitful. Grocery store managers are moved to different locations approximately every two years to specifically influence performance. It would be very interesting to study in detail how different managers achieve this. It is likely that a manager's strategic orientation will remain relatively consistent because it is firmly embedded in practice, but it will be interesting to investigate how different managers with different strategy belief structures tackle problems which may vary from store to store.

On a cautionary note, it is important to point out the difficulties of dealing with different levels of analysis in research. Performance research in the individual domain would require investigating the influence of the individual store manager on the performance consequences at a different, organizational level of analysis. Such a jump in the level of analysis is potentially problematic because of the extra difficulties in linking cause and effect. Whereas researchers may be warned off such research projects due to the difficulties, the respondents in this study, however, do expect their influence to extend to the organizational level. It should be noted that the model of strategy belief structures outlined in Figure 13 has been developed based on respondents' beliefs of cause and

effect relationships. These beliefs do not extend to the consideration of the potential research problems that may be encountered when investigating such a model!

12.1.6 Cognitive content at different organizational levels of strategy practice

It will be interesting to compare the findings from the current study, which focuses on the cognitive content of front-line managers, with other managers more traditionally associated with strategy, such as top managers within the same organization. It seems that the sphere of influence of front-line managers, as this study suggests, impacts on their strategic orientation and choice of objectives. Objectives in particular seem to have been developed to include factors where they perceive they have some control. Managers at the top of organizations are likely to perceive different factors as controllable and this will likely lead to a dominance of a different set of objectives and different strategic orientations at different organizational levels. For example, the data suggest there may be a dominance of developmental strategic orientations in practice at lower levels focusing on internal issues, whereas there may be a dominance of rational or interactive strategic orientations in practice at the top management level within the same organization. In other words one set of managers may be focused internally whereas another set of managers within the same organization may be focused externally or have a more balanced focus between the two. Due to a dominance of strategy research focused at the whole organization such differences and lack of consensus are rarely investigated. However, new knowledge of the presence of different strategic orientations at different organizational levels would aid a more detailed holistic understanding of the strategy processes occurring within organizations.

12.1.7 Research methods

The study highlighted some issues in relation to research methods best employed to develop cognitive maps when such maps need to be compared. Due to the need for the comparison of relatively large numbers of cognitive maps, standardization in the development of maps needed to occur so that the comparison can be carried out more accurately. Sorting technique is particularly suitable when cognitive maps need to be compared because it is very standardized. This standardization has not always been followed in prior empirical research when cognitive maps have been compared and this seems to have undoubtedly reduced the validity of studies that have used non-standardized methods. For example, Calori, Johnson and Sarnin (1994) used unstructured

interviews to develop cognitive maps that needed to be compared and controlled for the length of interview so that this factor would not bias the results of their study when comparing cognitive complexity. These authors needed such a controlling procedure because it is likely that more issues would be raised by managers in longer interviews therefore resulting in higher cognitive complexity than in shorter interviews. However, it is difficult to see how interview length can be accurately controlled and it seems that such a procedure will be fraught with errors. Such procedures are unnecessary when more standardized methods such as sorting technique are available for researchers to use.

12.2 Implications for Theory

The model and propositions developed from this research highlight the importance of cognition in the strategic orientation research domain. Cognition has received scant attention in this domain and it is hoped that the theoretical development, which has been one of the main objectives of this current study, will aid further work to start to redress the imbalance of research activity. The model and propositions that emerged out of the research have not been proposed to date, and these provide a more comprehensive explanation to aid our cognitive understanding of strategic orientation than has been presented to date.

Prior to this study, the cognitive domain to help understand strategic orientation was underdeveloped theoretically with problems experienced by researchers in operationalizing a cognitive definition of the strategic orientation construct. This study addressed this important theoretical impasse so that further research can avoid this problem. This development has the potential to 'open up' cognitive research into strategic orientation by addressing such past problems. A more theoretically grounded perspective of strategic orientation was presented in this study, which resulted from specifying the dimensions of the construct based on an interpretation of the *a priori* theoretical literatures. This theoretically grounded perspective has advantages because labels have been attributed to various possible strategic orientations and this adds some clarity to their study in future.

12.2.1 Antecedents to strategic orientations

Previous research suggests that national culture is a dominant antecedent to cognitive models together with job position and environmental complexity. The findings from this

study suggest that these factors are not as important as predictors of differences found in cognitive maps as previous authors suggest. In this study all the respondents were from the same national and organizational culture, doing the same job involving broadly similar environmental complexity, yet the data still highlights large individual differences when cognitive maps are compared. It seems that prior research has been largely directed to national cultural and environmental explanations for the development of cognitive models, whereas other explanations for individual differences have received much less attention.

Other social or cultural phenomena may provide an explanation for some of the similarities and differences found in the cognitive maps presented in Appendix 1. Beliefs about strategy can be socially or culturally embedded in practice (see Granovetter, 1985; Hess, 2004; Whittington, 1993) and different forms of embeddedness may explain the findings. For example, societal embeddedness may operate at an individual cognitive level and explain the similarities in cognitive maps, whereas network and spatial or territorial embeddedness seem to explain the differences because respondents learn from different experiences based on different personal networks and enact difference local competitive environments (see Hess, 2004).

In this study some potentially important areas for further theory development have been identified, such as the influence of personal experience and personal goals as antecedents to cognitive models. More attention needs to be paid to such factors in future to provide more finely graded explanations for the similarities and differences found in cognitive maps.

12.2.2 Strategy content and process

Debates in relation to strategy theory have often been presented in the past as bipolar alternative explanations, such as the historical 'choice' versus 'determinism' debate in the early strategic management literature (see Combe, 1999). Another more recent debate concerns the issue of strategy 'content' versus strategy 'process'. In this debate, some theorists suggest that competitive advantage results from the content of strategies and these are largely based on interactivity relative to competitors such as a unique position, unique resources or efficiency resulting in lower prices than competitors. Other theorists suggest that competitive advantage results from processes such as analysis and planning or learning and development.

The empirical findings from this study suggest that managers integrate the two. The strategic orientation construct was defined in terms of strategy processes or *ways* to meet aims and objectives. In other words, in relation to the findings in the study, respondents seem to believe that rational, developmental, or more interactive strategy processes are required to effectively meet objectives. However, the findings suggest that when objectives have been met this results in a particular strategy (content) such as an unique service quality. So, objectives seem to define the content of strategies, whereas the strategic orientation, as defined here, is focused on the process of strategies. In this study strategy process and content are linked and relationships are postulated that need to be investigated further. This study, then, goes some way to answer the calls for research into strategy content as well as process within context.

12.2.3 Levels of analysis

The model of strategic orientation in practice presented here suggests a cross-level type of model (Thomas and McDaniel, 1990) which links a construct operating at an individual level to organizational and individual consequences. It is recognized that such a cross-level model adds much to the complexity of the study of strategic orientation and is difficult to investigate by empirical research. However, such research needs to attempt to address the complexity seemingly present and help to more fully understand the effectiveness of individual managers.

The findings from this study also add to the debate about the influence of different management levels on strategy by the more unusual a focus on front-line managers. The increased incidence of de-laying of middle management within organizations seems to have recently fuelled this debate, because senior front-line managers are increasingly being asked to fulfil additional more strategic roles rather than merely operational ones (see for example, Hales, 2005). It is obviously debatable as to the extent of this strategic role, but the findings here seem to point to the notion that to separate strategy from operations is a false dichotomy in the first place as far as business strategies are concerned. They are integrated at the implementation phase of strategy and it becomes difficult to determine which comes first. Do strategies come first and lead to their operationalization or are strategies developed from operations in practice? Of course the answer may be a little of both, but in the past the focus of strategy research on the top management level has emphasised strategy consistency through the traditional

hierarchical top-down approach. Strategy formulation is said to occur at the top and this is disseminated to the bottom for consistent implementation.

The findings from this study suggest otherwise; that front-line managers within the same organization have different objectives, which will invariably lead to different strategies (content), and these objectives are formulated to address different local conditions. Front-line managers may be enacting a different environment to top managers (see Weick, 1995) so that the consistency of strategy throughout the whole organization is not achieved. To help achieve more consistent strategies in a retail context top managers may need to geographically position their stores in geographical areas with very similar local conditions. This approach, if it is feasible, is likely to ensure more consistency in strategies throughout a branch network. However, as Osborn (1998) points out flexibility is also required for agility in highly competitive markets and developing emergent strategies from the bottom-up based on front-line managers dealing effectively with different local conditions may be very useful for companies when faced with such markets. The strategy practice perspective at the level of front-line managers adopted in this study highlights how strategies emerge from operational practice and this is consistent with the cyclical experimental approach found in some other empirical prior studies (e.g. Danneels, 1996; Mintzberg and Waters, 1982). This focus highlights the presence of inconsistency in strategy within a single organization much more that a cross sectional study based on the response of one top manager.

12.2.4 Capabilities associated with different strategic orientations

Prior theory gives scant attention to the possibility that certain capabilities are associated with certain strategic orientations. Implicit in much prior research is the notion that managers can simply change their strategic orientation by a focus on a different strategy process, objective or a different strategy (content). This seems unlikely, and the findings emerging out of this study seem to confirm this by highlighting that front-line managers different experiences and knowledge impact on their strategic orientations and their choice of objectives. Their capabilities to meet these objectives have further implications such as performance consequences. The findings, therefore, complement recent theoretical development by Combe and Greenley (2004), which highlighted a possible cognitive content explanation for different capabilities for strategic flexibility.

Theoretical development to help explain the importance of cognitive activity or style to capabilities in the strategy domain also seems warranted from the findings. The findings seem to suggest that an analytical cognitive style may result in more cognitive complexity and theories to help explain such phenomenon and their consequences are also required.

12.2.5 Consequences of strategic orientation

The findings suggest that the fulfilment of personal goals is important to an understanding of the performance consequences of strategy belief structures. The study highlights the need for theories that postulate the relationships between strategic orientations and the fulfilment of managers' personal goals as the literatures seem to be limited in this regard. Such theory development needs to account for embedded beliefs about cause-and-effect relationships which are unlikely to be ignored by managers.

The findings also highlight that objectives seem to be chosen for their potential to differentiate from competition and more theorising about the links between managers' objectives and strategy content seems to be warranted. More simplistic ways of thinking about strategic orientations, that ignore belief structures and different capabilities of managers to meet objectives, may be constraining the development of theory. The findings emerging out of this study point to much more complexity, which needs to be considered when theory building and testing in the strategic orientation domain in future.

12.2.6 Complexity and practice

The introduction highlighted that managers are faced with much complexity when operating in current global hyper-competitive environments. Researchers such as Senge (1990) and Stacey (1995) have investigated this complexity and outlined its dynamic nature. Several authors have extended the debate by suggesting how managers could deal with this type of complexity and seem to concur that approaching it through traditional hierarchical rational planning is unlikely to be effective. However, these authors differ in their suggestions of the strategy paradigms that might be more effective in dealing with current environments. Senge (1990) for example, has made a strong case for the developmental learning paradigm and suggests that managers should learn about the interconnectedness within the system they have to deal with. Stacey (1995), on the other hand, has put forward the process emergent paradigm and implies that managers are

unlikely to be able to manage dynamic complexity. Order emerges from chaos within the system. Again Combe and Botschen (2004) suggest dealing with dynamic complexity through an integrative multi-paradigm approach by focusing on the advantages of different paradigms that work best in practice.

The practice perspective has much to contribute to this debate and unities these authors' suggestions. Pragmatic philosophy suggests managers should focus on experiential learning or learning by doing. That managers learn from what works best in practice and this suggests that effective strategies are likely to emerge from this developmental process. Emergent strategy modified and developed in practice is likely to be more effective because it has been shown to work already. In a large distributed retail branch network, which was the context for this study, there is much potential for creatively responding to competition so that 'best' practice can be identified and distributed throughout the network. This potentially provides a very flexible response to whatever competition arises so the dynamic nature of complexity is dealt with. One of the main benefits of studying strategy practice at all organizational levels is that contextual and holistic understandings will be developed further and this is required if researchers are to understand managers' problems when operating in current unpredictable environments and offer some solutions.

12.3 Implications for Management

There are many management implications suggested by the findings and the presentation of the research propositions. A main management implication is that managers should be aware of the consequences of adopting a particular strategic orientation as performance consequences may be linked to one strategic orientation and not others.

12.3.1 Training

In respect to antecedents of strategic orientations, the findings suggest that personal experience is very important to their development. Head office managers are offered the possibility that they can control the experiences of junior managers by placing them in deputy positions with good role models. Performance increases may result from the correct identification of the 'best' strategy processes for a given business context and exposing junior managers to those to highlight them. The identification of the most appropriate objectives for a given business context will also likely increase performance.

The findings suggest that different strategic orientations are associated with a focus on different objectives. Head office managers may, therefore, be able to control the focus of large numbers of managers in an organization by facilitating the development of particular beliefs which will aid customer loyalty and consistent positioning versus competitors. Such consistent positioning may have additional benefits in developing a consistent brand identity, which may have further performance advantages. When operating over numerous sites such consistency is a big challenge to management and paying attention to the strategic orientation of managers may be key.

Some strategic orientation may be associated with larger numbers of objectives being addressed than others. This finding suggests that some managers with particular strategic orientation are more focused than others on, for example, one key objective and this may have advantages in clarifying the direction of the organization to other staff to best achieve competitive advantage. Further research is required to explore the performance implications of a focus on either a single or multiple objectives.

Some respondents alluded to the special capabilities required to be an effective store manager in the convenience sector. For example, respondent 34 reported that he was asked to take over a "problem store" to replace an ineffective manager who was experienced in the management of a large supermarket. It seems that knowledge and capabilities developed in large stores did not prove to be useful in the convenience sector. Largely it seems a broad knowledge and much more flexibility are both required when managing smaller stores with fewer specialist staff. On the other hand, the management of large stores seems to require more analytical skills and more delegation to specialist staff. It is likely that flexibility may be transferable to some management contexts whereas more analytical skills may be required for other contexts such as managing large retail stores. Further research may be able to shed more light on this issue to find out if store managers of large supermarkets do need to possess more rational strategic orientations due to the analytical nature of this job.

12.3.2 Rewards

Reward structures are also seemingly very important to the development of strategic orientations. It is unlikely to be a co-incidence that large numbers of respondents seem to possess developmental strategic orientations and these were also perceived by many respondents to be required for promotion to the area manager job. If this is so, then career

developed reward structures may also be used in a proactive way by head office management to foster the development of particular strategic orientations that may be useful to raise the level of performance. Career rewards do seem very important to many respondent managers included in this current study.

12.3.3 Motivation

Not all factors are controllable by store managers. This issue seems to be of considerable importance to managers based on the high incidence of the "location of stores" being reported as an important factor for differentiation from competitors. The 'Geographic position of store' was also ranked as the most important factor for success by four respondents so its importance to these managers is self-evident. When competing on convenience and service at a relatively premium price, care must be taken with the geographic positioning of stores in relation to consumers and competitors. In highly competitive locations, store managers may feel that they have little control over performance and this may have a negative impact on their motivation, the motivation of other staff and consumer perceptions of the brand. In such situations it seems that whatever their strategic orientation, managers perceive that they are unlikely to be effective and head office management need to recognize this if they have not already done so.

12.4 Limitations

There are several limitations associated with this study that need to be addressed by future research.

12.4.1 Theoretical approach and operationalization

One limitation is that theoretical cognitive strategic orientations were developed *a priori* and therefore the investigation was limited to dimensions of the construct that are already in existence. The use of a variety of factors in the sorting task, some of which were developed through prior research and not associated with the interpretation of the strategy literatures presented in the theoretical framework in Part 1 of this thesis, has helped alleviate this bias. The use of an *a posteriori* or a more grounded approach in future research may be needed to resolve this limitation. However, the difficulty with such approaches is that strategic orientations as 'theories in use' may not be easily

obtained by other methods. Key researchers for example, consider that such implicit theories cannot be obtained simply by asking for them, and this is a potential major limitation of alternative methods.

Another limitation is the operationalization of the theoretical construct in this study through different beliefs about strategy already present in the literatures. Some beliefs may be associated with more than one strategic orientation and the possibility that strategic orientations exist as relative phenomena also points to the need for further work to operationalize strategic orientations at a cognitive level. Difficult was encountered in obtaining indicators of chaos strategy belief structures and fewer indicators of these were included in the study and this has invariably reduced the possibility of finding them. However, the 'chaos' factors that were presented to managers were rarely chosen, thus suggesting that they were unimportant to managers in the convenience grocery retailing context. Therefore it is unlikely that this limitation would have seriously biased the results in this study. It is likely that, if these chaos strategy belief structures do exist, they may be found in other much more unpredictable business contexts. The study of such unpredictable contexts would help in the development of indicators for these possible belief structures.

12.4.2 Data collection and analysis

Another limitation is that the data was collected in a single organization based on interviews with forty store managers and this has limited the findings and their generalizability. This limitation needs to be addressed by conducting further studies in various industries and testing the model and propositions developed in this study in a variety of contexts.

The data collection methods used in this study have resulted in further limitations. The sorting technique, in particular, has advantages such as standardizing cognitive map generation, but it limits the size and detail of cognitive maps and limits the factors that are presented to respondents to *a priori* factors chosen by the researcher. This limitation has resulted in less personal cognitive maps than may be the actual case. Authors such as Eden and Ackermann (1998b) point out the need to compare idiographic data because cognitive models are composed of personal constructs that are idiosyncratic. It would be interesting to find out if similar results occur when other data collection techniques are used which do not limit the factors chosen by respondents so that unrestricted cognitive

maps can be compared. However, it would be much more difficult to compare cognitive maps if non-standardized techniques are used in their generation. Within the limits of current research and analytical methods some balance needs to be struck between the pragmatic need to compare cognitive maps, and therefore the introduction of some form of standardization of factors, and the need to retain their idiosyncratic nature. By striking this balance in this study some lack of idiosyncrasy has resulted in some errors.

The data collection methods focused on the individual manager within an organizational setting. By emphasising individual cognition the research pays little attention to distributed cognition, collective cognition and dialogue between individuals. An alternative research focus, even in the same organization, which focuses on strategy belief structures within a collective decision-making process may point to political considerations playing a much more fundamental role in achieving objectives (see Nicolini, 1999). Such considerations were not highlighted in the data and this may be due to the research methods used.

The identification of objectives is an issue that needs to be addressed at the data collection phase in any future research. These were not investigated separately in the study for two reasons. One, identifying objectives within cognitive maps was an issue that had seemingly been addressed by prior research. A reading of the analytical techniques adopted by Bougon, Weick and Binkhorst (1977) suggested that objectives were relatively easy to identify by a calculation of the average indegree of all factors, but this proved to be incorrect. A modified technique which calculated the average abstractness of factors was useful to clearly identify primary objectives, but secondary objectives were much more difficult to distinguish from other factors such as the *ways* to meet objectives. Two, there was a suggestion in the literature that managers do not necessarily have to be directed at achieving objectives in a cause and effect manner and this possibility was built into the study. It was felt that if objectives were discussed separately, this might lead the respondents to cause and effect rationalization that was not really present. The results, however, do suggest that many managers do choose objectives and address them for performance reasons so this needs to be considered when conducting further research. The difficulty in separating secondary objectives from factors associated with strategy processes or *ways* to meet objectives has limited the robustness of this current study. Since objectives were not investigated independently of

other factors in this study this has resulted in additional limitations that were not envisaged by a review of the literature.

Causal cognitive mapping is also a technique with known limitations. Hodgkinson and Sparrow (2002) report that the type of errors to be expected are related to the technique used to generate the maps. For example, the hand drawn mapping technique used in this study puts particular demands on the respondents' recall memory and is therefore likely to provide some inaccuracies in the representation of individuals' cognitive models. However, memory error was partially addressed in this study by limiting the number of factors included in the causal maps to the ten most important. More elaborate maps containing more than ten factors are likely to suffer more memory omission errors, such as occur when a respondent forgets a relationship between two factors. Such errors are less likely in less elaborate cognitive maps.

Laddering technique is another data collection method with known problems. The technique is useful for obtaining chains of reasoning important when attempting to understand a rationale for managers' actions. The technique may, however, force managers to post-rationalize and present their rationale in a linear hierarchical fashion that may not reflect the structural relationships present in their cognitive models.

The analysis of the data is also another potential limitation to this study. In this study, interpretive methods were largely used because these seemed most appropriate to the objectives of the study and the nature of the data collected. Future research could focus on other methods of data collection and data analysis. For example, quantitative data collection techniques and data analysis through factor analysis would be useful to see if the findings are confirmed by large-scale studies. The findings seem to point to the notion that strategic orientations exist as relative phenomena and therefore quantitative analytical techniques seem appropriate and may help to identify the relative strengths of different possible strategic orientations. However, much work is required to operationalize the different strategic orientations for such a study and validate any research instrument used.

12.5 A Reflective Account of the Research Process

Reflecting on a research process that has taken a number of years is a difficult task. This process has not only taken time but considerable energy involving at least one divorce

(so far), the birth of two children, a few moves around the country and work at two universities. I was originally stimulated by strategy theory during an M. Sc. by Research I carried out at Aston University. This was a very positive experience with Tony Cox acting as my supervisor and Gordon Greenley my external examiner as he was at The University of Birmingham at the time.

Another main reason I became stimulated was due to my experiences managing my own businesses without any thought of strategy or indeed any management training whatsoever. I found business practice initially stimulating and financially rewarding but my management knowledge and skills were very limited or even non-existent at the age of 23 when I started to employ staff. After the initial stimulation wore off business practice eventually became rather predictable and mentally unfulfilling requiring a re-focus in life and new challenges. I built my own house in West Oxfordshire and completed a teacher training course at a local further education college before enrolling at Aston.

When starting my Ph. D. I did not initially focus on the strategic orientation of individual managers. On reflection I think there were two initial spurs on my research direction; one positive and one negative. On the positive front I was very interested in reading about different ways of thinking about strategy together with discussions at a theoretical and philosophical level. This interest stimulated me to read widely in the strategic management and strategic marketing literatures. Perhaps my interest in theory was to provide a direct contrast to my previous focus on practice. On the negative front I was rather turned off by the vast amount of quantitative empirical studies that attempted to prove a link between a phenomenon such as strategic planning and performance. The methodological difficulties in proving a link between cause and effect are well known but that does not seem to limit the number of such studies in the strategy domain. Luckily the positive far outweighed the negative so I searched for exemplary articles for motivation.

Given an interest in strategy theory, doing a Ph. D. in the strategy domain is complicated and perhaps if I knew then what I know now I might not have started. An early problem was how to collect and classify all the different ways of thinking about strategy and attempt to operationalize them in empirical research. Through experience I now know that I could have taken a framework developed by another author and used that to

conduct my empirical study. This approach would have saved a lot of time but I confess that at the time I thought that this task was a major theoretical underpinning of any new contributions to knowledge and therefore the student's responsibility. This more 'naive' phase of my research took considerable time and involved considerable reading. I now have nearly 700 references in my bibliography and I read the majority of these during the initial stages of the research. At this early broad reading stage I realized I was becoming hooked and one incident springs to mind to illustrate this. One morning I was dropped off at a railway station on the way to work at Aston and started reading some journal articles in the waiting room. I broke concentration to look at my watch and found that I was already late for work. Luckily I wasn't teaching that morning; I had let several trains pass me by without even realizing it because I was so engrossed in my studies.

Several writers were influential to my development at this early stage. Whittington (1993) in particular was an initial spur on the strategy front for two main reasons. One, I liked the approach he used which outlined alternative ways of thinking about strategy and noted that this leads to powerful arguments. Two, I disagreed with the notion that these ways of thinking were opposing each other as alternatives. I tried to find a different approach to classification of strategy paradigms, which also included additional ways of thinking not discussed by Whittington, and one that also reflected management practice. I knew from my own attempts at practice that managers have to balance many demands and this can result in much complexity requiring different approaches. Management practice does not neatly compartmentalize issues and problems around particular research paradigms that happen to be convenient because they fit with researchers' skills. Integrating perspectives of strategy to reflect the complexity of what occurs in practice (Combe, 1999) was perhaps an obvious contribution, but one which presented considerable difficulties for me at the time. The task of developing an integrative framework to classify different strategy paradigms was not only mentally demanding requiring making sense of a large amount of literature, but was also demanding in other ways because my writing abilities were (are) underdeveloped. I also had to deal with an academic journal editor and reviewers for the first time and this is a tough developmental process in its own right. I did, however, receive considerable advice from colleagues at Aston and my supervisor Gordon Greenley in particular. The journal editor also gave advice and overall the experience was a very positive one. This was a spur to carry on but had a slight negative consequence because it encouraged me to spend a little too much time writing articles and not enough time on my Ph. D.

At the same time I was struggling to find a methodology that I could use to empirically study different ways of thinking about strategy. I studied language and metaphor (e.g. Hunt and Menon 1995; Lakoff and Johnson, 1980; Morgan, 1980; 1986) but struggled to operationalize any ideas. I studied the strategic orientation literature but found little help there for this specific task. I eventually focused on the managerial cognition literature and cognitive mapping techniques as ways to investigate different ways of thinking about strategy. I noted that there were increasing numbers of studies focusing on management cognition and the subjective nature of organizational reality in the strategy domain, but there seemed to be a lack of clear definitions outlining what exactly cognitive models important in the strategy domain could be. Many studies, for example, focus on the competitive classification framework of respondent managers without considering how these managers approach strategy or what strategy processes they use. Empirical research into management cognition in the strategy domain did not seem to reflect the sort of thinking about strategy that was discussed in the more theoretical literatures. For example, Resource based view is discussed widely in the theoretical literatures as an explanation for the growth of firms and the sustainability of competitive advantage, but where, I asked myself, were the cognitive empirical studies investigating beliefs about resources and learning and their importance to strategies? Whilst, I did of course recognize that theoretical explanations for performance differences between firms do not necessarily have to turn up in management thinking, it did seem likely that they might, albeit in a different form. I thought that this was worthy of investigation.

I was also considering the organizational level that I needed to study. I think I am very sceptical of attributing strategic thought, or any other thought or beliefs for that matter, to a level that assumes consistency, such as at the level of the whole organization. I have found through experience that individual managers are prone to quite stark differences of opinion and ways of thinking. My main difficulty was to find a context where the beliefs of large numbers of managers could be compared and contrasted like with like. If I focused on the top management team only small numbers of managers are likely to be available for comparison within any single organizational context. Also departmental responsibilities could influence the findings because each top manager, it could be argued, is operating in a slightly different context because they are often directors of different functions and are not doing exactly the same jobs. A focus on a type of organization that employs large numbers of managers doing the same sort of job seemed to be appropriate so that a comparison within context could be made. Thus the

requirements of addressing the research objectives of directly comparing ways of thinking about strategy directed me to the types of managers that were included in the study. Perhaps I have overstated this potential problem and a focus on comparing cognition at different hierarchical levels would have been better in hindsight.

Of course the focus on practice at lower organizational levels raised another set of problems about the contribution to knowledge in the strategy domain because most researchers in the past have suggested that top managers are the key informants when investigating strategy and I would be largely ignoring them in my study. However, top managers are only considered supreme in the rational strategy literature especially the literature which discusses rational planning. Other more recent contributions to the strategy literatures are critical and question the effectiveness of the traditional hierarchical top-down approach to strategy for dealing with issues in current highly competitive global environments.

Major current concerns are dealing with the complexity and unpredictability confronting managers when operating in these global markets where consumers are fickle and new competitors can arise 'overnight' in a different part of the world by offering their products over the internet. The problems for managers may be overplayed because not many consumers do business with a firm that they have never heard of. The issues of trust and reliability become even more important when conducting business but do we really have to rethink our notions of doing strategy? Even so 'new' business conditions seem to suggest a re-focus in strategy research is required. Simple generic explanations for performance seem to be under threat. Investigating annual strategic planning cycles seems unlikely to throw up many insights when attempting to explain superior performance. Implying a consistent approach to strategy by investigating it at the firm level and only using one informant seems an inadequate response to current complexity in the business arena. Research needs to re-focus on the study of more dynamic ways of developing strategy on a continual basis.

I have noticed when conducting case study research in the past, and when working for organizations myself, that strategy does not necessarily get implemented as top managers would like or expect. Emergent strategy has been investigated before but a major focus is on the political nature of decision making (Pettigrew, 1973) and barriers to change in large bureaucratic organizations associated with the research of Lindblom (1959) and

Mintzberg (1973). Why does it also happen in some SME's for example, where such conditions are not so prevalent? Could the underlying reason be different ways of thinking that underpin many disagreements between individuals or even external phenomenon? This seemed to offer scope for my own contribution to knowledge which fitted with my interests and experience.

The next phase of the research was to operationalize and implement my focus on strategic thought. I developed the research methods that I used over a considerable time by reading about the pros and cons of different approaches. Inevitably this was based around studies that seemed exemplars, as I saw it, of doing a good research job. Markóczy (1997) and Walsh (1988) were particularly influential but I attempted to extend their approaches by adding other research methods to capture the complexity that I thought was present. I suppose on reflection I also wished to use multiple research methods to verify any findings by using different approaches. The rationale behind this choice then was twofold. One, multiple methods are better and safer, I thought, when investigating complexity. Two, I wanted to try to capture an holistic picture and verify any detail by comparison to the response through a different method. I was worried by the thought that respondents might be leading me on. As I was investigating 'theories in use', which are implicit rather than explicit I did not expect triangulation with other data sources would help to confirm any findings.

The implementation phase was much more exciting because it involved meeting managers and trying to understand their beliefs. I experienced some delay however because I attempted to obtain permission from the head office of a large retail organization to interview large numbers of their store managers. This permission was not granted so I had the choice to contact the head office of another firm or to run the study by contacting store managers directly. I chose the latter approach and I am pleased that I did so because it was less risky and time consuming. I initially looked at the websites of several suitable firms and telephoned by cold-calling the stores. Within the first half hour I had a few possible interviews with three firms but then I managed to arrange definite dates and times with three managers from one firm. I conducted these interviews and phoned other managers from the same firm to develop my success even further. I was pleasantly surprised that I only had to contact forty-nine stores to obtain forty interviews.

I was also pleased with the resultant integration of four research methods. The first interview, on my birthday in 2002, went very smoothly, much smoother than anticipated, and I think the manager thought that the whole approach was professional. I don't think that he suspected it was my first interview using these methods. I had taken considerable care to plan the interview and to consider what I was going to ask and do myself as well as for the respondent. I made sure that I was very active in writing notes at particular stages even though I didn't intend to use the data.

Considering the false starts in the past this was a very positive experience and I celebrated for the remainder of my birthday. Over the remainder of 2002 and into 2003 I arranged more interviews when my work and family commitments allowed. My son was born in November 2002 and I was also in the middle of a busy teaching semester, so delays occurred. It is easy to carry on in interview mode if everything is going well because it is very comforting and interesting meeting new people, but it really puts off the inevitable and difficult task of analysing the data.

I discussed the issue of data analysis with a friend who had completed his thesis and decided to limit the number of interviews to a number to be determined when I was not gaining many new insights. The start of the analysis, and this is where problems re-emerged, was associated with the lack of finding a comprehensive analytical technique to compare large numbers of cognitive maps in the way I wanted. Leading authors simply said that it was a difficult problem and I think they are correct. I did, however, find some content analysis techniques in exemplary studies and Decision Explorer software to help me. Exploring new software is another comforting exercise because it helps you stop thinking about problems elsewhere. The difficulty is that the software is never as useful as one hopes and this was the case with Decision Explorer. Even some basic content analysis had to be done by hand when I thought the programme would do it for me. A lot of my work at this stage was done by trial and error. I would read empirical articles that I thought would help and use the techniques on my data. Once, in particular, a technique presented in a very well known article proved to be unusable and I had to start again.

One of the advantages of learning by trial and error on your own data is that very detailed learning of techniques takes place. The skills and knowledge a researcher builds up through 'learning by doing' are considerable even though it is a time consuming way to proceed. I feel that I have developed many skills through grappling with problems raised

during data analysis and I hope to continue to use these skills in future research projects. My knowledge has also developed in this way because I have been actively engaged in a difficult task. The vast majority of my current knowledge in the strategy domain comes from researching and writing for my thesis. A research led gain in knowledge is, I feel, much more powerful than knowledge gained more passively.

After data analysis, writing up proved difficult and I did not foresee the problems to an extent and therefore I underestimated them. Even though I have written journal articles and reviewed them through major iterations and re-writes I was not prepared for the write-up task. It may be the complexity of the task because it tends to integrate several articles. Maybe it is the length of the task because it is much longer than writing a tightly edited journal article with a typical four thousand words limit. Maybe the amount of time and effort put into the previous stages means that researchers such as myself have difficulty standing back and reflecting from an outsider's perspective. Anyway it is a difficult task and one experience that I would rather not repeat. Defining an original contribution to knowledge is another particularly difficult task but one that I also have found difficult in journal articles. I remember re-writing a journal article five times but only on the last occasion did I realize that the previous versions contained much less powerful arguments. On each occasion of the re-write I was convinced that I had nailed the contribution to knowledge in the introduction and was happy with the result. This experience has led me to favour joint publications with one of the authors acting as journal editor. My experience of writing with my supervisor has been very positive in this regard.

I have been told some tricks over the years that are supposed to help writers focus on the original contribution, such as developing a response to the Radio 4 type interview question. If your response sounds good in 20 seconds then you are focused. I must say that this approach has never worked well for me. Perhaps I have never articulated my contribution that well, which is very worrying. I think I am improving in this area but it is a very time consuming and slow improvement and difficult because the writer is faced with an unique task every time. Writing is difficult; it is sometimes interesting but usually a lonely, reflective, self-critical experience. I have come to realize that I do not really like writing and this is problematic because it is a major part of my work, but I do like having written. The sense of achievement when an article is published seems to push the pain to the back of the mind.

When reflecting on the whole Ph D. experience it seems that my research encapsulates developmental learning through practice; the very issue that has been highlighted in managers through my research. My research direction and the researcher that I have now become seem to have been directed by two major influences. One, evaluative judgements or what constitutes excellent and poor quality research. My beliefs based on past experience influence these judgements because they are concerned with learning by reading and reflecting on practice. Two, problem solving, and I am thinking here particularly about methodological and data analysis problems, which are based on learning by doing and reflecting. I distinguish these two because reading can be a form of doing, but the nuances gained by actually implementing research can be considerable compared to reading about them. Reading an empirical article or attending a research seminar are never, it seems, going to provide the insights obtained by actually conducting the research and reflecting on the experience during the write-up phase. It seems the same applies to the strategy domain because strategists can only really learn to strategize better by implementing their strategies and reflecting on the consequences. Some strategists only involved with the formulation of business strategy are unlikely to develop into good strategists because the implementation phase is left to others.

In summary, I could have taken a simpler route in my research and I sometimes regret that I did not because I should have made it easier for myself. However, I doubt whether I would have been satisfied with the result. I feel I have ownership of my research. I have spoken to several colleagues that have taken a simpler route by directly following a suggested path in a very incremental manner, but many of them seemed to be unhappy with the experience. My future research could go in several different directions but it is likely that I will continue to use the research methods that I have used in this current study. I have developed my skills and knowledge in this area and like theory development and finding 'new' insights that were not predictable in advance.

12.6 Summary Remarks

Prior research into strategic orientations has largely focused on the organizational level of analysis. However, this study has highlighted the difficulties of classifying whole organizations as adopting a particular orientation, because it suggests a consensus that does not seem to exist within individual managers who work for a single organization.

Due to the wide variety of different beliefs about strategy and different objectives found within the same organization such classifications need to be approached with caution.

Prior researchers have experienced difficulties in operationalizing the strategic orientation construct from a cognitive perspective at an individual level and this problem was addressed in this study. A cognitive content framework was developed which outlined different possible strategic orientations and these were investigated in this study. The study highlights the existence of strategic orientations that exist in practice and these have not been elucidated to date. Furthermore, additional contributions to knowledge were made by investigating the antecedents and consequences of such strategic orientations and incorporating the findings into a detailed model. The model requires further development and testing based on future research to acquire additional knowledge of strategic orientations in practice.

From a resource based view the possession of a particular strategic orientation by managers is likely to be a unique resource; one that has been developed through experiential learning over time and tested through practice by attempting to improve performance. Due to its long-term development and links to personal goals and values, a particular strategic orientation is unlikely to be easily changed. The possession of a particular strategic orientation by managers that fits the strategy-making context has the potential to offer an individual the rewards associated with high performance.

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