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The financial crisis and its various episodes, the persistent use of child labour by multinational corporations, the global sex trade with its horrible implications, environmental destruction exemplified by BP's accident in the Gulf of Mexico, drugs and their globally organized production and sales, Fukushima and the risks of contemporary energy policies, dictatorships and oppression sustained by military and economic power in North Korea and Syria. These are major strategic issues of global relevance that need to be better understood – and dealt with. What they and many others have in common is that they are all about the strategic management of complex, intertwined organizational structures and processes. Furthermore, both their causes and consequences are organizational, and they usually involve an economic dimension that greatly influences various actors' interests and manoeuvres. These crises have been addressed by economists, political scientists, sociologists, psychologists, military experts and others, but with few exceptions strategy scholars have kept silent.

There are of course reasons (or excuses) for why this is the case: strategic management scholarship is considered to have its place in explaining firm behaviour and industrial dynamics, in-depth research takes time which often prevents researchers from being able to comment on crises as they happen, academic publishing practices prolong these processes (it gets years to publish a paper), we as scholars can provide explanations, but the practitioners seldom understand them, the media are not used to using strategy scholars as experts, and so on. In this essay, we don't buy these excuses at face value. Our message is simple: strategy scholars should be bold enough to look beyond the management of business firms to address contemporary issues of broader societal relevance.

Relevance is a key question for management scholars in general and strategy scholars in particular. While there are different views on what relevance means (Augier and March, 2007), most have been concerned about the lack of ability of management research to provide knowledge that is useful for managerial practice (McGahan, 2007; Walsh et al., 2007). For example, Hambrick (1994: 15) famously criticized management research for developing into an 'incestuous, closed loop of scholarship'. More recently, Walsh (2011) provides an overview of the presidential addresses in recent years that all seem to indicate that management research has failed in its quest

for relevance. Relevance in this discussion has mostly meant a focus on providing useful knowledge for the management of business firms – whether evidence-based or something else. In this essay, we take a more macro-level perspective. We argue that strategy scholars in particular should look at ‘bigger issues’ such as the global financial crisis (see also Agarwal et al., 2009; Lounsbury and Hirsch, 2010; Munir, 2011) and the other examples above. In a nutshell, we – scholars publishing in outlets such as *Strategic Organization* – should have something to say about bigger contemporary problems and challenges.

Why bother? Apart from the pragmatic and ethical needs to pursue relevance, strategic scholars have something to offer; in fact, a ‘competitive advantage’ vis-a-vis many other disciplines. This is because strategy research has developed theories and methods that focus on the challenges of decision-making and problem-solving in complex organizational settings. Furthermore, strategy is at the interface of changing organizations in changing environments (Aldrich and Ruef, 2006; Baum and Singh, 1994; Durand, 2006). Unlike economics, strategy scholars can focus on the specific organizational resources, capabilities and their idiosyncratic combinations with enabling and constraining implications. Strategy research also provides tools to understand the rationales for organizations to shape the environment that in turn will determine their survival. Unlike sociology and psychology, strategic management concentrates on how organizations as intermediary agents – not, for example, social classes or individuals – make decisions with significant impact on wealth, nature and society.

However, the full potential of strategy research to deal with bigger societal issues has not yet been unleashed, and to do so we have to challenge the way we think about the role and scope of strategy research. In particular, there is a need to draw from the insights of organization research to enrich the theoretical and methodological basis of strategy research – as is the spirit of this journal. In this essay, we focus on five points that may help to broaden the way we think about research on strategic organization: going beyond financial performance, placing agency in context, focusing on practices that constrain and enable strategy-making, engaging in processual analysis and studying underlying beliefs and norms. We are not saying that all strategy researchers should engage in all these directions, but that the dominant conceptualizations and models of explanation need to be complemented by other considerations to enable and encourage strategy scholars to also address bigger issues that matter.

Point I: Beyond financial performance

First, strategy scholars should not limit themselves to focus on the impact of strategic manoeuvres on a firm’s performance alone. For theoretical, practical and ethical reasons, we must adopt a broader view. This should comprise the societal implications of strategic choices such the ones made by banks and other financial institutions in recent years, including the juxtaposition of managers’ and stockholders’ self-interest with the longer-term financial and societal implications of their actions. Indeed, a closer look at the financial crisis shows that there are a variety of (socially constructed) interests and perspectives that actors have and struggle with.

While strategy research has been characterized by a focus on financial performance, there are theories and methods that help to broaden the focus and thus add to the explanatory power of strategic management. In particular, institutional perspectives elucidate organizational choices and actions in a way that puts performance in context. When combined with strategic perspectives, institutional approaches can help to better understand phenomena such as mimetism, cascades and suboptimal outcomes (Fiss and Zajac, 2004; Westphal and Zajac, 1998). Interestingly, there are

recent examples that have combined strategic and institutional perspectives and applied them to new contexts such as cadaver trade (Anteby, 2011), haute cuisine (Durand et al., 2007), pornography (Jensen, 2010), arms production (Vergne, 2012) or men's bathhouses (Hudson and Okhuysen, 2009). Apart from being examples of how to study non-traditional industries, these studies help to understand how performance in itself is an outcome that is historically and contextually defined. Strategic models consist of positioning an organization in a value system, analyzing properties of its resources and capabilities (e.g. rareness, value and substitutability) and establishing governance principles. Bringing in local norms, cognitive biases and institutional logics should help to broaden the applicability of these models; in particular, by connecting them with outcomes such as decision type, decision timing, conformism and deviance, reputation and legitimacy."

In addition, there are approaches that help to tackle ethical issues more explicitly and juxtapose financial performance with other considerations: Stakeholder analysis can help to map out various stakeholders and bring in ethical considerations (Donaldson and Preston, 1995). Corporate social responsibility is another example of how to move forward to address broader issues (Palazzo and Scherer, 2008). Critical management studies in turn focus attention on the ways in which strategy-making itself is linked with specific ideological assumptions and not others (Knights and Morgan, 1991). The crucial point is to encourage strategy scholars to draw from organizational theories and to develop new perspectives to address contemporary problems and challenges – rather than being constrained by the conventional focus on the financial performance of business firms.

Point 2: Placing agency in context

Second, rather than viewing strategies as products of companies or their managers alone (as is the dominant view in strategic management) and markets as interfaces between producers and consumers (as is the dominant view in economics), we should explore the ways in which strategies emerge in and through interactions of a number of actors playing various kinds of roles. Markets are mediated, and social fields involve a number of mediators: the media, political decision-makers, regulators, critics, accreditation agencies, NGOs, social movements, to cite a few (Durand et al., 2007; Pollock et al., 2008). In the case of the financial crisis, it is crucial to focus attention on the interactions of banks and other financial institutions, customers of various kinds, investors, regulators, politicians and the media to understand the emergence of strategies that led to the financial crisis and its escalation. For instance, the media played a central role first in the legitimation of specific kinds of strategic choices and behaviours and then in delegitimizing these behaviours in the next phase of the crisis. One could go as far as to say that by keeping silent the media allowed the problems to accumulate and by focusing attention on these problems, it led to the escalation of the crisis.

Strategic behaviour is then more than a selection of resources and a positioning in a product market space; it includes a number of actors who all contribute to the outcomes in a particular field. This means that a serious analysis of broader social issues must deal with a web of strategic actors in complex organizational fields. This is a major challenge for strategy scholars that have been used to limiting their scope to business firms and their actions. Nevertheless, as pointed out by Agarwal et al. (2009), unlike economics, strategy research is able to deal with numerous actors and the heterogeneity of resources. Moreover, unlike sociology, strategy research, with its distinctive focus on decision-making and problem-solving, should be able to not only dig into the causes and consequences of major issues, but also provide ideas for their solution.

Point 3: Focus on practices that enable and constrain strategy-making

Third, to understand how actors and organizations are dealing with major issues, we also need to focus on how this strategy-making is enabled and constrained by prevailing strategic and organizational practices – a perspective that has been explored especially by strategy-as-practice research (Tsoukas, 2010; Vaara and Whittington, 2012). That is, rather than conceptualizing decision-makers as omnipotent managers or heroic politicians, one should develop a more nuanced understanding of strategic agency as taking place in a web of practices that both enable and constrain the actors in question.

Due to a variety of industry norms, bankers and financial experts are usually limited in terms of what they are supposed to think or do in terms of dealing with the financial crisis. This is perhaps even more clearly the case with regulators, who are constrained by legal precedents and other conventions, and politicians, who have above all their constituencies and the public opinion to think about. The media in turn are expected to reveal problems and create entertaining stories, not necessarily to bring constructive solutions to the fore. It is also the case that the decision-making and strategizing practices around institutions such as the European Union tend to only allow for specific kinds of discussion and policy-making and thus greatly limit the ways in which the crisis can be tackled. Furthermore, in Europe in particular, the various explicit or implicit institutional and cultural differences complicate the synchronization of strategy- and policy-making. Finally, all this is linked with material practices such as technology, which greatly affects what is being done or can be done in the finance sector. The challenge for strategy scholars is thus to be mindful of the variety of practices not only to be able to more effectively analyse major societal issues but also to be able to better understand the challenges in their solution.

Point 4: Processual analysis of strategy-making

Fourth, while concentrating on rational choices and decision-making, conventional studies of strategic management have focused little attention on the processual aspects of strategy-making. This is a deficiency in the sense that most bigger issues have a history; for example, the financial crisis cannot fully be understood without focusing attention on its escalation over time – ironically in and through strategic decisions made in order to solve the crisis. Thus, there is a need to draw from and develop process perspectives to understand both how problems and crises have come about and how they might be dealt with amid dynamic change.

Seminal work on accidents and crises has highlighted phenomena such as escalation of commitment (Weick, 1993); other studies have in turn elucidated the inability to take action and its consequences over time (Denis et al., 2011). Furthermore, both classic work on emergent strategies (Mintzberg and Waters, 1985) and new process studies (Chia and Holt, 2006; Tsoukas, 2010) have helped us to understand how strategies themselves are temporary constructions – and what we perceive as ‘official strategies’ often biased ex-post constructions. By drawing on such processual perspectives, we can better understand how specific strategies have emerged and been legitimated, hence leading to performance advantages not purely based on economic positioning in value systems, idiosyncratic resources and governance decisions.

Furthermore, processual analysis helps to comprehend how strategizing around a specific issue may to solve it, but at times also lead to its escalation. Again, attempts to solve the European financial crisis are a case in point; financial analysts, experts, politicians and the media have provided ideas to

deal with the problems, but also created a discussion that has aggravated these very problems and escalated the crisis. Moreover, for example, the escalation of problems around Greece has made the public opinion and consequently many politicians reluctant to invest more into its solution.

Point 5: Critical analysis of underlying beliefs and norms

Fifth, complementing the view of strategies as the result of rational choices or optimal decision-making, we should distinguish and elaborate on field- or population-level beliefs and myths that are spread around to the extent that they become taken-for-granted bases for action (Green et al., 2009) or even fashions (Abrahamson, 1996). For example, the finance sector seemed to collectively construct and maintain a widely shared myth that new derivative products could be developed and operations expanded with very limited risk. How this myth came about and translated into organizational strategies is a major issue in terms of explaining the financial crisis. Therefore, beyond considering strategies as unique rational choices, we need to account for the fact that strategies are 'theories of action' justified and reproduced in and across fields, societies and nations.

Strategic organization studies can explain the consequences of the diffusion of prevailing ideas (Lounsbury and Hirsch, 2010), business models (Durand et al., 2008), institutional logics (Thornton and Ocasio, 1999) or governance modes (Drori et al., 2006). In addition to such overall analyses, one should also examine why and how the myths become enacted in organizations. For instance, future studies could elaborate on how prevailing strategic ideas have become legitimated and naturalized and what that has implied in and around financial institutions such as banks. It would also be interesting to examine how alternative voices are silenced or critical thinking sanctioned in the finance sector, especially if the prevailing truths and consequent strategies are in the interest of top managers or the profession itself.

Relatedly, we should focus attention on the ways in which managers and other actors are socialized into particular beliefs, values and practices and how these may entail problematic tendencies and risks. This can include critical reflection on management education and its professionalization (Khurana, 2007; Mintzberg, 2004; Vaara and Faÿ, forthcoming). To again come back to the financial crisis, becoming a professional in finance means sharing very similar kinds of ideas, beliefs and values that may cause groupthink and myopia among finance professionals and even regulators. It can also be the case that prevailing strategic planning and evaluation practices may easily encourage risk-oriented behaviour and lead to oversight in terms of alternative scenarios. Hence, strategy scholars should examine the reasons for specific kinds of strategic thinking and adopt a critical view on the dominant models of decision-making and strategic planning practices. Such analysis should also include critical self-reflection in terms of whether and how our research and teaching may reproduce these very problems or provide alternatives to think otherwise.

Conclusion

We have argued that by combining insights from strategic management and organization research, strategy researchers have the means to deal with much more than mundane business phenomena: to address the major challenges of contemporary society. This may, however, easily remain wishful thinking unless action is taken. On the one hand, this is a challenge for senior scholars who set the research agendas, act as gatekeepers of publications and serve as examples to others. We are definitely not asking for all senior scholars to convert to societal thinkers, but want to encourage people to have an open mind and to promote strategy – as well as interdisciplinary – research on topics

that matter. On the other hand, this is a challenge for all researchers, senior and junior alike, to seize the opportunity to build research projects and to write papers that step-by-step broaden the scope of our discipline and thus move it forward.

Strategy scholarship is in a unique position to address major issues on the global scale; however, thus far we have left these bigger questions with little attention. By broadening its scope, strategy research can elucidate some of the key causes and consequences of the major events of our time and by so doing complement the insights provided by other disciplines. By engaging with major issues in contemporary society, strategic management can also develop into a discipline with predictive power – rather than focusing on ex-post rationalizations. Thus, strategy research can be relevant for not only managers, but for policy-makers and citizens alike.

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