Strategic Management Journal
Strat. Mgmt. J., **34**: 935–956 (2013)
Published online EarlyView 6 March 2013 in Wiley Online Library (wileyonlinelibrary.com) DOI: 10.1002/smj.2052
Received 2 June 2010; *Final revision received 22 May 2012*

DISCOURSE REVISITED: DIMENSIONS AND EMPLOYMENT OF FIRST-ORDER STRATEGY DISCOURSE DURING INSTITUTIONAL ADOPTION

SOTIRIOS PAROUTIS* and LOIZOS HERACLEOUS
Warwick Business School, University of Warwick, Coventry, U.K.

Despite decades of research on strategy, we still know little about what the concept of strategy means to actual strategists and how they use it in practice. Working at the intersections of institutional and practice theories, we use exploratory interviews with strategy directors and a longitudinal case study to uncover four dimensions of first-order strategy discourse: functional, contextual, identity, and metaphorical. We also reveal three phases in the interrelation between first-order strategy discourse and institutional work: shaping, settling, and selling and a differential emphasis (selective focusing) on dimensions of the first-order strategy discourse during the institutional adoption process. We contribute to a deeper understanding of the concept of strategy in practice, the process of institutional adoption, and of the role of discourse in this process. Copyright © 2013 John Wiley & Sons, Ltd.

INTRODUCTION

> *. . . if you presuppose language, you have already presupposed institutions . . . Instead of presupposing language and analyzing institutions, we have to analyze the role of language in the constitution of institutions*. J. R. Searle on what is an institution? (2005: 2)

We often debate the relevance of management theories to practitioners—yet let's consider whether we do enough to actually listen to them. This challenge is pertinent within strategic management, which remains a fragmented and contested field (Bowman and Helfat, 2001; Hambrick, 2004). Schendel (2006) poignantly notes about our field: "Ask yourself whether we are doing enough with application, with actually using ideas in practice" (2006: iv). However, while we examine what the strategy concept means for our field (Nag, Hambrick, and Chen, 2007) and have calls urging us to explore strategists' own conceptions of strategy (Barry and Elmes, 1997), there is still a gap in our understanding of what the strategy concept means to strategy practitioners (or "strategists") and how this might be employed in contexts such as the process of institutional adoption. This is surprising since, as we will argue next, in addition to the inherent advantages of understanding strategists' own perceptions, the concept of strategy has the potential to help us explain how the relation between managerial cognitions and managerial practices leads to organizational outcomes in the established strategic change literature. To our knowledge, this is the first study that aims to identify first-order meanings of strategy and how strategists employ these meanings. By first-order, we refer to what strategists themselves mean by the term "strategy"; as opposed to "second-order" meanings of what strategy might mean, as held by others (Zahavi, 2002). As such, we apply the term "first-order" in its phenomenological sense,

Keywords: discourse; institutional theory; strategic change; strategy-as-practice; multibusiness firms
*Correspondence to: Sotirios Paroutis, Warwick Business School, University of Warwick, Coventry CV4 7AL, UK. E-mail:Sotirios.Paroutis@wbs.ac.uk

to denote meanings in use and how these meanings may change over time (Sandberg and Tsoukas, 2011). As we will show, the way agents employ first-order meanings has important implications for institutional adoption. In theoretical terms, our understanding of strategic discourse has advanced with the emergence of the strategy-as-practice perspective and neoinstitutional debates, particularly with reference to the notion of institutional entrepreneurs. The strategy-as-practice approach views strategy "as a socially accomplished, situated activity arising from the actions and interactions of multiple level actors" (Jarzabkowski, 2005: 6) and considers strategy not only as something an organization has but something that its members "do" (Jarzabkowski, Balogun, and Seidl, 2007; Johnson, Melin, and Whittington, 2003; Vaara and Whittington, 2012; Whittington, 2007). Despite advancements in strategy-as-practice, our understanding of the meanings of strategy as perceived by organizational actors "in practice" is still fairly limited. Our study extends this approach by employing a discursive lens to understand strategy practices back to a point more primary and foundational than the strategy process, back to the very concept of strategy as understood by practitioners. Such an investigation is important since language is a constituting element of daily practice and strategy making (Tsoukas, 2010).

Institutional entrepreneurship involves the "activities of actors who have interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones" (Maguire, Hardy, and Lawrence, 2004: 657) and highlights the ways in which actors work toward their strategic objectives by deliberately leveraging resources (Garud, Jain, and Kumaraswamy, 2002). Recently, studies have started exploring the intersections of practice and institutions (Jarzabkowski, Matthiesen and Van de Ven, 2009; Zietsma and Lawrence, 2010). At these intersections, we focus our attention on a phenomenon that has received no prior explicit theoretical or empirical attention: the process of strategy meaning making and how strategists employ these meanings when adopting an institution. In order to shed light on this process, we examine the dimensions of strategy discourse employed by those strategists seeking to adopt the institution of a strategy support function in a multibusiness firm. While such functions can be perceived as advanced versions of the planning departments of the past, their adoption in the context of large firms has four distinctive characteristics: (1) they are constituted by small, flexible teams (Paroutis and Pettigrew, 2007) working as a support function, (2) they are led by the chief strategy officer who has close links with the CEO (Breene *et al*., 2007), (3) instead of being centrally located and resourced, they tend to be decentralized (Grant, 2003), and (4) their role spans a lot more activities beyond producing strategy reports, such as organizing workshops and away days relating to strategic planning (Whittington and Cailluet, 2008). Our approach aims to further our understanding of the concept of strategy as employed by practitioners. We show that first-order strategy discourse, which we define as the group of statements about strategy employed by strategists, is characterized by certain institutionalized central themes and understandings that, as structural features (Heracleous and Barrett, 2001) of first-order strategy discourse, are both constraining as well as enabling (Giddens, 1984) the practice of strategy. Further, we show that the emphasis on strategy discourses differs over different periods in the institutionalization process, and discuss the insights that can be gained from such deeper understanding of the role of language in this process. We find that attention to what strategists do needs to include attention to what they say, as the first-order strategy discourse at the microlevel influences not only how strategy is talked about more broadly, but is also linked to how these meanings are employed at levels beyond the micro, to facilitate institutional adoption. Further, we show that performative outcomes (Jarzabkowski, Lê and Feldman, 2012; Kornberger and Clegg, 2011; Whittington, 2007) related to issues such as organizational capacity and strategist legitimacy are important features of the institutional adoption process. We begin by discussing studies in strategy-as-practice and institutional entrepreneurship, to showcase how discourse can link these lines of enquiry.

FIRST-ORDER STRATEGY DISCOURSE: LINKING MANAGERIAL COGNITION AND PRACTICE TO ACHIEVE INSTITUTIONAL ADOPTION

As identified earlier, there is a gap in our understanding of the way the term strategy is employed

DOI: 10.1002/smj

in practice by those actors involved in the adoption of institutions. Institutional adoption represents one of the ways firms utilize to better align with their external environment; in other words, one of the ways firms employ to achieve strategic change (Dacin, Goodstein, and Scott, 2002; Heracleous and Barrett, 2001; Kostova and Roth, 2002; Munir and Phillips, 2005). Strategic change has been a topic of much debate, with one stream of studies conceptualizing strategic change as a shift in managerial cognitions and sensemaking processes (e.g., Fiss and Zajac, 2006; Gioia and Chittipeddi, 1991). Alongside this viewpoint, a practice view is also emerging. This approach focuses on the activities of strategists through the strategy-as-practice perspective (Jarzabkowski *et al*., 2007; Johnson *et al*., 2003; Whittington, 2007) and developments in practice theory (Feldman and Orlikowski, 2011). While these streams have, thus far, been developing separately, we argue that they share two important common threads: first, their potential to help us explain how strategic discourse can lead to particular institutional outcomes and, second, their foundational relationship with strategic discourse (Tsoukas, 2010). Building on the second thread, we conceptualize strategic discourse at the microlevel, through the notion of first-order strategy discourse. While most prior studies have highlighted the substantive importance of strategic change for organizational survival, the processes by which strategists conceive of and employ the concept of strategy in the context of institutional adoption have rarely been studied. However, discourse is fundamental and constitutive of strategic change, and therefore understanding this dimension can be enlightening to our understanding of change itself (Oswick *et al*., 2010). Overall, we propose that a more comprehensive approach to the microlevel activities of actors during strategic change needs to start with an understanding of the dimensions of the first-order discourse these actors employ.

We define discourse as a group of "texts, whether oral or written, located within social and organizational contexts that are patterned by certain structural, inter-textual features that have both functional and constructive effects on their contexts" (Heracleous, 2006: 2). In this context, by "first-order strategy discourse" we mean talk (oral text) about strategy uttered by strategists that reveals their own perceived meanings of the nature of strategy. Our view of first-order strategy discourse as both a resource and constraint for interpretation and action by institutional entrepreneurs can be seen in terms of what Alvesson and Kärreman (2000) call a meso-discourse approach: going beyond the text with the aim of identifying patterns and interrelations between the text and its context. Our approach therefore assumes a tightly coupled relationship between discourse and meaning, as well as discourse and social practices, where discourse constitutes actors' meanings and influences their practices. This view is consistent with what Heracleous and Barrett (2001) refer to as the interpretive stream of discourse research. Discourse, in its constitutive role, is not only a resource but also a constraint for agents. Agents do not just use discourse as they see fit. In following established social practices shaped by broader, societal-level dominant discourses, agents subconsciously reaffirm, or act discourse out; rather than agents employing discourse, discourse in this sense employs agents in order to sustain and perpetuate particular meaning systems and power arrangements. Foucault-inspired (Foucault, 1972, 1977) studies exemplify this understanding of discourse (Knights and Willmott, 1989). Rather than following this Foucauldian approach, however, given the interpretive paradigm within which this work was conducted, we instead retain our focus on the meso-level, tightly coupled, interpretive approach outlined above.

In order to visually represent our argument about the role of first-order strategy discourse, we developed a conceptual framework (refer to Figure 1) based on the actor-level aspects of the strategic change framework by Rajagopalan and Spreitzer (1996). These aspects are: managerial cognitions, managerial practices, and their links to the content of strategy. Figure 1 portrays how institutional outcomes are created, maintained, and disrupted through cognition and practice, which are in turn shaped by discourse. As such, it reveals three key relationships of importance to our microlevel understanding of strategic change: cognition-discourse, discourse-practice, and discourse-outcomes, which we discuss below. In light of our research questions, in this paper we focus on the last two, and, combined with focal points in strategy-as-practice and institutional theory, we pose two unresolved puzzles regarding our understanding of strategic change concerning (1) the nature of meanings of strategy

DOI: 10.1002/smj

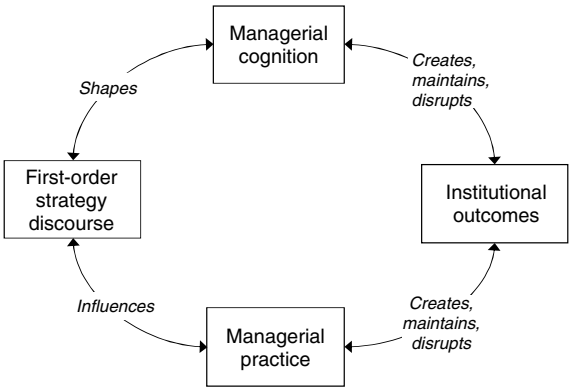

Figure 1. The relationship between institutional outcomes, managerial cognition, managerial practice, and first-order strategy discourse

employed by strategists during institutional adoption, and (2) how these meanings relate to particular institutional work carried out by these actors.

Cognition–Discourse

Cognition has been operationalized through concepts such as "schema" in cognitive psychology (Condor and Antaki, 1997) or "cognitive maps" in management studies (Eden, 1992). These maps symbolically represent both broad knowledge about a domain as well as perceived interrelationships among its parts, described by Weick (1977: 277) as "networks of causal sequences," which shape processes of enactment (Weick, 1979) through agents' practices. Discursive social interaction is the primary means through which cognition is shaped as well as shared (van Dijk, 1990). Discourse provides labels, typifications, or frames through which we understand and interpret the world around us (Berger and Luckmann, 1966), at the same time drawing on and shaping our mental representations of the world. In strategic management, the concept of dominant logic, which is "stored via schemas" (Prahalad and Bettis, 1986: 490) and acts as an information filter—which influences what type of information organizations pay attention to and how (Bettis and Prahalad, 1995)—can be seen as an operationalization of the broader idea of cognition. More recent developments examine material and metaphorical aspects of managerial discourse (Heracleous and Jacobs, 2008) as well as emotional and nonconscious aspects of cognition (Hodgkinson and Healy, 2011).

Practice–Discourse

Within strategy-as-practice, empirical studies have set the seeds for such first-order examination. Jarzabkowski and Sillince (2007) argue that top managers, employing internally consistent rhetorical language, can construct a context for employee commitment to multiple strategic goals. Mantere and Vaara (2008) identify discourses that seem to systematically impede or promote participation in the strategy process. While this research demonstrates the potential that a focus on strategy discourse has for enhancing our understanding of strategy practice, it has yet to offer extensive insights about the nature of meanings of strategy employed by practitioners during strategic change in the form of institutional adoption. This is our first unresolved puzzle. Our proposed solution is to approach the concept of strategy by drawing on both the practice perspective—through our focus on how agents employ the dimensions of the meaning of strategy—and on discursively informed work on institutional entrepreneurship—by exploring how agents' use of first-order discourse relates to the institutional work they carry out.

Discourse–Outcomes

While discursive outcomes have been studied through the lenses of strategic decisions (Hendry, 2000), strategy implementation (Heracleous and Barrett, 2001), and strategic change processes (Hardy, Palmer, and Phillips, 2000), the meaning of strategy itself, from the perspective of individual strategists, has not. The strategists that are the focus of our study are strategy directors and their teams, seen as a new support function (Kaplan and Norton, 2005). Given strategy directors' key role in connecting strategy across levels (Angwin, Paroutis, and Miston, 2009), we conceptualize them as institutional entrepreneurs who have the ability and skill-set to influence the social organization of firms and support the establishment of new practices (Garud *et al*., 2002; Greenwood, Suddaby, and Hinings, 2002; Lounsbury, 2002; Maguire *et al*., 2004). Discourse is integral to this institutional entrepreneurship process since it is through discourse that stakeholders can be engaged and new social realities diffused and legitimated (Jarzabkowski and Sillince, 2007; Suddaby and Greenwood, 2005), particularly when a

DOI: 10.1002/smj

new institution is created (Tracey, Phillips, and Jarvis, 2011). Yet despite these advancements, we are missing research particularly on the first-order aspects of the discourse used by institutional entrepreneurs in the process of adopting an institution. As we try to learn more about how strategy is carried out in practice, it becomes essential that we identify what strategy as a concept means to strategists themselves, and how these meanings relate to strategists' actions. This is our second unresolved puzzle. Our proposed solution is to conceptualize institutional entrepreneurs as institutionally embedded agents who utilize discourse in their institutional work. An important aspect of institutional entrepreneurship studies is the outcomes of entrepreneurship activity. Lounsbury and Glynn (2001) proposed linking entrepreneurs' story-telling activities together with wealth creation. Following a similar line of thought, the outcome central to our study is the adoption of a strategy-related institution in the form of a network of strategy professionals within a strategy support function in a multibusiness firm. In addition, we remained alert to performative outcomes following recommendations posed for strategy-as-practice research (Johnson *et al*., 2003; Tsoukas, 2010, Whittington, 2007).

The purpose of the present study, therefore, was to build theory about how institutional entrepreneurs use first-order strategy discourse when adopting an institution. Without such an understanding, we lack insights into the determinants of long-term discursive patterns and organizational or industry-level changes that have received the majority of attention by previous studies on strategic change. Given this gap in the literature and rising calls for such microlevel work in strategy-as-practice (Ketokivi and Mantere, 2010; Tsoukas, 2010; Vaara and Whittington, 2012) and institutional theory fields (Jarzabkowski *et al*., 2009; Lawrence and Suddaby, 2006; Lounsbury, 2008), we set out to examine how institutional entrepreneurs make sense of and employ the concept of strategy. As shown in Table 1, we also argue that discourse-oriented examinations can help us connect institutional and practice theories. Of the few studies that highlight these intersections, two focus on rituals (Dacin, Munir, and Tracey, 2010; Tilcsik, 2010) and one on macrolevel discourses (Tracey *et al*., 2011). In this context, our study contributes to a microlevel understanding of the strategy discourse employed by institutional entrepreneurs when they adopt an institution from the organizational field of FTSE 100 firms they are embedded in. Accordingly, we pose two questions: What are the different dimensions of first-order strategy discourse as perceived by strategists, and how do strategists, as institutional entrepreneurs, employ these dimensions over time in the process of institutional adoption?

METHOD

Approach and data collection

We followed Grant (2003) and adopted an exploratory-oriented methodology for two reasons. First, in line with previous discourse studies (Hendry, 2000; Heracleous and Barrett, 2001), our aim was to provide an inductive account of first-order strategy discourse and how it changes over time. Second, there is little empirically based theory that would help us unpack the meanings of strategy as employed by practitioners and to construct relevant hypotheses. We collected two datasets from FTSE 100 firms: interviews with strategy directors and an in-depth longitudinal case study at UtilCo (the actual names have been disguised). This dual dataset follows the recommendations by Sandberg and Tsoukas (2011) as it helps us develop a *general template* of the nature of first-order strategy discourse (exploratory study) with the *situational specificity* of revealing how such discourse is employed during institutional adoption (longitudinal case study).

Exploratory study (strategy directors)

We conducted 15 interviews with strategy directors in 11 FTSE 100 firms. The purpose of these interviews was to explore the dimensions of first-order strategy discourse as perceived by actors with key strategic roles. We chose FTSE 100 firms because, due to their size and complexity of operations, they tend to employ managers with dedicated strategy roles. As noted above, we use the term first-order in its phenomenological sense, to denote the perspective of the agents themselves as opposed to the perspective of others. Deriving from Edmund Husserl and then elaborated by his student Alfred Schutz, the distinction between first- and second-order meanings has become a recognized methodological distinction in interpretive research (Smith, Flowers, and Larkin, 2009).

DOI: 10.1002/smj

Table 1. Key features and links of discourse, institutional, and practice theories

	Discourse theory	Institutional theory	Practice theory	Discourse-practice-institutions links
Driving research question	How do actors employ discourse to influence their context?	How do institutions get created, maintained, and changed?	How do practices lead to particular outcomes?	Discursive practices both constitute, and are shaped by, institutions.
Theoretical aims	To understand the process of the social construction of reality through organizational discourse and the role of agency in this process	To theorize about institutional forms and the processes through which they are created and changed	To theorize about the constitutive processes of enactment that result in particular outcomes and performances	Institutional change occurs through specific practices, including discursive ones
Role of agency	Agents, acting within established discursive fields, utilize discourse to influence other actors and legitimize or challenge particular actions and outcomes	Agents can have a central and decisive role in changing institutions, acting as institutional entrepreneurs	Through their actions, agents over time initiate, affirm, or challenge particular practices	Agents can accomplish institutional work through their discursive practices
Role of processes	Discursive configurations and their dynamics shape organizational outcomes	Regulative, normative, and cognitive aspects of institutions are manifested in specific processes	Recurrent and relational processes at the microlevel help explain everyday practices	Discursive practices and processes shape the regulative, normative, and cognitive aspects of institutions
Outcome investigated	The success or failure of particular strategies or initiatives as manifested in and influenced by discourse	The discrete institutional forms created by actors, groups of actors, and their organizations	The action-focused relationships and performances that produce certain outcomes	In what way can discursive practices support the adoption of an institution?
Key studies	Balogun (2003), Balogun, Jarzabkowski, and Vaara, (2011), Heracleous and Barrett (2001), Mantere (2008), and Mantere and Vaara (2008)	Greenwood and Suddaby (2006), Greenwood *et al*. (2002), Hardy and Maguire (2010), Maguire *et al*. (2004), and Rojas (2010)	Feldman and Orlikowski (2011), Jarzabkowski and Balogun (2009), Nicolini (2011), Regnér (2003), Sandberg and Tsoukas (2011). and Whittington (2006)	Dacin *et al*. (2010), Tilcsik (2010), and Tracey *et al*. (2011)

Main study (UtilCo)

UtilCo is an FTSE 100 utility firm from the sample of 11 FTSE 100 firms in the first dataset. UtilCo was formed in 1997 when its parent company was split into two separate firms. By 2002, and after a period of major changes, it moved from being a traditional utility to a multiproduct, multibusiness organization. We chose UtilCo as our main case for three reasons. First, it represented a newly created organization that was searching for a strategy. Thus, the firm had to draw on the current managers and their capabilities to develop its strategy. Second, the United Kingdom utility sector changed dramatically due to the deregulation and

DOI: 10.1002/smj

liberalization processes, meaning that managers in this sector had to make and execute strategy under conditions of increasing uncertainty. Accordingly, the way these managers perceived the notion of strategy in such context is of particular scholarly and practical relevance. Third, as with other FTSE 100 firms, UtilCo is comprised of multiple business units facing varying competitive forces. These conditions mean that managers with distinctive strategy roles were hired to create and then support the UtilCo strategy process. We followed a longitudinal-case-based approach (Pettigrew, 1992) focusing on the strategy process and practice at the UtilCo corporate center and two business units: TelUnit, a telecommunications unit, and GasUnit, a gas supply and distribution business. We conducted 36 semistructured interviews asking questions about the strategic planning process, the actions of key actors, the initiatives implemented, and the methods used to support the strategy process (Mantere and Vaara, 2008). Consistent with our research focus, each interviewee was also asked a specific question about the meaning of strategy (e.g., "What does strategy mean to you?"). The interviews, which lasted from one to two and a half hours, were digitally recorded with the approval of each informant and fully transcribed. The total dataset from the interviews at UtilCo amounted to 580 pages (314,602 words) of textual data. In addition, archival data were gathered in the form of documents related to the UtilCo strategy process: annual reports, strategy documents, presentations, and speeches.

Data analysis

Drawing on Grant (2003), and Jarzabkowski *et al*. (2009), and Laamanen and Wallin (2009), we follow a four-stage approach for our data analysis (refer to Table 2).

First stage (exploratory)

Instead of treating strategy as a concept with a predetermined meaning, we treat it as a contingent concept, allowing it to emerge from the data. This methodological treatment enables us to get close to how strategists use the term, so that we can keep our second hermeneutic (our interpretations of strategists' interpretations) as close to the data as possible (Giddens, 1984). Accordingly, the 15 interviews with strategy directors were analyzed using inductive qualitative techniques (Glaser and Strauss, 1967; Strauss and Corbin, 1990). Our analysis consisted of multiple, iterative readings of the interview transcripts, and the identification of dimensions of first-order strategy discourse uttered by various actors. During coding, careful attention was paid to how our interviewees described and made sense of the concept of strategy, both through their response to our specific question about what strategy means to them as well as their related responses across the whole interview narrative. Initial coding was very detailed and included a number of codes about the different dimensions of first-order strategy discourse. Informed by our grounded approach and through a continual process of refinement, we grouped these initial codes into groups of higher-order concepts representing four principal dimensions of first-order discourse (Strauss and Corbin, 1990). Overall, the aim of this stage was to identify the dimensions of first-order strategy discourse as perceived by strategists. Coding reliability was checked by having two coders, in addition to the original coder, code a sample of the interviews (agreement was 94.8 percent). Overall, this analysis of our interviews with strategy directors revealed four primary dimensions of first-order strategy discourse: functional, contextual, identity, and metaphorical.

Functional dimension

In this dimension, informants perceive the meaning of strategy to revolve around what strategy is intended to achieve and what strategists "do" to realize strategy: their particular activities that are central in strategizing (executing, reflecting, coordinating, etc.), as well as the norms, dominant logics, or procedures for doing so. Strategy here is all about facilitating decisions among competing alternatives and moving towards implementation through preparation of plans that guide actions and the allocation of resources.

Contextual dimension

In this dimension, the meaning of strategy is contingent on where strategy is carried out within a complex organization, as well as the location-related nuances around practicing strategy within the firm, for example, the level of centralization,

DOI: 10.1002/smj

Table 2. The four research stages

Research stages	Procedure and aim	Data analyzed
First stage(exploratory)	• Coding of the different dimensions of first-order strategy discourse based on the statements of interviewees about what strategy means to them. • To identify relevant, broad dimensions of first-order strategy discourse. • Quality check: intercoder reliability checks.	• Fifteen interviews with strategy directors from 11 FTSE 100 companies in 2002
Second stage(case history)	• Production of a timeline summarizing the evolution of UtilCo to enable organization-level contextualization of the dimensions of first-order strategy discourse identified in the first stage. • Quality check: feedback about the case from the UtilCo strategy director.	• Speeches, presentations, company annual reports, press releases, industry reports about the focal FTSE 100 company (UtilCo) covering the period 1997–2005.
Third stage(coding analysis)	• Thematic analysis of the key strategic initiatives, actors, and their key actions around the annual strategic planning process. • Coding of the interview data into distinctive periods in the firm's history. • To code first-order strategy discourses across the four dimensions identified in the first stage. • To code instances of institutional work based on the typology of Lawrence and Suddaby (2006).	• Nineteen interviews with managers in the UtilCo corporate center. • Seventeen interviews with managers in two business units (TelUnit and GasUnit). • Total: 36 interviews conducted in UtilCo during the period 2002–2004.
Fourth stage(analysis of first-order discourse and institutional work)	• Analysis of the dimensions of first-order strategy discourse over time using coding matrixes. • Cross-reference of dimensions of first-order strategy discourse with instances of institutional work. • To identify coding references counts and level of correlation. • Quality checks: Intercoder reliability checks. Triangulation with archival data and case history. Follow-up meetings with strategy managers at UtilCo.	

leadership style, history of strategy development, and the role of the strategists. Particularly in the multibusiness firm, business units (periphery) often have different cycle times, markets, and local planning processes across units, and between units and the corporate center (Martin and Eisenhardt, 2010). This creates complex political dynamics associated with different and sometimes conflicting beliefs about the meaning of strategy.

Identity dimension

A key aspect of the meaning of strategy involves what it means to "be" a strategist in a particular organization. When strategy directors speak about strategy, they typically refer to what makes a strategist, highlighting certain capabilities such as challenging convention and understanding industry value drivers and their shifts. The strategist, therefore, is distinguished from the nonstrategist through their capabilities in a multiplicity of strategizing tasks, prowess in strategic thinking, and ability to network with multiple strategic actors.

Metaphorical dimension

When discussing strategy, strategy directors commonly display some key discursive elements, which include the normative aspect of aspirations typically expressed through directional and mechanistic metaphors. Often, the underlying metaphor here is "strategy is a journey," consistent with the prevalence of the journey metaphor in other types of discourse (Lakoff and Johnson, 1980). Table 3

DOI: 10.1002/smj

below outlines the coding results from this stage, which provided the template for the analysis of the UtilCo case study.

Second stage (case history)

We compiled a dataset of secondary archival data in the form of company annual reports, press releases, and industry reports about UtilCo covering the period 1997–2005. From this dataset, we developed a group level case (UtilCo corporate center), two embedded business unit cases (TelUnit and GasUnit), and a timeline of strategy-related events. These case studies helped us contextualize the dimensions of strategy identified in stage one.

Third stage (coding of interviews)

We followed three steps to develop the UtilCo case study. First, we conducted a thematic analysis of the key initiatives, actors, and their institutional work around the strategic planning process. Second, we coded the interview data into particular periods in the firm's history. Third, we coded the instances of text related to first-order strategy discourse and institutional work. For the first-order strategy discourse coding, we selected the four dimensions (functional, contextual, identity, and metaphorical). For the institutional work coding, we followed Lawrence and Suddaby (2006) and focused on the dimensions of institutional work that were more closely relevant to our case study. Overall, we found the following categories of institutional work: defining, constructing identities, changing normative associations, theorizing, changing normative networks, and educating (Lawrence and Suddaby, 2006).

Fourth stage (analysis of first-order strategy discourse)

In this stage, we focused our attention on the corpus of 380 interview segments relating to first-order strategy discourse. Having coded the dimensions of first-order strategy discourse, as well as the instances of text referring to particular initiatives, actors, periods, and institutional work, we related these two lines of enquiry by examining the extent to which the dimensions of first-order strategy discourse varied across different locations, actors, and over time. We also cross-referenced these chronological changes in terms of emphasis in the dimensions of first-order strategy discourse, with changes in institutional work associated with the adoption of the institution at UtilCo. This process allowed us to identify three distinctive configurations of first-order strategy dimensions and associated institutional work in our dataset, which we represent across three phases: shaping, settling, and selling. In labeling these phases, we were inspired by the three broad categories of institutional work involved in creating institutions outlined by Lawrence and Suddaby (2006). We also performed quantitative analysis of the coding references of first-order strategy discourse to complement our initial qualitative appreciation of the change in emphasis on particular first-order dimensions over time. In order to limit the researcher bias, we triangulated our interview findings with our archival data and our case histories. Once more, we checked our coding reliability by having two coders code a sample of UtilCo interviews (agreement was 96.4 percent). Finally, we also validated our findings in follow-up meetings with UtilCo managers.

FIRST-ORDER STRATEGY DISCOURSE DURING INSTITUTIONAL ADOPTION

We now turn to the findings of our case study. Following our research questions, we examine how patterns in participants' dimensions of strategic discourse over time relate to forms of institutional work they adopt. We find three distinctive phases in the relation of first-order strategy discourse and associated institutional work: shaping, settling, and selling. While these phases are continuous and overlap, the configurations of first-order strategy discourse and institutional work had a distinctive impact in the adoption of the strategy function at UtilCo. In each phase, we take two steps. First, we describe the changing emphasis in the four first-order discourse dimensions. Second, we detail the institutional work performed during each phase. These two lines of analysis are then connected to examine how patterns in participants' dimensions of first-order discourse over time relate to forms of institutional work they adopt. Table 4 provides supporting quantitative and qualitative evidence for each phase with numbered references to particular quotations included in our findings below. Figure 2 is a visual representation of the relationship between emphasis in first-order

DOI: 10.1002/smj

Table 3. Dimensions of first-order strategy discourse from the exploratory study

	Functional	Contextual	Identity	Metaphorical
Definition	• Strategy is goal-oriented; it facilitates decisions among competing alternatives and enables implementation through preparation of detailed plans that guide actions and the allocation of resources.	• Strategy is contingent on the organizational location of strategic activities and the norms of practicing strategy in particular organizations.	• Strategy is a resource for identity construction. A strategist, for example, is able to challenge convention and understand industry value drivers and their shifts.	• Strategic discourse is aspirational, typically expressed in terms of directional, military, or mechanistic metaphors, which are explicitly employed.
Guiding question	• How do strategists perceive the task and process of strategy? How does this influence what they do and how do they do it?	• How does the organizational context of strategists affect how they do strategy?	• Who are the strategists? How do they think of themselves and their role?	• How do strategists rhetorically express their view of strategy?
Indicative quotes	• We develop a fact base, we then develop alternatives, those alternatives are then submitted to a dialogue between the business unit and the group center. (director, BankCo)	• How are we going to take this group forward, how we operate as a group, so that the role of each business is within the context of the group, where they have to be held back, where they have to be allowed to go forward. (director, UtilBiz).	• A good strategist is a partner, is a sounding board, he is a challenger, he is allowed to provide unsolicited criticism, as long as it is constructive. (director, OilBiz)	• For me it means the direction we point out for the company. And, how to reach an inspirational target. (director, PharmaCo)
	• There is a lot more than purely delivering the plan, and that is where strategy starts to come in, strategy starts to show the strategic choices that you intend to make in the future or, at least, the information you will take into account to start making these choices. (director, OilBiz)	• We (group strategy team) are altogether around 15 people. And our role is to see to that ... there are no contradictions within the different parts of the organization when it comes to these strategies. (director, PharmaCo)	• A strategist needs to be fully aware of the external world, the developments there, to make his assumptions about the future. (director, OilBiz)	• It is trying to formulate an aspiration, for a business or an initiative or a country ... It is an aspiration, it's something you would like to try to achieve in the long term, and your strategy describes the route ... you can get there. (director, OilBiz)

strategy discourse dimensions and the three phases of institutional adoption.

Phase 1: Shaping—emphasis on identity and functional dimensions

Our case study examines the emergence of first-order strategy discourse over time by analyzing the development of the UtilCo strategic planning process from 2000 to 2003. UtilCo was established as a utility provider in 1997 and rapidly expanded into new services and markets, changing from a traditional focused utility to a diversified multiutility. As the CEO notes: "By any stretch of the imagination the UtilCo story is an extraordinary one. We've lived through the most intense period of upheaval and have changed beyond recognition" (Conference speech, October 2001). During 1997–2000, the strategy-making process was based on an annual budgetary process, while the principal strategic directions were taken at the corporate center. The early strategic decisions focused on improving the economic performance of the core business and acquiring firms to expand

DOI: 10.1002/smj

Table 4. Dimensions of first-order strategy discourse emphasized and associated forms of institutional work across the three phases in UtilCo

Dimension	Phase 1		Phase 2		Phase 3	
	References	Percentage (%)	References	Percentage (%)	References	Percentage (%)
Identity	46	39.0	22	16.2	18	14.3
Functional	44	37.3	40	29.4	28	22.2
Contextual	15	12.7	48	35.3	42	33.3
Metaphorical	13	11.0	26	19.1	38	30.2
Total	118	100.0	136	100.0	126	100.0

Phase 1: Shaping

Dimensions of first-order strategy discourse (identity, functional)	Forms of institutional work (defining, constructing identities)
[1.1] So I mean, you know, there wasn't strategy here. It wasn't just me that recognized this, of course, but, you know, I was one of the new wave of managers within this organization. (GasUnit, director of marketing and strategy)—Identity	[1.3] [The central strategy function] then helped to form the top level strategic imperatives where's UtilCo going, and what do we need to focus on. (GasUnit, managing director and group deputy CEO)—Defining
[1.2] I think that we were very much around execution. What the customer wanted wasn't at the heart of what we did, and we didn't think of the interconnectivity between the various strands of our delivery. (GasUnit, director of marketing and strategy)—Functional	[1.4] What the center then had was a strategy function all being inside finance, so it was a strategy function finance. But, I mean, they were real strategists rather than finance people who turned their hats to being strategists. (GasUnit, managing director and group deputy CEO)—Constructing identities

Phase 2: Settling

Dimensions of first-order discourse (functional, contextual)	Forms of institutional work (changing normative associations, theorizing)
[2.1] I think for me now it's a much clearer framework … there are some clear corporate goals in which you have to work. And therefore in developing your own strategy you can sort of keep going through an iterative process that says are we meeting the corporate goals, aren't we. So in that sense it works much better. (TelUnit, director of HR)—Functional	[2.3] The "managing-for-value" thinking has given them [those involved in strategy] a more common language. You go into any of the businesses and hear people talk about the management agendas, or fact base or volume to value … which has helped dialogue between the individual businesses (TelUnit human resources director)—Theorizing
[2.2] The thing that made it successful, I've referred to it already, was the fact that the Group seemed to be completely aligned with and helping the brands [business units]. (GasUnit, managing director)—Contextual	[2.4] The senior finance team in GasUnit is new to the business. And you can see that pattern replicated in other functions … So, new thinking, new paradigms, new ways of working, different values and behaviors into the organization. (GasUnit, director of strategy and planning)—Changing normative associations

Phase 3: Selling

Dimensions of first-order discourse (contextual, metaphorical)	Forms of institutional work (changing normative networks, educating)
[3.1] What I see today is the brand [business unit] strategies becoming ever more powerful. And therefore informing much more what the corporate strategy should look like. (GasUnit, managing director)—Contextual	[3.4] Each business has a performance contract, which is defined as a two-way agreement. One side is agreeing to invest funds in this business and support the strategy, the other side is committing to deliver a level of performance that they have agreed on mutually. (Group strategy manager) —Changing normative networks
[3.2] The real challenge for us was actually then getting everybody to understand what it meant for them in the 40,000 people that work in UtilCo. You know, what part do I play? I'm a tiny little, you know, cog in this huge machine. What do I have to do differently? From what you've told me, this is our strategy now, but what does it mean for me? (Group marketing director)—Metaphorical	[3.5] So there is quite a disciplined process, but at the same time as doing that, over the last two years, we've been really on a journey to teach most of the organization what strategy actually is. (TelUnit, marketing director)—Educating
[3.3] I'm constantly if you like guiding the horse around the racetrack with the occasional whip but mostly an encouraging word. (GasUnit, director of marketing and strategy)—Metaphorical	

DOI: 10.1002/smj

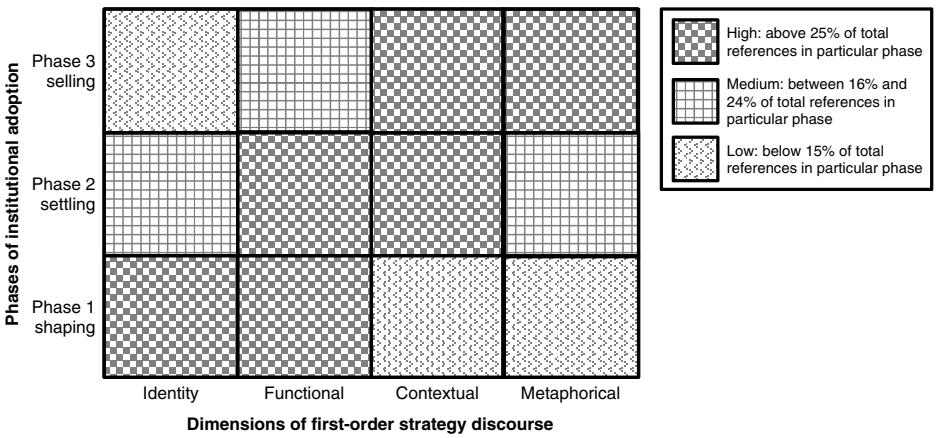

Figure 2. Strength of relationship between phases of institutional adoption and dimensions of first-order strategy discourse based on coding references

into new market segments. The newly acquired businesses offered distinctive services and were employing distinctive strategy processes. At the same time, there was pressure from investors to align the firm more closely to practices found in other FTSE 100 firms. In the face of these pressures, the UtilCo executive team decided to radically change the firm's strategy process towards a "managing-for-value" approach, and, as a result, project "Finland" was launched in 2001. To execute this project, the corporate center strategy team launched a number of initiatives to communicate across the firm the principal aspects and requirements of the new strategy process. This small group of practitioners was acting as institutional entrepreneurs—as powerful professionals who had the conviction that they possessed the capabilities and skill-set to support the new strategy process. As the data show, the principal dimensions of the first-order strategy discourse that were prominent in this phase were the identity and functional ones. The identity first-order strategy discourse was central in constructing the identity of the new central strategy team as experts in strategy and increased their organizational legitimacy at the launch of the new process [1.1]. This central strategy team was formed by hiring former consultants who were seen as having the capabilities to support the new process: "We brought in quite a lot of former consultants, who were very bright people, into the organization, people from other blue-chip organizations."—Identity (Group HR manager).

Functional first-order strategy discourse was also emphasized during this period [1.2]. Strategy in this dimension is seen in a classical sense, as goal-oriented, providing parameters for decision making and taking action. As the group strategy manager notes, for example, the focus of strategy is about achieving particular value maximizing actions:

> We have a single governing objective, and the whole premise on which our whole approach to strategy is based, is that we want to maximize value and value can be managed, it does not happen by accident. . . . . So different courses of action will yield different economic value. Those courses of action, is what we call the strategy.—Functional (Group strategy manager)

Alongside first-order discourse, the institutional work emphasized in this phase was about defining and constructing identities. Defining involved work aimed at constructing a set of rules about the precise expectations and deliverables of the new strategy process [1.3]. The roles of those involved in executing the new business model were created, which also created a number of expectations about the distinctive contribution of the strategy director and his strategy team across the group. Effort was also placed to become more innovative in responding to new opportunities: "And during this period, I guess we started to become more innovative in the way we approached our market opportunities and the challenges that we were facing, and particularly in our core energy business"—Defining (Group marketing director). Constructing identities was about describing the relationship between

DOI: 10.1002/smj

strategists and the field in which they were called to operate, both within the firm and the utility industry. For instance, despite the fact that the central strategy team was closely collaborating with the finance function, they were perceived as having a separate identity [1.4]. Particular expectations in terms of the analytical capabilities expected by strategy managers were also articulated:

> ... if you're a senior [strategy] manager ... what you should be doing is determine which businesses should be part of the portfolio, to understand the influence of the regulatory environment, to set the strategic agenda ... —Constructing identities (Group marketing director)

The performative outcomes in this phase were about developing organizational capacity and strategist legitimacy to support institutional adoption. More specifically, the central strategy team builds their identity as the experts who have come to install a new strategy process, and they are also being called upon to build the capability of the senior team to discuss strategy-related issues. Overall, in this initial phase, we found that first-order strategy discourse reflected efforts of institutional entrepreneurs to define the rules, identities, and boundaries around the adopted strategy function. It was a phase of initiation and experimentation, when the key features of the strategic planning process were created.

Phase 2: Settling—emphasis on functional and contextual dimensions

By the end of 2001, most of the UtilCo businesses were delivering positive performance results. However, as UtilCo added more units to its structure, implementing particular strategic goals became increasingly complicated. In these conditions, the UtilCo senior management supported the creation of peripheral strategy teams located within each business unit. These teams would help implement project Finland and would be coordinated by the central strategy team. In this phase, the functional and contextual dimensions of first-order strategy discourse were prominent. Regarding the functional dimension, the business unit strategy teams played an active role in clarifying the managing-for-value framework [2.1]. For instance, they ran a number of training sessions in their units to help define the key "value-at-stake" activities:

> Year two, the additions were that we had a lot of effort into generating a fact-base about the business, who our competitors were, what were the drivers for value in the area of customer contribution ... we made more significant efforts to define the key value-at-stake activities.—Functional (GasUnit, director of marketing and strategy)

The contextual first-order strategy discourse was also emphasized in this period. Strategy in this dimension is contingent on the organizational location of strategic activities. Within UtilCo, the peripheral strategy teams supported the alignment of the local strategy processes to the standards required by the managing-for-value process [2.2]. This active engagement of business unit strategy managers led them to develop their own elaborate meanings of strategy and work towards adjusting aspects of the planning process within their businesses, emphasizing the contextual dimension of strategy discourse, presenting strategy as shaped by its organizational location: "It's top-bottom-up... we don't have a big group at the center trying to do all the strategic thinking. Strategy is coordinated at the center but the actual planning and thinking and evaluation goes on in the business units"—Contextual (Group strategy director). Considering the actors involved in the strategy process, from a single group of institutional entrepreneurs (central strategy team) in phase 1, we found in phase 2 groups of institutional entrepreneurs (central and peripheral strategy teams) trying to make sense of strategy themselves (for instance, during workshops) and at the same time present strategy "at the level that people understand" in order "to get their buy-in." This means that in phase 2 these strategists, by socially constructing (Berger and Luckmann, 1966) the meaning of strategy, were also socially constructing their identity within the organization as experts in strategy who have the right skill-set to consult to top management and support middle-level managers during the strategy process.

The institutional work stressed in phase 2 was about theorizing and changing normative associations. Theorizing referred to the development and

DOI: 10.1002/smj

naming of concepts around the strategy process. Particular attention was placed on clarifying the managing-for-value approach [2.3]. After the first phase, when the managing-for-value concepts and framework were launched, in this phase, we have a more active discussion about what these concepts actually mean, particularly in relation to the local strategy processes in each business unit.

> So it's not enough to say that we're creating value, we have to "check" against other alternatives to make sure that we are pursuing a course of action that we think maximizes the value of the company.—Theorizing (Group strategy manager)

Changing normative associations referred to the impact of the practices by strategists to the underlying values and culture found in the strategy process. As such, the new strategy teams were perceived as equals to other functions in UtilCo, and as a group representing new ways of acting based on different values and mindsets [2.4]. Also, work carried out by the business unit strategy teams now helps to align the diverse processes found in phase 1:

> I think what has been the change, especially for 2002, was a much greater focus on actually ... bringing it all together in one clean process.—Changing normative associations (GasUnit, strategy manager)

The performative outcomes in phase 2 were about embedding new strategy concepts and building strategy process capability to support institutional adoption. The new strategy concepts that were introduced in phase 1 (for instance, the managing-for-value framework) were now discussed more extensively, accompanied by efforts to build strategy process capability since strategy practitioners were starting to deal with issues that emerged as problematic after phase 1. In order to deal with these issues, the central strategy team coordinated a series of interactions with the business unit strategy teams. Differences emerged in terms of the way concepts, templates, tools, and metrics of the strategy process had been perceived by the various units. This, in turn, led the strategy teams to theorize about the managing-for-value approach, which helped them clarify the key concepts of the new strategy process. Accordingly, we found that in this phase first-order strategy discourse captured the work of strategists debating about the precise rules, belief systems, and boundaries of the adopted institution. This was a phase of reflection and coordination, when the features of the planning process were refined and discussed.

Phase 3: Selling—emphasis on contextual and metaphorical dimensions

By 2003, the strategy teams at the corporate center and the business units of UtilCo had an increased involvement in the strategy process. In this phase, execution through the managing-for-value model was at the top of the UtilCo management agenda: "We're now entering the next phase of our development ... our emphasis is on growing value from the business we've got." (CEO, AGM speech, May 2003). The strategy process involved not only the strategy director and the top management team, as in phase 1, but also a wider community of strategists, consisting of the central and peripheral strategy teams together with middle-level managers. In order to achieve this level of engagement, a set of dialogues between the center and the business units were launched. As more strategy teams and middle-level managers were involved in the process, we found the contextual [3.1] and metaphorical [3.2] [3.3] dimensions of first-order strategy discourse to be emphasized. As a manager notes, strategy in phase 3 was about delivering at the business unit level with middle-level managers who hold the local knowledge on performance indicators, and, as a result, the contextual first-order strategy discourse was predominant:

> Making the UtilCo business model work is all down to translating it into real concrete things that we do differently in our businesses... I think that the focus of the 2003 strategy was turning words into tangible commitments in our businesses.—Contextual (Group strategy manager)

The emphasis on the metaphorical aspect of the first-order strategy discourse also became increasingly higher during this phase. Explicit

DOI: 10.1002/smj

metaphors were employed that were at the same time both aspirational and directional. In the quote below, the organization is seen as a ship:

> We were afloat; we were not going to sink ... And then, to continue my analogy, having now got the ship afloat and we then said, well, hold on. We were going to go to New York, that's where the ship was going. But now we've got a ship, you know, that's afloat, why don't we go down to Rio de Janeiro.—Metaphorical (Group marketing director)

The institutional work emphasized in phase 3 was about changing normative networks and educating. Changing normative networks refers to the interactions across the network of top management, strategy teams, and middle-level managers to define a way to monitor and evaluate the actions and deliverables of the strategy process. As a result of these interactions between the center and the business units, performance contracts were adopted and mutually agreed [3.4]. Through these contracts, the aim was to raise the standards of delivery within each business unit:

> And then using tools we have such as value-driver trees ... [to gain a] deep understanding of how value is driven in our business, this deep understanding was about building a set of performance commitments both at the business and the individual level.—Changing normative associations (Group strategy manager)

Educating refers to the training of actors in skills and knowledge necessary to support the adopted strategy function. This training involved the central strategy team spending time in each unit to enhance the capabilities of local managers around the strategy process [3.5]:

> Then each month they'll [central strategy team] come down and discuss with us the drivers and the numbers. And I think those meetings are extremely valuable in educating the center in our business, in what are the issues that affect our business, what is driving our business.—Educating (TelUnit, finance manager)

The performative outcomes in this phase were about crystalizing the normative legitimacy of the strategy process and gaining the commitment of multiple stakeholders to support institutional adoption. Accordingly, we found an increase in the perceived ability of business unit strategy teams and middle-level managers to (1) utilize the emerging strategy vocabulary around managing for value, and (2) participate in an on-going dialogue about adjustments in their local strategy plans with the corporate center strategy team. As such, the first-order strategy discourse in this phase echoes work carried out across a network of strategy practitioners to formalize the rules, belief systems, and boundaries of the adopted institution. It was a phase of interaction and collaboration, when the key features of the strategic planning process were implemented and measurable performance outcomes were achieved. In summary, Table 5 presents the three identified phases, their definitions, the key actors, the first-order strategy discourse dimensions, and the associated institutional work emphasized over time at UtilCo.

DISCUSSION AND CONCLUSION

Dimensions of first-order strategy discourse

Our study contributes to a deeper understanding of the concept of strategy in practice, of processes of institutionalization, and of the role of discourse in these processes. As indicated earlier, strategy directors and their teams are now appearing in most large firms. The ways these "new" strategists understand, express, and employ the concept of strategy as a discursive resource reflects their efforts to legitimize their own actions and identity in complex organizations. In our theory discussion, we suggested that strategy directors and their teams can be perceived as institutional entrepreneurs whose role involves the fundamental rethinking and, if necessary, the change of established ways of thinking and acting about strategy. As they establish the parameters of an adopted institution (in our case, through the emphasis on the functional dimension), strategists socially construct their identities within their community (through emphasis on the identity dimension) and then project these identities across their organization (Bartunek, Balogun, and Boram, 2011). This finding is consistent with Lounsbury

DOI: 10.1002/smj

Table 5. Emphasized first-order strategy discourse dimensions and related forms of institutional work across three phases during institutional adoption

Phases (definition)	Key actors	Dimensions of first-order strategy discourse	Related forms of institutional work	Nature of relationship
1. Shaping: Developing organizational capacity and strategist legitimacy to support institutional adoption	Central strategy team, top management	Identity and functional	Defining (the construction of rule systems that confer status or identity, define boundaries of membership, or create status hierarchies) Constructing identities (defining the relationship between an actor and the field in which that actor operates)	First-order strategy discourse reflects efforts of institutional entrepreneurs to define the rules, identities, and boundaries around the adopted institution. It's a period of initiation and experimentation
2. Settling: Embedding new strategy concepts and building strategy process capability to support institutional adoption	Central strategy team, business unit strategy teams	Functional and contextual	Theorizing (the development and naming of abstract categories, new concepts, and chains of cause and effect) Changing normative associations (remaking the connections between sets of practices and the moral and cultural foundations for those practices)	First-order strategy discourse captures the work of strategy teams that debate about the precise rules, belief systems, and boundaries of the adopted institution. It's a period of reflection and coordination
3. Selling: Crystalizing the normative legitimacy of the strategy process and gaining the commitment of multiple stakeholders to support institutional adoption	Central strategy team, business unit strategy teams, middle-level management	Contextual and metaphorical	Changing normative networks (constructing of connections through which practices become normatively sanctioned and which form the relevant peer group with respect to compliance, monitoring, and evaluation) Educating (training actors in skills and knowledge necessary to support the institution)	First-order strategy discourse echoes work carried out across a network of actors to formalize the rules, belief systems, and boundaries of the adopted institution. It's a period of interaction and collaboration

and Glynn (2001) who propose that agents employ discourse to fill a "cultural void" especially in the founding moments of a new venture. In our study of strategy as a concept in use, rather than as a term with a fixed, stable definition, we found four dimensions: functional, identity, contextual, and metaphorical. These dimensions can be seen as structural features of first-order strategy discourse that operate at the deeper semiotic or connotational level of strategic discourse (Heracleous, 2006). They act simultaneously as constraints and as resources (Hardy *et al*., 2000) for interpretation and action, suggesting that strategy is a contingent term intimately bound with strategy directors and managers who profess to do strategy and be strategists.

Differential employment of dimensions of first-order strategy discourse during phases of institutional adoption

As shown in Table 5, we found patterns of differential emphasis in the first-order strategy discourse across the three phases. Specifically, we observed that first-order strategy discourse evolves from

DOI: 10.1002/smj

emphasizing predominantly functional and identity dimensions in the first phase to emphasizing mainly metaphorical and contextual dimensions in the third phase, with a settling phase in between where functional and contextual first-order discourse is primary. Institutional theory can provide resources for interpreting why these differential emphases occurred. As the new institution in the form of a strategic function was beginning to take hold, it was important to educate agents as to what strategy involves and aims to achieve. An appropriate way to do this was to draw from existing understandings of strategy, itself a potent institution in terms of its body of knowledge as well as its diffusion in organizations as a practice (Barry and Elmes, 1997). This process can be seen as a form of imitation (Galaskiewicz and Wasserman, 1989), associating the adopted institution of a strategic planning function in UtilCo with an already existing form of knowledge and organizational practice in the broader institutional field of FTSE 100 firms. Further, this emphasis on the functional dimension was a form of definition (Lawrence and Suddaby, 2006: 222). The functional dimension outlined how the process of strategy would operate in UtilCo, in a way that distinguished strategists, the ones knowledgeable in the technology and discourse of strategy, from nonstrategists. The defining process involves close links between institutional logics and perceptions of identity (Rao, Monin, and Durant, 2003). Identity work during the emergence of institutions is endemic and fundamental, as it defines the relationship between agents and the institution (Lawrence and Suddaby, 2006; Oakes, Townley, and Cooper, 1998). This sheds light on why the identity dimension of discourse was emphasized at the initial stage to accompany the adoption of the institution. The following proposition captures this argument.

Proposition 1a: At the early stages of institutional adoption, strategy practitioners utilize primarily functional and identity dimensions of first-order strategy discourse to develop organizational capacity and strategist legitimacy to support institutional adoption.

Our findings show that in period two, the intermediate phase of institutional adoption, the functional and contextual dimensions were emphasized. The central strategy team is coordinating (Jarzabkowski *et al*., 2012) the work of peripheral strategy teams. Effectively, this lays the foundations for improved strategy process capability across the businesses. In these conditions, a dialogue process (Tsoukas, 2009) starts across these strategy teams helping them to reflect on and clarify the rules, belief systems, and boundaries of the adopted institution. This dialogue process is then refined and extended to include more stakeholders in stage 3. Proposition 1b encapsulates this process.

Proposition 1b: At the intermediate stage of institutional adoption, strategy practitioners emphasize functional and contextual dimensions of first-order strategy discourse to embed new strategy concepts and build strategy process capability.

As our data show, in period three, the maturity phase of institutional adoption, the contextual and metaphorical dimensions were emphasized. As Lawrence and Suddaby (2006) note, embedding and routinizing are central aspects of maintaining institutions, and attention to how generic strategy processes need to be adapted to fit specific organizational contexts is essential to this embedding and routinizing process. The institutionalization of new practices is facilitated if they are consistent with existing practices. Such insight during this selling phase in the UtilCo multibusiness firm and across a network of strategy practitioners also confirms recent findings about the discursive relationship between parent-subsidiary in the multinational firm (Balogun *et al*., 2011). Further, at this stage, where multiple stakeholders (central, peripheral strategy team, and middle-level managers) and contexts (corporate center and diverse business units) were interacting, the emphasis on the metaphorical dimension is consistent with the power of metaphor to appeal to multiple audiences through its "plurality and openness of meaning" (Cornelissen, 2005: 753). Proposition 1c reflects this argument.

Proposition 1c: At the maturity stage of institutional adoption, strategy practitioners emphasize contextual and metaphorical dimensions of first-order strategy discourse

DOI: 10.1002/smj

to crystallize the normative legitimacy of the strategy process and gain the commitment of multiple stakeholders.

This differential emphasis on dimensions of first-order strategy discourse at different phases of the institutionalization process contributes to a deeper understanding of the role of discourse in this process, an aspect that has not received sufficient research attention (Phillips, Lawrence, and Hardy, 2004). Such differential emphasis over time, which we term "selective focusing," allows us to theoretically elaborate in more precise terms the process of institutional adoption. Specifically, our findings demonstrate that selective focusing is connected with changes in institutional work carried out by actors. This institutional work is about defining, constructing identities, changing normative associations and networks, theorizing, and educating (Lawrence and Suddaby, 2006). For future studies, this realization opens the potential to examine in more detail whether particular trajectories of first-order strategy discourse can be related to other kinds of institutional conditions beyond adoption, such as creation and maintenance. Further, if we conceive groups as aggregations of individuals, and firms as aggregations of groups, the first-level strategy discourse at the microlevel influences how strategy is talked about and how these meanings are employed at the group and firm levels. As such, the concept of first-order discourse provides a foundational view of the ways institutional entrepreneurs interpret and shape the strategy discourse, thus allowing researchers to capture more effectively the microdynamics of institutional entrepreneurship (Maguire *et al*., 2004). The above arguments suggest the following proposition.

Proposition 2: Strategy practitioners are likely to utilize differentially multiple dimensions of first-order strategy discourse over time and during their work associated with the adoption of an institution.

We thus contribute to a deeper understanding of discourse in institutionalization processes by illustrating how practitioners emphasize different dimensions of first-order discourse while they accomplish aspects of institutional work. The four dimensions we found are anchored close to the principal actors producing the actual strategy discourse, who employ them to challenge and influence established ways of practicing strategy. Our findings also extend previous studies on stages of institutionalization. While most prior such studies have focused either on the broad issues of stability (DiMaggio and Powell, 1983) or change (Greenwood *et al*., 2002), what we know less about is how these stages are related and why (Zietsma and Lawrence, 2010). Our study contributes to this debate by showing that agents place differential emphasis on discursive dimensions at particular institutionalization stages, depending on the type of institutional work they aim to achieve. We also provide an explanation on why these specific links exist. In UtilCo, we find that the initial stage of institutional adoption (shaping), which is characteristic of change (Greenwood *et al*., 2002), is followed by the intermediate stage of settling, which corresponds to a period of relative stability (DiMaggio and Powell, 1983), and the third, maturity stage is about selling, which is a return to a period of change. We argue that underlying these shifts in these phases is a differential emphasis in first-order strategy discourse or selective focusing. In other words, we suggest that selective focusing is one of the mechanisms that can help us explain the relationships among institutional stages. Our arguments so far are illustrated in Figure 3.

Performative outcomes in institutional adoption

By examining first-order strategy discourse and the associated institutional work, we reveal the importance of considering the performative aspects relating to practitioners in their efforts to adopt an institution. Overall, we find that the organizational outcomes of institutional adoption (the adoption of a strategy function) are enmeshed with performative outcomes (developing organizational capacity and strategist legitimacy, embedding new strategy concepts and building strategy process capability, crystalizing the normative legitimacy of the strategy process, and gaining the commitment of multiple stakeholders). Further, these outcomes are dependent on how agents employ discourse to accomplish institutional work. While previous studies of institutional entrepreneurship have focused on institutional outcomes at the inter- or intraorganizational level, our study additionally points to the importance of understanding the

DOI: 10.1002/smj

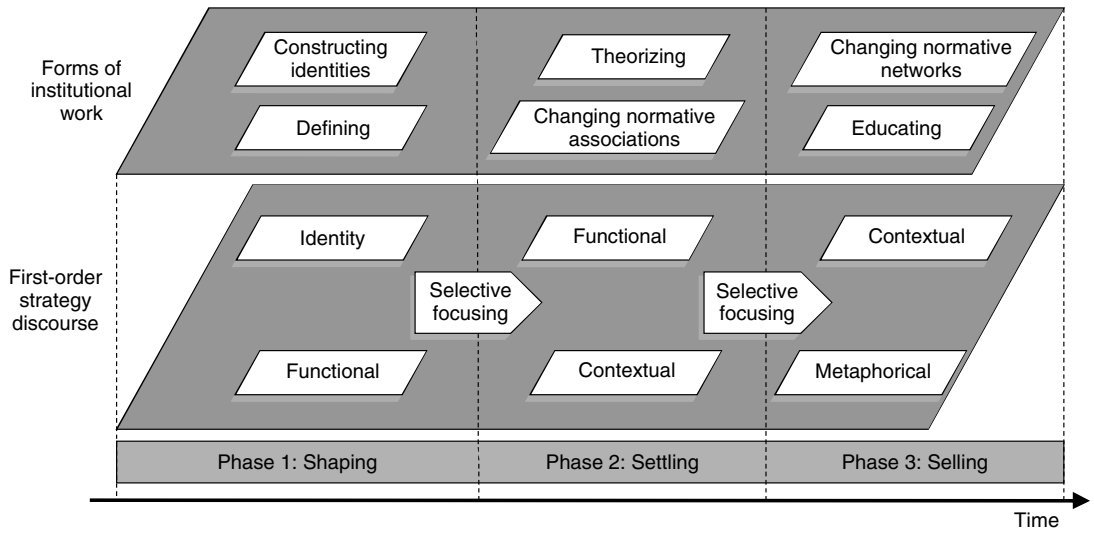

Figure 3. First-order strategy discourse and forms of institutional work in UtilCo

microlevel, performative outcomes associated with the adoption of institutions—such as the identity and credibility creation of practitioners involved in the strategy process as knowledgeable experts. Such identification and legitimation processes take place at the individual and team level and, as posed by strategy-as-practice, are inherently social accomplishments (Chia and MacKay, 2007), with strategists embarking on an on-going dialogue to support the strategy process (Tsoukas, 2009). Our findings also provide snapshots of performative outcomes during institutional adoption, specifically related to the perceived improvement in the central and peripheral actors' capability to strategize. Past institutional entrepreneurship research has examined skills (Garud *et al*., 2002) and points to the usefulness of focusing on the microlevel capabilities enabling (and hindering) the adoption of institutions. As captured by Proposition 3, performative dimensions are an important feature of the institutional adoption process.

Proposition 3: Strategy practitioners employ dimensions of first-order strategy discourse to accomplish performative outcomes, which in turn facilitate the institutional adoption being pursued.

Directions for future studies and practical implications

We propose directions for further studies by following the same structure as our three domains of contribution. Firstly, with respect to the identification of four dimensions of first-order strategy discourse, it would be useful to investigate in more detail the links across the four dimensions (for instance, between functional and identity) and between each of the four dimensions and practice (for instance, between identity and practice) to explore whether, how, and why changes in these dimensions could help us explain changes in strategy practices within and across firms. In addition, studies could focus on the extent of differences in the perceptions of strategy between strategists and nonstrategists. With respect to our second domain, relating to the role of discourse in institutionalization processes, it would be useful to know whether and to what extent the patterns we found of selective focusing of discourse dimensions as relating to the stages of adoption apply to other contexts, or whether different mechanisms (beyond selective focusing) or patterns can be observed. With respect to our third domain, the role of performative outcomes in institutionalization processes, it would be useful to understand more about the types of performative outcomes most relevant to particular settings. Finally, our study and findings have a number of practical implications. As educators in our discussions with students, we can diverge from standard textbook definitions and focus on issues such as identity construction, legitimation, contextual embeddedness of strategy, and the various metaphors strategists employ. This would allow

DOI: 10.1002/smj

us to educate students on the messy and contextually contingent nature of strategy in practice, rather than to give the impression of strategy as a disengaged practice mainly involving strategic planning with boxes and arrows. Further, strategists aspiring to change practices in their firms, or to influence institutions, can gain sensitivity on how they employ strategic discourse, and what effects this may have on their context.

ACKNOWLEDGEMENTS

We would like to thank Rich Bettis and the anonymous reviewers for their constructive and developmental feedback. Roy Suddaby, Haridimos Tsoukas, and Andrew Pettigrew provided us with valuable input at different stages of this paper's evolution. We would also like to thank the SAP Review group in Oxford and seminar participants at Lancaster University Management School, Henley Business School, and the University of St. Gallen for their insights. A previous version of this paper received an honorable mention of the 2010 SMS Finland Best Conference Paper award.

REFERENCES

Alvesson M, Kärreman D. 2000. Varieties of discourse: on the study of organizations through discourse analysis. *Human Relations* **53**(9): 1125–1149.

Angwin D, Paroutis S, Miston S. 2009. Connecting up strategy: are senior strategy directors (SSDs) a missing link? *California Management Review* **51**(3): 74–94.

Balogun J. 2003. From blaming the middle to harnessing its potential: creating change intermediaries. *British Journal Management* **14**(1): 69–84.

Balogun J, Jarzabkowski P, Vaara E. 2011. Selling, resistance and reconciliation: a critical discursive approach to subsidiary role evolution in MNCs. *Journal of International Business Studies* **42**(6): 765–786.

Barry D, Elmes M. 1997. Strategy retold: toward a narrative view of strategic discourse. *Academy Management Review* **22**(2): 429–452.

Bartunek JM, Balogun J, Boram D. 2011. Considering planned change anew: stretching large group interventions strategically, emotionally and meaningfully. *Academy of Management Annals* **5**(1): 1–52.

Berger PL, Luckmann T. 1966. *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*. Anchor Books: Garden City, NY.

Bettis RA, Prahalad CK. 1995. The dominant logic: retrospective and extension. *Strategic Management Journal* **16**(1): 5–14.

Bowman EH, Helfat CE. 2001. Does corporate strategy matter? *Strategic Management Journal* **22**(1): 1–23.

Breene TRS, Nunes PF, Shill WE. 2007. The chief strategy officer. *Harvard Business Review* **85**(10): 84–93.

Chia R, Mackay RB. 2007. Post-processual challenges for the emerging strategy-as-practice perspective: discovering strategy in the logic of practice. *Human Relations* **60**(1): 217–242.

Condor S, Antaki C. 1997. Social cognition and discourse. In *Discourse Studies: A Multidisciplinary Introduction* (Volume **1**), van Dijk TA (ed). Sage: Beverly Hills, CA; 320–347.

Cornelissen JP. 2005. Beyond compare: metaphor in organization theory. *Academy of Management Review* **30**(4): 751–764.

Dacin MT, Goodstein J, Scott WR. 2002. Institutional theory and institutional change: introduction to the special research forum. *Academy of Management Journal* **45**(1): 45–56.

Dacin MT, Munir K, Tracey P. 2010. Formal dining at Cambridge colleges: linking ritual performance and institutional maintenance. *Academy of Management Journal* **53**(6): 1393–1418.

van Dijk TA. 1990. Social cognition and discourse. In *Handbook of Language and Social Psychology*, Giles H, Robinson WP (eds). Wiley: Chichester, UK; 163–183.

DiMaggio PJ, Powell WW. 1983. The iron cage revisited: institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* **48**(2): 147–160.

Eden C. 1992. On the nature of cognitive maps. *Journal of Management Studies* **29**(3): 261–265.

Feldman RS, Orlikowski WJ. 2011. Theorizing practice and practicing theory. *Organization Science* **22**(5): 1240–1253.

Fiss PC, Zajac EJ. 2006. The symbolic management of strategic change: sensegiving via framing and decoupling. *Academy of Management Journal* **49**(6): 1173–1193.

Foucault M. 1972. *The Archaeology of Knowledge*. Routledge: London, UK.

Foucault M. 1977. *Discipline and Punish*. Penguin: London, UK.

Galaskiewicz J, Wasserman S. 1989. Mimetic processes within an interorganizational field: an empirical test. *Administrative Science Quarterly* **34**(3): 454–479.

Garud R, Jain S, Kumaraswamy A. 2002. Institutional entrepreneurship in the sponsorship of common technological standards: the case of Sun Microsystems and Java. *Academy Management Journal* **45**(1): 196–214.

Giddens A. 1984. *The Constitution of Society*. Polity: Cambridge, UK.

Gioia D, Chittipeddi K. 1991. Sensemaking and sensegiving in strategic change initiation. *Strategic Management Journal* **12**(6): 433–448.

Glaser BG, Strauss AL. 1967. *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Aldine: New York.

Grant RM. 2003. Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal* **24**(6): 491–517.

Greenwood R, Suddaby R. 2006. Institutional entrepreneurship in mature fields: the big five accounting firms. *Academy of Management Journal* **49**(1): 27–48.

Greenwood R, Suddaby R, Hinings CR. 2002. Theorizing change: the role of professional associations in the transformation of institutional fields. *Academy Management Journal* **45**(1): 58–80.

Hambrick D. 2004. The disintegration of strategic management: it's time to consolidate our gains. *Strategic Organization* **2**(1): 91–98.

Hardy C, Maguire S. 2010. Discourse, field-configuring events, and change in organizations and institutional fields: narratives of DDT and the Stockholm convention. *Academy of Management Journal* **53**(6): 1365–1392.

Hardy C, Palmer I, Phillips N. 2000. Discourse as a strategic resource. *Human Relations* **53**(9): 1227–1248.

Hendry J. 2000. Strategic decision making, discourse, and strategy as social practice. *Journal of Management Studies* **37**(7): 955–977.

Heracleous L. 2006. *Discourse, Interpretation, Organization*. Cambridge University Press: Cambridge, UK.

Heracleous L, Barrett M. 2001. Organizational change as discourse: communicative actions and deep structures in the context of IT Implementation. *Academy Management Journal* **44**(4): 755–778.

Heracleous L, Jacobs C. 2008. Understanding organizations through embodied metaphors. *Organization Studies* **29**(1): 45–78.

Hodgkinson GP, Healy MP. 2011. Psychological foundations of dynamic capabilities: reflexion and reflection in strategic management. *Strategic Management Journal* **32**(13): 1500–1516.

Jarzabkowski P. 2005. *Strategy as Practice: An Activity Based Approach*. Sage: London, UK.

Jarzabkowski P, Balogun J. 2009. The practice and process of delivering integration through strategic planning. *Journal of Management Studies* **46**(8): 1255–1288.

Jarzabkowski P, Balogun J, Seidl D. 2007. Strategizing: the challenges of a practice perspective. *Human Relations* **60**(1): 5–27.

Jarzabkowski P, Lê JK, Feldman MS. 2012. Toward a theory of coordinating: creating coordinating mechanisms in practice. *Organization Science* **23**(4): 907–927.

Jarzabkowski P, Matthiesen JK, Van de Ven AH. 2009. Doing which work? A practice approach to institutional pluralism. In *Institutional Work: Actors and Agency in Institutional Studies of Organization*, Lawrence TB, Suddaby R, Leca B (eds). Cambridge University Press: Cambridge, UK; 284–316.

Jarzabkowski P, Sillince J. 2007. A rhetoric-in-context approach to building commitment to multiple strategic goals. *Organization Studies* **28**(11): 1639–1665.

Johnson G, Melin L, Whittington R. 2003. Special issue on micro strategy and strategizing: towards an activity-based view. *Journal of Management Studies* **40**(1): 3–22.

Kaplan RS, Norton DP. 2005. The office of strategy management. *Harvard Business Review* **83**(10): 72–80.

Ketokivi M, Mantere S. 2010. Two strategies for inductive reasoning in organizational research. *Academy of Management Review* **35**(2): 315–333.

Kornberger M, Clegg S. 2011. Strategy as performative practice: the case of Sydney 2030. *Strategic Organization* **9**(2): 136–162.

Kostova T, Roth K. 2002. Adoption of an organizational practice by subsidiaries of multinational corporations: institutional and relational effects. *Academy of Management Journal* **45**(1): 213–233.

Knights D, Willmott H. 1989. Power and subjectivity at work: from degradation to subjugation in social relations. *Sociology* **23**(4): 535–558.

Laamanen T, Wallin J. 2009. Cognitive dynamics of capability development paths. *Journal of Management Studies* **46**(6): 950–981.

Lakoff G, Johnson M. 1980. *Metaphors We Live By*. University of Chicago Press: Chicago, IL.

Lawrence TB, Suddaby R. 2006. Institutions and institutional work. In *Handbook of Organization Studies* (2nd edn), Clegg SR, Hardy C, Lawrence TB, Nord WR (eds). Sage: London, UK; 215–254.

Lounsbury M. 2002. Institutional transformation and status mobility: the professionalization of the field of finance. *Academy Management Journal* **45**(1): 255–266.

Lounsbury M. 2008. Institutional rationality and practice variation: new directions in the institutional analysis of practice. *Accounting, Organizations and Society* **33**(4/5): 349–361.

Lounsbury M, Glynn MA. 2001. Cultural entrepreneurship: stories, legitimacy, and the acquisition of resources. *Strategic Management Journal* **22**(6/7): 545–564.

Mantere S. 2008. Role expectations and middle manager strategic agency. *Journal of Management Studies* **45**(2): 294–316.

Mantere S, Vaara E. 2008. On the problem of participation in strategy: a critical discursive perspective. *Organization Science* **19**(2): 341–358.

Martin JA, Eisenhardt KM. 2010. Rewiring: cross-business-unit collaborations in multibusiness organizations. *Academy Management Journal* **53**(2): 265–301.

Maguire S, Hardy C, Lawrence TB. 2004. Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy Management Journal* **47**(5): 657–679.

Munir KA, Phillips N. 2005. The birth of the 'Kodak Moment': institutional entrepreneurship and the adoption of new technologies. *Organization Studies* **26**(11): 1665–1687.

Nag R, Hambrick DC, Chen M. 2007. What is strategic management, really? Inductive derivation of a consensus definition of the field. *Strategic Management Journal* **28**(9): 935–955.

Nicolini D. 2011. Practice as the site of knowing: insights from the field of telemedicine. *Organization Science* **22**(3): 602–620.

Oakes L, Towney B, Cooper DJ. 1998. Business planning as pedagogy: language and control in a changing institutional field. *Administrative Science Quarterly* **43**(2): 257–292.

DOI: 10.1002/smj

Oswick C, Grant D, Marshak RJ, Cox JW. 2010. Organizational discourse and change: positions, perspectives, progress, and prospects. *Journal of Applied Behavioral Science* **46**(1): 8–15.

Paroutis S, Pettigrew AM. 2007. Strategizing in the multibusiness firm: the role of strategy teams at multiple levels and over time. *Human Relations* **60**(1): 99–135.

Pettigrew AM. 1992. The character and significance of strategy process research. *Strategic Management Journal* **13**(5): 5–16.

Prahalad CK, Bettis RA. 1986. The dominant logic: a new linkage between diversity and performance. *Strategic Management Journal* **7**(6): 485–501.

Phillips N, Lawrence TB, Hardy C. 2004. Discourse and institutions. *Academy of Management Review* **29**(4): 635–652.

Rajagopalan N, Spreitzer GM. 1996. Toward a theory of strategic change: a multi-lens perspective and integrative framework. *Academy of Management Review* **22**(1): 48–79.

Rao H, Monin P, Durand R. 2003. Institutional change in Toque Ville: nouvelle cuisine as an identity movement in French gastronomy. *American Journal of Sociology* **108**(4): 795–843.

Regnér P. 2003. Strategy creation in the periphery: inductive versus deductive strategy making. *Journal of Management Studies* **40**(1): 57–82.

Rojas F. 2010. Power through institutional work: acquiring academic authority in the 1968 third world strike. *Academy of Management Journal* **53**(6): 1263–1280.

Sandberg J, Tsoukas H. 2011. Grasping the logic of practice: theorizing through practical rationality. *Academy of Management Review* **36**(2): 338–360.

Schendel D. 2006. Introduction to the five year index volumes 21–25, 2000–2004. *Strategic Management Journal* **27**: iii–v.

Searle JR. 2005. What is an institution? *Journal of Institutional Economics* **1**(1): 1–22.

Smith JA, Flowers P, Larkin M. 2009. *Interpretative Phenomenological Analysis: Theory, Method and Research*. Sage: Beverly Hills, CA.

Strauss A, Corbin J. 1990. *Basics of Qualitative Research: Grounded Theory, Procedures, and Techniques*. Sage: Newbury Park, CA.

Suddaby R, Greenwood R. 2005. Rhetorical strategies of legitimacy. *Administrative Science Quarterly* **50**(1): 35–67.

Tilcsik A. 2010. From ritual to reality: demography, ideology, and decoupling in a post-communist government agency. *Academy of Management Journal* **53**(6): 1474–1498.

Tracey P, Phillips N, Jarvis O. 2011. Bridging institutional entrepreneurship and the creation of new organizational forms: a multilevel model. *Organization Science* **22**(1): 60–80.

Tsoukas H. 2009. A dialogical approach to the creation of new knowledge in organizations. *Organization Science* **20**(6): 941–957.

Tsoukas H. 2010. Practice, strategy making and intentionality: a Heideggerian onto-epistemology for strategy as practice. In *Cambridge Handbook of Strategy As Practice*, Golsorkhi D, Rouleau L, Seidl D, Vaara E (eds). Cambridge University Press: Cambridge, UK; 47–62.

Vaara E, Whittington R. 2012. Strategy-as-practice: taking social practices seriously. *Academy of Management Annals* **6**(1): 285–336.

Weick K. 1977. Enactment processes in organizations. In *New Directions in Organizational Behavior*, Staw BM, Salancik GR (eds). St. Clair Press: Chicago; 267–300.

Weick K. 1979. Cognitive processes in organizations. In *Research in Organizational Behavior* (Volume **1**), Staw BM (ed). JAI Press: Greenwich, CT; 41–74.

Whittington R. 2006. Completing the practice turn in strategy research. *Organization Studies* **27**(5): 613–634.

Whittington R. 2007. Strategy practice and strategy process: family differences and the sociological eye. *Organization Studies* **28**(10): 1575–1586.

Whittington R, Cailluet L. 2008. The crafts of strategy. *Long Range Planning* **41**(3): 241–247.

Zahavi D. 2002. First-person thoughts and embodied self-awareness. *Phenomenology and the Cognitive Sciences* **1**(1): 7–26.

Zietsma C, Lawrence TB. 2010. Institutional work in the transformation of an organizational field: the interplay of boundary work and practice work. *Administrative Science Quarterly* **55**(2): 189–221.

DOI: 10.1002/smj