[Review of the book Strategy and Organizations: A West Coast Perspective]

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[Review of the book *Strategy and Organizations: A West Coast Perspective*]

Abstract

[Excerpt] More recently, organizational strategists have begun to turn their attention to issues of internal as well as external organizational relations and to examine many of the traditional assumptions underlying strategic analyses, with an increasingly critical eye. This book reflects such changes, both in the diversity of approaches taken by different authors and in the challenges that are posed to extant wisdom of the strategy literature.

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Comments

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Misgivings about the evidence, analyses, and interpretations presented in Managerial Ideology make it impossible for us to recommend this book to the readers of ASQ. Findings from the author’s questionnaire survey are weak. His plans to conduct multivariate analyses were scuttled by severe missing data problems, so bivariate correlations are the only analyses reported. Weiss argues that qualitative data buttress the weak correlational evidence. Unfortunately, readers cannot judge the validity of these data, since he omitted such methodological information as the number and duration of interviews, the questions asked, and with whom interviews were conducted.

Whatever misgivings readers develop about this book’s evidentiary base are apt to be magnified by the author’s singularly contentious style. Corporate managers, alcohol program researchers, and organization theorists provide targets for a stream of uncharitable insinuations, gratuitous criticisms, and pious indictments. This is unfortunate. Some of the author’s arguments are thought-provoking, and some of his criticisms are valid. But his excessively polemic tone makes it easy to dismiss the lot as ideological sophistry.

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REFERENCE

Trice, Harrison M., and Janice H. Beyer


Within the last ten years, strategy has emerged as a major area of organizational research. Much of this work has concentrated on the management of organization/environment relations and typically has been heavily indebted to economic theories of finance. This influence is clearly reflected in the common focus and prescriptions of the strategy literature concerning the importance of diversification, integration, and continued expansion of the organization (Miles and Snow, 1978; Porter, 1980).

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zational relations and to examine many of the traditional assumptions underlying strategic analyses, with an increasingly critical eye. This book reflects such changes, both in the diversity of approaches taken by different authors and in the challenges that are posed to extant wisdom of the strategy literature.

There are several common themes that link the articles in this collection. One is a general critique of the dominance of marketing and finance problems in discussions of strategy and the corresponding inattention to important issues of managing internal relations. This theme is clearly reflected in articles by Buffa, Pascale, Peters, and Miles and Snow. Buffa’s analysis of recent decline in the competitive position of American companies echoes Reich’s (1983) criticisms of the emphasis given to finance and portfolio management by American business firms. Arguing the need for increased attention to “manufacturing strategy” (i.e., internal structure and processes of production), Buffa suggests a number of issues for further research on this aspect of strategy. Like Buffa, Pascale is also critical of the heavy emphasis on marketing and finance in traditional approaches to strategy. He advocates a much broader notion of strategy, one that includes not only strategic market analysis and formal organizational design but intrafirm relations—maintenance of shared values, the role of leadership styles and the selection and socialization of staff. He illustrates his arguments with a highly entertaining contrast between the traditional strategy accounts of Honda’s success in marketing motorcycles in the U.S. and his own research on the actual series of (mis)calculations and serendipitous events leading to such success. The article by Peters places a similar emphasis on the management of internal relations as a key to effective management of external relations through organizational representatives. This theme is picked up once again in the article by Miles and Snow, who underscore the importance of “fit” between internal structure and management policies and the organization’s strategic approach to managing external relationships.

A second theme found in this collection centers on conceptual and methodological problems characterizing much of the current research on strategy. An article by Teece, for example, points up problematic assumptions underlying the application of economic analyses to practical issues of strategic management, including a bias toward equilibrium models in most economic theory, a bias that is inconsistent with the dynamic character of organizational strategy; a neglect of issues of internal structure and processes in organizations that affect strategic decision making; and an underlying, questionable model of markets constituted by frequently occurring, impersonal transactions among rational actors with near-perfect access to information. His work also suggests several recent theoretical developments in industrial economics that offer promising directions for future economic applications to strategy questions. As a counterpart to Teece’s discussion of conceptual problems associated with the use of economic approaches to strategy, Freeman and Boeker’s article highlights methodological problems that are common in current strategy research. These include the use of cross-sectional data and equilibrium models in analyses of
the dynamics of strategy, the selection of only successful firms as the focus of analysis, and the reliance on case studies of organizations rather than large-scale comparative research. They discuss population ecology as an alternative framework for examining issues of strategy, one that would presumably encourage researchers to pay attention to such methodological issues.

A third theme of the book is represented by Carroll’s and Delacroix’s critiques of assumptions and traditional wisdom of strategy literature. Carroll challenges the assumed benefits of strategies involving diversification and notes conditions under which specialism is in fact a more viable strategy. In contrast to arguments that specialism is an appropriate strategy only in fragmented industries and under conditions of environmental stability (Hannan and Freeman, 1977; Porter, 1980), he asserts (and illustrates with examples from four different industries) that specialism is a natural strategy in concentrated industries dominated by generalist organizations. He also considers a number of management issues that specialists face and suggests that conventional wisdom on appropriate structure and allocation of resources in such smaller organizations is belied by a number of very successful specialist firms. Like Carroll, Delacroix also questions standard assumptions that increasing size and scope are important for organizational success. Arguing that the internationalization of lifestyles has created opportunities that can often be taken advantage of by smaller, specialized exporters, he convincingly illustrates this argument with several cross-national examples.

The remaining set of articles are not inconsistent with more traditional approaches to strategy, but they share a common focus on the elaboration of issues often neglected in the literature. An article by Burgelman addresses the need for and ways to maintain “intrapreneurship”—the generation of new business and investment areas within established corporations. Focusing on problems of assessing the potential contributions of new strategies generated through employee input and influence, he suggests a framework for such evaluation and for the choice of implementation procedures. Similarly, Aaker considers processes involved in the analysis of and choice among different possible strategies, while Brodwin and Bourgeois discuss five ideal-typical managerial styles associated with the development and implementation of strategies and consider the strengths and weaknesses of each.

The diversity of perspectives and ideas of this book do not add up to any simple conclusions or set of prescriptions about strategy in organizations. However, they do present some novel and challenging ways of thinking about organizational strategy. As such, they make an important contribution by serving as a strong counterweight to more limited, traditional views of strategy. The book should be a very useful addition to standard courses on organizational strategy and to the collections of those interested in this area of research.

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Book Reviews

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Cultural Change in Family Firms: Anticipating and Managing Business and Family Transitions.

_Cultural Change in Family Firms_ is part of the Jossey-Bass series on the management of family-owned businesses. This series is designed primarily for people actually involved in family businesses, including owners, managers (both family and nonfamily), and members of the board of directors, as well as professionals who serve family firms, including lawyers, bankers, and management consultants. Thus, practitioners are the intended primary audience for this book. In _Cultural Change in Family Firms_, Dyer is quite successful in meeting the needs of this audience. It is asserted that academics and researchers will also find this series to be useful. However, this secondary audience is not as well served by this book. Therefore, we will review this series from two different perspectives: first, from the perspective of the practitioner; and second, from the perspective of the academic.

Practitioners will find _Cultural Change in Family Firms_ to be quite useful for several significant reasons. First, the book is based on historical data from more than 40 family businesses. In the study of family businesses, this is a relatively large, rich data set that offers the practitioner a more global perspective than that which he or she is experiencing in a particular family firm. Second, the book is filled with vivid anecdotes that capture the problems and opportunities found in many family firms. Third, the book is well organized and covers three topical areas of interest to practitioners: (1) a description of the cultural patterns found in typical family firms as they change across time; (2) a discussion of the key problems that may occur during three stages of development (the founder stage, the second- and third-generation family-member stage, and the manager stage); and (3) how to manage the change process in family firms. Most of the chapters are organized in a checklist fashion, thereby allowing the practitioner to compare his or her firm with the information presented in the chapters. For example, chapter 8, “Determining Culturally Based Problems and Initiating Change,” presents a rational, logical approach to managing change in an evolutionary way. The steps presented in this chapter would allow a practitioner to anticipate and plan for predictable change.

From the second perspective, it is likely that academics and researchers will have a number of problems with this book.