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STRATEGY-IN-PRACTICES: A PROCESS PHILOSOPHICAL APPROACH TO UNDERSTANDING STRATEGY EMERGENCE AND ORGANIZATIONAL OUTCOMES

ABSTRACT

Emergence of a firm's strategy is of central concern to both Strategy Process (SP) and Strategy-as-Practice (SAP) scholars. While SP scholars view strategy emergence as a long-term *macro* conditioning process, SAP advocates concentrate on the episodic *micro* "doing" of strategy actors in formal strategy planning settings. Neither perspective explains satisfactorily how process and practice relate in strategy emergence to produce tangible organizational outcomes. The conundrum of reconciling the *macro/micro* distinction implied in process and practice stems from a shared *Substantialist* metaphysical commitment that attributes strategy emergence to substantive entities. In this paper, we draw on *Process* metaphysics and the practice-turn in social philosophy and theory to propose a strategy-in-practices (SIP) perspective. SIP emphasizes how the multitude of coping actions taken at the 'coal-face' of an organization congeal inadvertently over time into an organizational *modus operandi* that provides the basis for strategizing. Strategy, therefore, *inheres* within socio-culturally propagated predispositions that provide the patterned consistency which makes the inadvertent emergence of a coherent strategy possible. By demonstrating how strategy is *immanent* in socio-culturally propagated practices, the SIP perspective overcomes the troublesome *micro/macro* distinction implied in SP and SAP research. It also advances our understanding of how strategy emergence impacts organizational outcomes.

Key Words: Strategy Emergence, Immanent Strategy, Metaphysics, Process, Practice, Outcomes

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INTRODUCTION

The Strategy Process (SP) and Strategy-as-Practice (SAP) research traditions share a common concern with how strategies emerge in practice. Where SP scholars emphasize strategy emergence as a long-term conditioning process and focus primarily on realised strategy as a *macro* development happening over time (Pettigrew, 1987, 2012; Langley, Smallman, Tsoukas, & Van de Ven, 2013), SAP advocates attribute strategy emergence to the *micro* “doing” of strategy actors in formal strategy planning settings (Johnson, Melin & Whittington, 2003; Jarzabkowski, Balogun & Seidl, 2007). Despite a common concern with strategy emergence, *how* process relates to practice continues to be an area of lively and seemingly intractable theoretical debate (Burgelman, et al., 2018; Jarzabkowski et al., 2016a; Wolf & Floyd, 2017; Guérard, et al., 2013; Sminia & de Rond, 2012; Pettigrew, 2012; Vaara & Whittington, 2012; Whittington, 2007; Hutzschenreuter & Kleindienst, 2006). Neither perspective explains satisfactorily how process and practice relate to one another in strategy emergence to produce tangible organizational outcomes.

The theoretical impasse between SP and SAP, we argue in this paper, stems from an implicitly shared commitment to a *Substantialist* metaphysics, which construes processes and practices as processes/practices *of* primary autonomous actors (Tsoukas & Chia, 2002). The direct consequence of this *Substantialist* metaphysical commitment is a *methodological individualism* (Chia & MacKay, 2007), which assumes the prior existence of a “self-contained individual confronting a world ‘out there’” (Ingold, 2000, p. 4). Process and practices are therefore cast as epiphenomenal ‘doings’ *of* such autonomous agents. A continued commitment to this *Substantialist* metaphysics, we argue, is an obstacle to understanding how process and

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practice are related to one another in strategy emergence and how that affects organizational outcomes. This is because it perpetuates a misleading *macro/micro* distinction and overlooks the possibility that strategy emergence is *immanent* in the socio-culturally infused *modus operandi* and predispositions of an organization.

In this paper, we draw on *Process* metaphysics (e.g. Chia, 1999; Tsoukas & Chia, 2002; Chia & MacKay, 2007; Langley & Tsoukas, 2010; Mackay & Chia, 2013) that assumes process *is* reality (Whitehead, 1929/1978), as well as the practice turn in social philosophy and theory (e.g. Bourdieu, 1977, 1990; De Certeau, 1984; Dreyfus, 1991; Schatzki, 2001, 2005, 2006), to propose an alternative Strategy-in-Practices (SIP) perspective that overcomes the *macro* process/*micro* practice conundrum. But if process *is* reality, it is also inherently *unliveable*. What follows from this metaphysical assumption is that practices are viewed as the primary means through which we actively fashion out a “surrogate” social world that is needed for us to function effectively (Weick, 1979, p. 177). They provide the means for us to selectively extract and create order, stability and coherence out of this “blooming, buzzing confusion” that is ultimate reality (James, 1911/1996, p. 50). Thus, unlike the more established SP and SAP traditions, the SIP perspective that we develop here reverses the metaphysical assumption privileging substantial actors and entities and instead adopts a *Process* metaphysics that places practices at the centre of strategy emergence. Accordingly, process is a primary existential condition and socio-cultural practices are the sole means we employ to extract a coherent and liveable world out of this fluxing ultimate reality. Understood this way, practices are cumulative aggregations of ‘know-how’ that we rely on to practically cope with the external environment. They find their expression in the multitudinous coping actions taken ‘at-the-coal-face’ of an organisation, and it is through this socio-culturally propagated *modus operandi* that a coherent strategy inadvertently emerges. The SIP perspective thus circumvents the misleading *macro/micro* distinction inherent within SP and SAP research and offers a ‘third

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way’ to understand how process and practices are related in strategy emergence and how this affects organizational outcomes. By explaining how the ‘seeds’ of a strategy are already sown via such seemingly inconspicuous local coping actions, a SIP perspective reveals *how* strategy is often already *immanent* in an organization’s *modus operandi* which in turn impacts eventual organizational outcomes (Bourdieu, 1977; 1990).

The research question we address is: How do process and practices relate to one another in strategy emergence and how are tangible organizational outcomes produced? In addressing this question, we make two key contributions to strategic management theory and practice. First, we respond to calls by strategy scholars to investigate the relationship between process, practice and their links to organizational outcomes (e.g. Burgelman, et al., 2018; Vaara & Lamberg, 2016; Vaara & Whittington, 2012; Chia & MacKay, 2007; Chia & Holt, 2006). We do this through a radical revision of the metaphysical commitments underpinning the SP and SAP research traditions from that of ‘substance’ to ‘process’ (Whitehead, 1929/1978; Prigogine, 1996; Chia, 1999; Chia & Holt, 2006; Sandberg & Tsoukas, 2011; MacKay & Chia, 2013; Tsoukas & Chia, 2002; see also Dreyfus, 1991). This is accompanied by a metaphysical shift from construing reality in entitative terms as a “succession of instantaneous configurations of matter” (Whitehead, 1925, p. 63), so that practice is conceptualized as the doings of “discrete entities” (Sandberg & Dall’Alba, 2009, p. 1361), to one where “process” is ultimate and practices are constitutive of social reality (Whitehead, 1929/1978, p. 9). Doing so allows us to overcome the prevailing theoretical impasse between SP and SAP scholarship and “significantly advance our understanding” of “strategy emergence” (Vaara & Whittington, 2012, p. 320).

Second, we respond to calls for completing the ‘practice turn’ (e.g. Whittington, 2006; Chia & Mackay, 2007; Seidl & Whittington, 2014), which some scholars argue has yet to have a significant impact on strategy scholarship (e.g. Pettigrew, 2012). We do so by demonstrating

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how a metaphysical shift from a *Substantialist* to a *Process* worldview (e.g. Chia, 1999; Tsoukas & Chia, 2002; Langley & Tsoukas, 2010; MacKay & Chia, 2013) is patently consistent with the more radical implications of the ‘practice turn’ in social philosophy and theory (e.g. Bourdieu, 1977, 1990; De Certeau, 1984; Dreyfus, 1991; Schatzki, et al., 2001; Rouse, 2006). The Strategy-in-Practices (SIP) perspective that we propose explains strategy emergence and organizational outcomes by circumventing the ‘macro’/‘micro’ distinctions inherent in SP and SAP research. It does so by showing how, through socio-cultural influences, an *immanent strategy* is ever present in organizational life, thereby reflecting the lived experience of practitioners strategizing at the organizational ‘coal-face’. Hence, the SIP perspective not only extends current theorising, but also opens up new vistas for empirical research into strategy emergence. *Immanent strategy*, therefore, provides the underlying substrate for the subsequent explication of both deliberate and emergent strategies in acts of strategizing. In explaining strategy emergence and outcomes, we show here that deliberate strategizing activities are themselves dependent upon prior practice-shaped, socio-cultural *modus operandi*; strategy actors are never fully autonomous in their strategic deliberations and hence the choices made. But, far from removing agency from explanations, the SIP perspective maintains that the actions of practitioners are simultaneously constrained and enabled by such practices.

The paper is structured as follows: First, we expand on the theoretical tensions surrounding the SAP and SP perspectives within strategic management. We identify theoretical commitments to a dominant *Substantialist* metaphysics as the source of these tensions and explore its consequences. Next, we outline *Process* metaphysics and show how by embracing the assumption that process *is* reality, we are better able to appreciate the fundamentally constitutive role that socio-cultural practices play in shaping strategic priorities. We then articulate our Strategy-in-Practices (SIP) perspective. Examples of strategy emergence at

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IKEA along with a comparison of how the strategies of eBay and Alibaba emerged as they competed in China during the early 2000s are then used to illustrate our SIP perspective. Our examples show how local practical coping actions and socio-cultural legacies inadvertently shape the emergence of a coherent strategy even in the absence of deliberate strategic planning. Finally, we conclude by drawing attention to the ever-present existence of socio-cultural influences that we call *immanent strategy* that inevitably makes organizational strategy emergence possible.

TENSIONS SURROUNDING STRATEGY-AS-PROCESS (SP) AND STRATEGY-AS-PRACTICE (SAP) PERSPECTIVES

The SP tradition views strategy emergence as a *macro* “pattern in a stream of actions” (Mintzberg & Waters, 1985, p. 257); an observed consistency of actions created by strategy actors over time. It emphasizes the importance of attending to the behavioural and emergent dimensions of strategizing (Barnett & Burgelman, 1996; Burgelman & Grove, 2007; Sminia & de Rond, 2012; MacKay & Chia, 2013), and it draws attention to the “relation between strategic content, context, and process” (Pettigrew, 1987, p. 666). SP focuses on *realized* strategy as a “convergence of intended strategy and emergent strategy”, and acknowledges that while strategizing is oftentimes deliberate and intentional, the universal experience of strategy practitioners is that “there are so many things that can intervene” to thwart any intended strategy (Sminia, 2009, p. 97). Hence, the SP tradition has sought to understand strategy emergence from the *foci* of identifiable strategy actor, action and decision processes as they evolve over time (Burgelman, et al., 2018). By directing attention to “a sequence of events that describes how things change over time” (Van de Ven, 1992, p. 169; Langley, et al., 2013), the SP tradition has helped to show that strategy emergence is essentially “a long-term conditioning process” (Pettigrew, 1987, p. 666).

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The strategy-as-practice (SAP) perspective, by contrast, has shifted attention away from the *macro* to the *micro* by attending to how managers and strategy practitioners “do” strategy (Whittington, 1996, p. 732; Burgelman, et al., 2018; Kouamé & Langley, 2018; Jarzabkowski, et al., 2016a; 2016b; Vaara & Lamberg, 2016; Seidl & Whittington, 2014; Vaara & Whittington, 2012). SAP advocates examine the “micro-activities involved in the social accomplishment of strategy” (Jarzabkowski & Balogun, 2009, p. 1258; Jarzabkowski, et al., 2007; Jarzabkowski & Spee, 2009) and privilege “strategy practices (routinized types of behaviour and tools that are used in strategy work), strategy practitioners (actors that are involved in strategy work), and strategy praxis (strategic activities conducted in organizations)” (Burgelman, et al., 2018, p. 517; Vaara & Whittington, 2012, p. 287; Whittington, 2006; 1996) as their key research *foci*. By examining the detailed strategy-making activities and practices “engaged in by managers when they...conduct strategy work” (Vaara & Lamberg, 2016, p. 636; Jarzabkowski, et al., 2016a; Vaara & Whittington, 2012), including the “nitty gritty of strategy formation – the routines of budgeting, the expenditure meetings, the reports and presentations, etc” (Carter, et al., 2008, p. 84), SAP research claims to offer insights into strategy emergence. Strategy emergence is now understood as “a social accomplishment” (Jarzabkowski & Balogun, 2009, p. 1258; Wolf & Floyd, 2017, p. 1768), something that practitioners “do” rather than something that organizations “have” (Mirabeau, Maguire, & Hardy, 2018, p. 585; Hendry, Kiel, & Nicholson, 2010; Jarzabkowski & Spee, 2009; Jarzabkowski, Balogun, & Seidl, 2007).

Despite shared interest in the complexity and richness of a common focal phenomenon -strategy emergence- and claims of affinity between strategy practice and strategy process, suggestions that the former is a subset of the latter (Sminia & de Rond, 2012; Hutzschenreuter & Kleindienst, 2006) has been vehemently disputed (Mirabeau, et al., 2018; Vaara & Whittington, 2012; Whittington, 2007). SP scholars, for instance, express scepticism about the

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relevance of formal strategy practices to the emergence of realized strategy (Kouamé & Langley, 2018), and maintain that SAP scholars' enthusiasm for "a micro-level of activity" and "fascination with the details of managerial conduct, distract them from issues with substantive impact on organizational outcomes" (Burgelman, et al., 2018, p. 540). By invoking the practice turn in social theory (Seidl & Whittington, 2014; Whittington, 2006), SAP scholars counter that SP scholarship either misses or misrepresents "intrinsic features of the phenomena they attempt to describe" (Burgelman, et al., 2018, p. 539), because they have been insufficiently attentive to the 'doings' "that make up...strategizing in practice" (Johnson, et al., 2003, p. 3; Jarzabkowski, et al., 2016b).

While the SP and SAP traditions have both made significant contributions towards advancing strategy theory, scholars have more recently recognized opportunities for cross-fertilizing insights that have emerged from each of these perspectives and acknowledged the need for a combined research stream that they label "Strategy as Process and Practice" (SAPP) (Burgelman, et al., 2018, p. 532). However, several persistent challenges remain that prevent a comprehensive theoretical integration of the SP and SAP perspectives. Indeed, the very label itself – strategy as process *and* practice – points to a theoretical impasse and arguably perpetuates rather than reconciles the differences between the two fields of strategy inquiry and their relationship with organizational outcomes. It does so in five ways.

First, SP and SAP research have different understandings of what 'strategy research' entails. While SP regards 'strategy research' as elucidating "the process by which firms realize performance as well as maintain and develop their ability to perform" (Sminia & de Rond, 2012, p. 1338), SAP scholars, instead, are more interested in privileging "the detailed processes and practices which constitute the day-to-day activities of organizational life" (Johnson, et al., 2003, p. 3; Lê & Jarzabkowski, 2015, p. 440), without concerning themselves with organizational outcomes. Therefore, while SP research has tended to focus on organizational

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issues such as survival, strategic change, competitive advantage or innovation (Kouamé & Langley, 2018), SAP research is focused on how an institutionalized practice succeeds in “achieving widespread diffusion and adoption” (Whittington, 2007, p. 1579) through its ‘practice-in-use’ (Jarzabkowski, et al., 2016b). SAP remains relatively silent on how strategy practices leads to desirable organizational outcomes. Several scholars have noted this and insisted that for a practice to be deemed strategic, it must demonstrate how it attained “a particular coherence or direction to organizational activity” (Fenton & Langley, 2011, p. 1191; Carter, et al., 2008). While SP research attempts to link dynamic ‘macro’ processes to outcomes, they do not, therefore, attend to practices that explain how strategy emergence is possible. SAP research, however, with its focus on ‘micro-activities’ of institutionalised practices, remains unable to account for *macro* organizational outcomes.

Second, the theoretical relationship between practice and process remains unclear within both SAP and SP research. Process is understood in common sense terms as ‘process of’, comprising a sequence or succession of change occurring, while practice is understood as the detailed ‘doings’ of pre-designated strategy actors. SP research has thus been criticised for not opening up the ‘black box’ of process (Johnson, et al., 2003, p. 3; Jarzabkowski, et al., 2016b), and for focusing too much on “remote and abstract processes” that are too “course-grained” (Chia & MacKay, 2007, p. 220), so that their findings are “unamenable to practical action” (Burgelman, et al., 2018, pp. 539-540). For SAP scholars, by contrast, practice is tellingly “what is inside the process” (Johnson, et al., 2003, p. 11), thereby reinforcing the *macro/micro* relationship between process and practice. To add to the confusion, Carter, Clegg and Kornberger (2008, p. 91) point out that SAP researchers appear to simultaneously embrace two very different notions of practice. On the one hand, “practice seems to mean ‘being closer to reality’ or ‘being more readily applicable’”, on the other hand, “practice is understood in the Mintzbergian sense of ‘what people actually do when they strategize’”. This rather loose

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employment of the term “practice” has not helped in clarifying the relationship between process, practice, strategy emergence and organizational outcomes.

Third, conceptually relating practice and process in simple *micro/macro* terms, underplays the fact that organizational strategies and outcomes are historically-constituted and socially-embedded aggregate phenomena (Vaara & Lamberg, 2016). In their thoughtful article, Guérard, Langley and Seidl (2013, p. 568) suggest that SAP avoid attending to organizational outcomes because “the path between the practice itself and the aggregate bottom line is improbably long and winding”. For them, attempts to connect practices with strategic impact on firm-level performance is replete with contradictions and inconsistencies (also see Miller, Washburn, & Glick (2013)). SAP’s response to this conundrum has therefore been to measure performance (or at least outcomes) at less aggregated levels and as proximal indicators more closely attuned to the specific phenomena being studied (Jarzabkowski & Spee, 2009; Johnson, et al., 2007), be it at the individual or group levels. Reconciling the *macro/micro* distinction between SP and SAP, however, entails addressing directly the notoriously difficult-to-justify connection between process, practice and organizational outcomes in strategy emergence in a way that takes into account how different historical and socio-cultural influences shape identities, outlooks and inclinations. The turn to practice in social philosophy and theory is one way of sensitizing strategy scholars to these broader influences on organizational outcomes.

Fourth, as intimated earlier, the notion of ‘practice’ as employed within SAP research appears at odds with the larger ‘practice turn’ in social theory and philosophy in two crucial respects. Firstly, by focussing on “micro-activities” (Jarzabkowski & Balogun, 2009, p. 1258), “micro-processes” (Lê & Jarzabkowski, 2015, p. 458), “micro and macro-level consequences of strategy processes and practices” (Jarzabkowski, et al., 2016b, p. 272), and “micro level study of practices in context” (Vaara & Lamberg, 2016, p. 636), SAP research continues to rely on the *micro/macro* dualism which advocates of the ‘practice turn’ singularly reject (Bourdieu,

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1990; Dreyfus, 1991; Schatzki, 2005). Secondly, whilst SAP acknowledges that strategy-making is a “situated, socially accomplished activity” comprising “those actions, interactions and negotiations of multiple actors” (Jarzabkowski, et al., 2007, pp. 7-8), it underemphasizes the fact that strategy practitioners are themselves socio-cultural beings, and so what they perceive and ‘do’ are always already influenced by their socio-culturally acquired *modus operandi* (Bourdieu, 1977; 2005). A key contribution of the ‘practice turn’ in social philosophy and theory (e.g. Bourdieu, 1977; 1990; Dreyfus, 1991; Schatzki, 2001; 2005) has been the realisation that an acquired *modus operandi* inevitably shapes the strategic predispositions of practitioners themselves (Bourdieu, 1990, p. 52). While some scholars have acknowledged this broader socio-cultural influence implied in the practice turn (e.g. Vaara & Whittington 2012 and Seidl & Whittington, 2014), the linking of strategy-making practices with such broader socio-cultural influences is insufficiently emphasized in both the SP and SAP literature (cf. Burgelman et al., 2018; Jarzabkowski et al., 2007; Johnson et al., 2003).

Finally, how the everyday operational connects with the strategic and *vice versa* remains largely unexamined in, particularly, SAP research, despite early SP work alluding to their intimate connection within strategy emergence (e.g. Burgelman, 1983; Mintzberg & Waters, 1985; Burgelman & Grove, 2007; Pettigrew, 1987, 2012). The emergence of a coherent strategy does not happen in isolation from an organization’s operational concerns and its established ways of dealing with problem situations. This comprises the entire *milieu* of practical coping actions it takes ‘at-the-coal-face’ of the organization/environment interface on an everyday basis. The traditional, but unhelpful academic separation of the strategic from the operational has led to a truncated understanding of strategy-making as somehow the sole prerogative of pre-designated strategy practitioners. So how everyday operational activities feed into strategic priorities, and hence, how an organization’s strategy can emerge from its

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operational strength, remains largely unexamined (cf. Jarzabkowski et al., 2016a, 2016b; Pettigrew, 2012; Whittington, 1996, 2006).

Summary

The differences in the SP and SAP understanding of ‘what’ strategy means, the disproportionate methodological and theoretical focus within SAP research on identifiable strategy episodes versus whole processes in SP studies, the lack of a clear conceptual link between ‘process’ and ‘practice’, the perpetuation of the *macro/micro* distinction inherent in process *and* practice studies, a lack of fidelity to the key principles of practice theory, and an artificial separation of the operational from the strategic have all hampered a more nuanced understanding of *how* strategy emerges and is realised in practice. The theoretical challenges that exists for reconciling practice and process in strategy emergence, and hence the *micro* and *macro* levels of analysis they imply, has led a growing number of scholars to call for a re-examination of the metaphysical assumptions underpinning much of current theorising within SP and SAP research (e.g. Chia & MacKay, 2007; Sandberg & Tsoukas, 2011; Vaara & Whittington, 2012). In what follows, we scrutinize key metaphysical assumptions held by both SP and SAP research.

THE METAPHYSICS OF PROCESS AND PRACTICE

Unleashing “the full power of the practice perspective”, scholars point out, requires drawing deeper on its theoretical insights and taking its metaphysical commitment much more seriously (Vaara & Whittington, 2012, p. 289). Examining the metaphysical assumptions of SP and SAP research is crucial for advancing theory building. They ultimately determine a theory’s explanatory scope and predictive accuracy, its logical consistency and ability to generate new insights by “increasing the causal “grain” of explanations” (Foss & Hallberg, 2016, p. 3). The task of metaphysics is “to provide a cogent and plausible account of the nature of reality at the broadest, most synoptic, and most comprehensive level...and to render

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intelligible the world as our experience presents it to us” (Rescher, 1996, p. 8). To this end, we begin by examining the *Substantialist* metaphysical commitments underpinning much of current SP and SAP theorising, before turning to a revised *Process* metaphysical view that anchors our SIP perspective.

Substantialist Metaphysics

Much of SP and SAP research is shaped by a Parmenidean-inspired *Substantialist* worldview, which presupposes ultimate reality to be essentially pre-ordered, atomistic and stable. Reality is construed as comprising discrete, identifiable and stable entities “set side by side like the beads of a necklace” and held together by an equally solid thread (Bergson, 1998/1911, p. 5). Each entity is assumed to possess properties that are relatively unchanging so that “substance, identity,...causality, subject, object” etc. are privileged as the primary features of reality (Morin, 2008, p. 34). Consequently, substance is privileged over process, individuality over interactive relatedness (i.e., practices), and classificatory stability over fluidity and evanescence (Rescher, 1996, pp. 31-35). Things change, but change is not inherently constitutive of things.

Within the social sciences, this *Substantialist* worldview manifests itself in the widespread construal of the primacy of autonomous individual agents; an approach that has been labelled ‘methodological individualism’ (Chia & MacKay, 2007). Methodological individualism assumes that “all actions are performed by individuals...a social collective has no existence and reality outside of the individual members' actions” (von Mises, 1998/1949, p. 42). This means that ‘processes’ and ‘practices’ are epiphenomenal ‘effects’ of pre-existent individual agents. This is the metaphysical position assumed both by SP and SAP. From this vantage point, “process” is construed as a change from state ‘A’ to state ‘B’ (Mirabeau, et al., 2018; Jarzabkowski, et al., 2016a; 2016b; Langley, et al., 2013; Pettigrew, 2012; Hutzschenreuter & Kleindienst, 2006; Van de Ven, 1992; Mintzberg & Waters, 1985). Thus,

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when Mintzberg and Waters (1985, p. 257) describe strategy as “patterns in streams of action”, when Pettigrew (1997, p. 338) insists on the importance of observing the “sequence of individual and collective events, actions, and activities unfolding over time in context”, and when Langley et al. (2013, p. 1) draw attention to how “managerial and organizational phenomena emerge, change, and unfold over time”, they are all essentially relying on this common-sense understanding of process as a transitional phase from one stable state to another. Process, put differently, merely binds a “*succession* of unique events” together (Ingold, 2011, p. 233).

Such a *Substantialist* worldview is also retained by SAP advocates (Sandberg & Dall’Alba, 2009). For instance, when Whittington (2006) and Vaara and Whittington (2012) rely on categories such as practice, practitioners and praxis, they assume these to be self-evident and unproblematic rather than insecure distinctions created through arbitrarily parsing, fixing and naming an essentially fluxing and undifferentiated reality (James, 1911/1996). The idea that ultimate reality is essentially a *Process*, an “aboriginal sensible muchness” (James, 1911/1996, p. 50) characterised by equivocality, serendipity and unpredictability, is not seriously entertained. This *Substantialist* worldview leads to SAP’s common-sense treatment of practices as simply what self-identical agents ‘do’ (Whittington, 1996; Johnson, et al., 2003; Jarzabkowski, et al., 2016b); practices are practices *of* strategy actors. The axioms of methodological individualism are thereby reinforced. Whether it is about the micro-activities carried out by strategy actors in strategy meetings and in away-day strategy workshops (Lê & Jarzabkowski, 2015; Hendry, et al., 2010; Whittington, 2006), or the discursive and rhetorical practices of strategy actors and their sensemaking activities (Samra-Fredericks, 2003; Laine & Vaara, 2007; Kwon, et al., 2014), SAP perspectives are predicated upon the assumed autonomy of the individual actor. How the identities, perceptions and predispositions of actors themselves have been shaped and influenced by prior historical, cultural and material conditioning,

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The idea that “processes rather than things best represent the phenomena that we encounter in the natural world about us” (Rescher, 1996, p. 2), and that practices are in fact fundamentally reality-constituting and identity-shaping is overlooked. SAP theorists’ desire to go “inside the process” (Burgelman, et al., 2018, p. 532) to examine the activities involved in strategy work, and SP’s construal of process as a change from point ‘A’ to point ‘B’ (Mirabeau, et al., 2018; Burgelman, et al., 2018), both betray the dominance of a *Substantialist* worldview in which practices are related to processes in terms of a *micro/macro* relationship. However, an alternative and more coherent understanding of how process and practices are related is possible if we embrace a *Process* worldview. This metaphysical revision enables the ‘*macro/micro*’, ‘*process/practice*’ dualisms to be overcome in such a way that it helps reveal how local coping actions aggregate and congeal into broader socio-cultural practices that then provide the patterned regularities facilitating the possibility of strategy emergence and ultimately shaping organizational outcomes.

Process Metaphysics

Process metaphysics implies an acceptance that process *is* reality (Whitehead, 1929/1978; MacKay & Chia, 2013; Rescher, 1996). Flux, change and ongoing transformations are fundamental features of ultimate reality; everything flows and nothing abides. Distinctions and categories, events and entities as such, are products of our linguistic interventions into this flowing reality. Such a *Process* worldview owes its origin in the West to the ancient Greek philosopher Heraclitus who cryptically asserted that reality is always “in flux like a river” (*fragment* 5.10, in Mansley-Robinson 1968, p. 89), while in the East, ancient Chinese philosophers have insisted that the “Great Tao” of reality “flows everywhere” (Lao Tzu, in Chan 1963, p. 157); change is an immanent feature of reality. Such a processual view of reality

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has been more recently revived by philosophers such as Whitehead (1929/1978), James (1911/1996) and Bergson (1998/1911) and physicists such as Bohm (1980) and Prigogine (1996). *Process* metaphysics offers immense explanatory potential in understanding the flux of social life and the role that practices play in the artificial construction of social orders.

From this *Process* worldview, “only flux is experientially real; physical reality as we experience it is always unstable” (Rescher, 1996, p. 18). All social entities, including institutions, organizations and even the individual, are necessarily “effects” of socio-cultural practices (Bourdieu, 2005); they are temporary, stabilised patterns of relations forged from a manifold of changes that is ultimate reality. What really exists, from this *Process* worldview are “not things made but things in the making” (James, 1909/2011, p. 87). Therefore, all social entities, including society, institutions and organizations are temporary ‘bundles’ of relationships and practices. Even the individual, as such, is not an isolatable, autonomous unit, but rather a product of socio-cultural practices; each “emerges as a locus within fields” of social relationships (Ingold, 2000, p. 3). *Process* metaphysics therefore does not, indeed, “deny the reality of substances but merely reconceptualise them as manifolds of process” (Rescher, 1996, p. 52).

A fluxing and ever-changing reality, however, is eminently *unliveable*. Social beings require a “workable level of certainty” to lead productive and meaningful lives (Weick, 1979, p. 6). This is the reason we collectively develop shared practices to help us construct our identities and the social orders that we then find so familiar and necessary. Practices then, from a *Process* worldview, are our collectively-shared and culturally embedded ways of abstracting, fashioning, regularizing and hence creating social entities, events and structures out of this fluxing ultimate reality (Whitehead, 1925, pp. 68-69; James, 1911/1996). They help us reduce the “equivocality” of our lived experience through its progressive ordering into a relatively stable “surrogate” social reality to which we then subsequently respond (Weick, 1979, p. 177).

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Therefore, from this alternative *Process* worldview, practices are aggregates of coping actions that have evolved through extended collective efforts at dealing with a fluxing reality. The gradual congealing of initially disparate multitude of local coping actions into a set of established practices provides us with the means to construct social entities such as ‘individual’ and ‘environment’, ‘markets’ and ‘organization’, ‘resources’ and ‘assets’, ‘competitors’ and ‘competitive advantage’, ‘supplier’ and ‘producer’, ‘operations’ and ‘strategy’ (cf. Schatzki, 2005, 2006). Each distinction is forged and reinforced through their practical application so that they eventually become so self-evident that we treat them “as a thing... forgetting that the very permanence of its form is only the outline of a movement” (Bergson, 1998/1911, p. 135); “eddies in a river current” (Ingold, 2011, p. 168); patterns in the flow of actions (Bohm, 1980). Put differently, *Process* metaphysics is “perfectly prepared to acknowledge substantial things, but see them rather in terms of processual activities and stabilities” (Rescher, 1996, p. 52).

It is this implicit understanding that reality *is* process which underpins the practice turn and which has inspired its advocates to insist that practices constitute us, shape our modes of existence and predispose us in our engagement with the external environment (Bourdieu, 1977; 1990; De Certeau, 1984; Dreyfus, 1991). Understood thus, practices are “manifolds of actions that are ontologically more fundamental than actions” themselves (Schatzki, 1997, p. 284). Accordingly, actors themselves are temporarily stabilised “bundles of practices” (Schatzki, 2005, p. 466), “patterns of public comportments...sub-patterns of social practices” (Dreyfus, 1991, p. 151), ‘carriers’ of collective practices (Reckwitz, 2002, p. 256). Artificial stabilities such as ‘institutions’, ‘structures’, ‘organizations’, ‘markets’, ‘firms’, and ‘strategies’ etc., are, consequently, all a result of the gradual ‘firming-up’ of collective socio-cultural practices that are “*processional, rather than successional*” (Ingold, 2011, p. 53). Hence, every activity constituting the practice is “*recurrent*” rather than an “*occurrent*” movement (Ingold, 2011, p. 60); a development of the one before and a preparation for the one that follows.

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From this process-based understanding, practices are not simply what people ‘do’ (e.g. Johnson et al., 2003; Whittington, 1996, 2006; Jarzabkowski et al., 2007; Burgelman et al., 2018). Instead, practices constitute ‘people’ in the first instance. A serious commitment to the practice turn therefore requires us to rethink how such recurrent socio-cultural practices render possible strategy emergence and influences an organization’s strategic outcomes. As Rouse (2006, pp. 645-646) notes, a major concern of the practice turn has been to “by-pass, perennial discussions of the relative priority of individual agency and social or cultural structures”. Stated differently, it is precisely the rejection of methodological individualism and an alternative structuralism that lies at the heart of the practice turn in social philosophy and theory. As such, the recourse to practices is motivated by the desire to overcome the ‘*micro*’/ ‘*macro*’ dualism by showing how all ‘*macro*’ social phenomena such as structure, culture, organization, firm, strategy etc., are the result of the congealing of aggregate local ‘*micro*’ coping actions into a pattern of accepted socio-cultural practices (Schatzki, et al., 2001).

Reconceptualising practices as our means for dealing with a processual reality (cf. Whitehead, 1978/1929), helps us ‘circumvent’ the *micro/macro*, agency/structure, process/practice, operational/strategic conundrums facing strategy theorists. Practices, then, are not about the “internal life of process” (Brown & Duguid, 2000, p. 95). Rather, process provides the imperative for us to recourse to practices as the primary means for creating stability and the social orders we find all around us in an ever changing world. This ‘third way’ of understanding the more fundamental nature of process and how practices relate to it enables us to reconceptualise strategy emergence as deriving from the underlying patterned consistency of actions *immanent* in the inadvertent propagation of practices.

Summary

Our analysis establishes how theoretical advancements on strategy emergence is hindered by the hegemony of a *Substantialist* metaphysics within both SP and SAP research.

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Despite their differences in emphasis, both SP and SAP assume *processes of*, rather than *process is* reality. Therefore, within this *Substantialist* worldview, processes and practices are epiphenomenal to individuals, systems and organizations. The broader understanding of practices as fundamentally a cultivated ever-expanding bundle of interactions (Bourdieu, 1977; 1990; Schatzki, 2005), rather than simply the visible doings of strategy practitioners in strategy meetings, remains unexplored in much of SAP and SP research.

However, from the alternative *Process* worldview implicit in the practice turn in social philosophy and theory, process is what makes practices an imperative in constructing social reality. Accepting that reality *is* process impels us to view practices as the primary means for selectively fixing, stabilising and creating the social orders and institutions that we find all around us. Thus, the dissonances between practice and process are effectively dealt with; the *macro* and the *micro*, the operational and the strategic, all “enfold and unfold” into each other (Bohm, 1980). This alternative ‘third way’ of understanding the more fundamental nature of process and how practices properly relate to it, enables us to rethink strategy emergence as arising from the underlying patterned consistency of actions resulting from the propagation of socio-cultural practices. Strategy, as such, is *immanent* in such practices. We call this perspective Strategy-in-Practices (SIP).

TOWARDS A STRATEGY-IN-PRACTICES (SIP) PERSPECTIVE: IMMANENCE, MODUS OPERANDI AND EMERGENCE

The strategy-in-practices (SIP) perspective that we develop here begins with the assumption that process *is* reality (Whitehead, 1929/1978; Bergson, 1998/1911; James, 1909/2011). From this SIP perspective, practices are “the *manifestations* of...complex bundles of coordinated processes” (Rescher, 1996, p. 49 emphasis in original). Practices enable us to create ‘islands’ of artificial stabilities (social entities) that provide the raw material for constructing and sustaining social reality and the social orders that we find so familiar and

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necessary, by ‘bundling’ and coordinating selective aspects of an ever-flowing ultimate reality.

Social practices are therefore the *visible* foundations of economic, social and cultural life (Bourdieu, 2005). As Rouse (2006, p. 646) points out, practices provide a revised understanding of the pervasive socio-cultural backdrop influencing human behaviour by showing that “social or cultural structures (exist) only through their continuing reproduction in practices”, so much so that culture and structure are in fact abstract instantiations of underlying recurrent practices (Bourdieu, 1977; 1990). Institutions, organizations, individuals, discourse, activities and strategy are quintessentially the effects of practice, not the other way around (Schatzki, 2005; 2006). Practices enable us to ‘harness’ the flux of reality in order to “drive it better to our ends” (James, 1911/1996, p. 65). They define and predispose members of a community so that the types of action taken to deal with exigencies of a situation, and the manner in which it is carried out are both uniquely shared by that community (Bourdieu, 1977; 1990). Hence, what socially-constructed strategy practitioners ‘choose’ to do in formalized strategy settings is already irretrievably shaped by their prior socio-cultural conditioning and by their extended immersion into an organization’s *modus operandi* (Bourdieu, 1977; 1990). The possibility of strategy emergence and the organizational outcomes it produces is thus always *immanent* in such practices.

Practices, from a SIP perspective, are fundamental to our understanding of the *emergence* of social phenomena, including and especially the phenomenon of strategy. Unlike the SAP tradition that disembodies practices from context and time, or the SP tradition that investigates realized strategy processes without recourse to the background array of socio-cultural practices, our SIP perspective shows how socio-cultural practices, comprising a complex *milieu* of local coping actions that aggregate into a *modus operandi*, is able to account for the inadvertent emergence of a coherent strategy without the latter ever being the “product of a strategic orientation” (Bourdieu, 1977, p. 73). Practices contain ‘patterns of regularities’

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forged through repeated coping actions taken at the ‘coal-face’ of the organization/environment interface by members of a collective. It is this pattern of regularities that enable a coherent strategy to emerge inadvertently. Practices recursively shape and are themselves subsequently shaped and refined by coping actions so that they are dynamically evolving (e.g. MacKay & Chia, 2013); each engagement modifies and refines the practices themselves thereby resulting in an ever more patterned regularity of responses that we can retrospectively recognise as being inherently ‘strategic’ (Bourdieu, 2005).

To understand strategy-*in*-practices, practices must be analysed *alongly* in context and time. But context here refers to the wider array of socio-cultural practices from which individuals draw in response to situational demands (Schatzki, 2001). Importantly, these practices “do not arise from beliefs, rules or principles”, but rather we are “socialized into...what it is to be a human being” through “social practices” (Dreyfus, 1991, p. 23). Practices that emerge serve to orient members and to predispose them to dealing with future situations in a relatively consistent and predictable manner (Schatzki, 2005; 2006). They generate “all the ‘reasonable’, ‘common-sense’, behaviours...which are possible within the limits of these regularities” (Bourdieu, 1990, p. 55). This underlying pattern of practice regularities that make up the socio-cultural *milieu* surrounding an organization are tacitly propagated in the form of established ‘ways of engaging and of doing things’, or *modus operandi*, so that they serve to shape those *immanent strategic predispositions* that Mintzberg and Waters (1985, p. 257) observed to be a “pattern in a stream of actions”.

Mintzberg and Waters (1985, p. 257) originally coined the terms ‘deliberate’ and ‘emergent’ strategies to distinguish between organizational strategies that are “realized as intended” from “patterns or consistencies” that are “realized despite, or in the absence of intentions”. Two issues are salient within this original conceptualisation. First, emergent strategy is conceptualised as occurring on the *macro* level, in contrast to the *micro*-level

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activities and processes out of which they arise. This reinforces the *macro/micro* distinction, which advocates of the practice turn squarely reject (Bourdieu, 1990; Dreyfus, 1991; Schatzki, 2005). Second, the process of emergence remains a black-box, so one can discern both the lower-level inputs (deliberate and emergent strategy) and the higher-level outputs (realized strategy), but not how the lower was transformed to the higher during emergence. In other words, emergence “is merely ‘a label for a mystery’, inviting the question of what other factor or process manages to explain how these characteristics arise” (Haldane, 1996, p. 265).

The SIP perspective overcomes these twin limitations by conceptualising strategy as *immanent* in established social practices. *Immanence* refers to the latent potential of the tendencies or impulses which *inhere* within practices that find expression in their actualization. For example, when we say, “*immanent* within an acorn is an oak tree”, what we mean is that an acorn is a stage of an evolving organism “moving continually along its predestined journey towards its eventual condition as an oak tree” (Rescher, 1996, p. 11). The idea of *immanence* suggests that tendencies and impulses require favourable circumstances (in the case of the acorn – right climate, right soil, protection from rodents, etc -) to be realised. An *immanent* strategy emerges in the process of actualization.

An appeal to *immanence* is a way to redirect attention to the unique dynamics of socio-cultural practices in order to explain more adequately *what is actually going on*. Emergence, on the other hand, by focussing on *what something is (or is not)*, “functions not so much as an explanation but rather as a descriptive term pointing to the patterns, structures or properties that are exhibited” (Goldstein, 1999, p. 58). Therefore, unlike the deliberate and planned strategies inherent to the SP and SAP perspectives where strategy depends on the autonomous actor’s intentions, the SIP perspective recognises that practices can and do serve as the “source of these strings of ‘moves’ which are objectively organized as strategies without being the

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In other words, *immanent* in the socio-cultural context is a *modus operandi* propagated inadvertently through the established practices of a collective; a particular nurtured sensitivity to the local environment, a way of relating to it, and a preferred way of engaging and responding to it that appears commonsensically evident. This strategic predisposition, or *modus operandi*, is what we mean by Strategy-In-Practices. Such *modus operandi* willy-nilly ensure a degree of convergence of approaches in dealing with the exigencies of any given situation faced by an organization. It is this possibility of convergence that makes the inadvertent emergence of a coherent strategy possible in the first instance. Put differently, strategic coherence can also emerge inadvertently without any deliberate intention or design on the part of actors (Chia & Holt, 2009).

Within the SIP perspective, what differentiates effective from ineffective practices in a given context is the extent to which such practices sensitize and enskill members of a community or organization to find “the grain of the world’s becoming” and to follow its course “while bending it to their evolving purpose” (Ingold, 2011, p. 211). Viewed from this broader understanding of the practice turn, a *modus operandi* makes for an *immanent strategy* that enables “agents to cope with unforeseen and constantly changing situations” (Bourdieu, 1990, p. 61), whilst all the time remaining consistent and coherent to an organization’s history and socio-cultural heritage. To construe practices as simply the doings of practitioners is thus to trivialise the significance of the ‘practice turn’ (Schatzki, et al., 2001).

The SIP perspective advocated here prioritises how the seemingly inconsequential everyday practical coping actions taken at all levels of an organization inadvertently aggregate into a set of established practices that then shape its strategic predispositions and hence strategy emergence and organizational outcomes. Our conceptual development does not preclude the

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role that conscious deliberation plays in coping actions and practices. It merely suggests that, through this socio-culturally shaped *modus operandi*, organizational actors are predisposed to acting in certain habituated ways when confronted with situation-specific circumstances. By showing how strategy emerges through these local coping actions congealing into established practices, the SIP perspective directs attention to how the “microcosm and macrocosm are coordinated, linked to one another in a seamless web of process” (Rescher, 1996, p. 21) so that they affect organizational outcomes.

Summary

An organization’s strategic predispositions are *always already* contextually shaped by socio-culturally propagated practices. These socio-cultural practices are infused with and ultimately propagate a *modus operandi* that shapes how an organization approaches, deals with and responds to the exigencies and extenuating circumstances it faces. We conceptualise such a *modus operandi* as *immanent strategy*. Immanent strategy therefore refers to the ever-present pattern of socio-cultural tendencies that facilitates convergence of organizational actions such that the inadvertent *emergence* of a coherent organizational strategy is possible. We thus direct attention to *how* wider socio-cultural influences, perceptions and tendencies are expressed through preferred social *practices* that in turn shape an organization’s strategic priorities. This, we propose, accounts for the possibility of inadvertent strategy emergence and the concomitant strategic outcomes.

ILLUSTRATING A STRATEGY-IN-PRACTICES PERSPECTIVE: IKEA AND eBAY VERSUS ALIBABA

The inadvertent emergence of strategy at IKEA from initial operational considerations, and how the socio-cultural moorings of strategy-in-practices at eBay and Alibaba shaped strategy emergence and organizational outcomes, both help illustrate our SIP perspective.

Strategy Emergence and Strategy-In-Practices at IKEA

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Ikea, currently the largest furniture chain in the world, finds its roots in the agrarian Swedish province of Småland (literally small country). Often portrayed synonymously with its charismatic founder Ingvar Kamprad, its success, as Jarret and Huy (2018) note, was more a function of ‘emergence, haphazardness, and invention through necessity’ than planned strategy.

Founded in 1943 as a mail-order business selling nylon stockings and pens, followed by furniture in 1948, Ikea launched its first mail-order furniture catalogue in 1951. Competitors responded by launching a price war. On the cusp of bankruptcy, its founder opened its first show room in 1953 in the Swedish town of Älmhult with the hope that by being able to see and touch the furniture, customers would realize the difference in quality from its competitors. With over 1,000 people lined up on its opening day, a new *modus operandi* of selling through show-rooms rather than mail order had been created from coping actions born out of operational necessity (Kamprad & Torekull, 1999).

The idea behind Ikea’s flat-pack furniture is credited to Ikea’s former chief designer, Gillis Lundgren. Lundgren was frustrated trying to fit a new, leaf-shaped table he had designed into a small post-war car to take it to a nearby photo studio to be photographed in preparation for an upcoming catalogue. He decided to take its legs off. The original idea had come from another Swede, Folke Ohlsson, who in 1949 had patented a ready-to-assemble chair. But having convinced Kamprad that it would cut costs for assembly, inventory and shipping, this practice emerged as the cornerstone of their strategy, allowing Ikea to grow from a small, Swedish, rural operation into a multinational player, and in turn, entrenched Ikea’s functionalist, geometric and minimalist approach to design, democratising access to well-designed furniture, and finding resonance in markets further afield (Brownlee, 2016).

The morning that Ikea’s first 31,000 square foot store opened in 1958, 18,000 people lined up at its doors. They had not accounted for its popularity, resulting in too few check-outs,

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frustrated customers and long queues. To cope, staff let customers begin retrieving their own products. It was from this experience that Ikea's self-service model emerged. As Jarrett and Huy (2018) suggest, "When we focus on ... [Kamprad], we overlook important, hidden elements of the company...Ikea's success did not result from the kind of planful strategy development that is still taught in some business schools." To understand SIP at Ikea is thus to eschew the *macro/micro* distinction inherent in tensions between the SP and SAP perspectives, and to recognise how close-quarter engagement with an extant environment results in local coping actions that become established practices, which subsequently provide the basis for competitive advantage. Hence the *immanence* of strategy emergence. Figure 1 summarises the local coping actions at Ikea that we call strategy-*in*-practices.

INSERT FIGURE 1 ABOUT HERE

Ikea's very founding is infused with the socio-cultural sensibilities of Småland, and its egalitarian, hard-working, and resourceful peasant culture where employees are referred to as 'colleagues' or 'co-workers' and everyone is encouraged to participate in continuous innovation in its products and services (Jarrett & Huy, 2018). Småland is an area which, historically, had been agrarian and poor, and its egalitarian values of frugality and hard work stem from a history of shared poverty in the area. The Ikea way thus acquires the socio-cultural Swedish notions of social democracy and a functionalist design ethos that offers "a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them" (www.ikea.com). Indeed, even the contradictions in Swedish narratives about itself (e.g. egalitarianism, social democracy) appear to be embedded in practice (e.g. see Lindqvist (2009) for a critical account of Ikea's history).

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What is striking at Ikea is the degree to which socio-cultural practices mutually reinforce and congeal to produce a *modus operandi* that enabled the emergence of a coherent strategy, right from the way Ikea's stores are organised. From the children's play area at the entrance, to the arrows on the floor designed to guide customers through its showrooms, marketplace and self-service warehouses where customers retrieve their flat-packs, the absence of employees on the shop-floor that leads customers to try-out the products, to the Nordic names given to its products, to its Swedish food served in cafeterias all encourage customers to participate in the practical experience (Lindqvist, 2009). The Ikea example is illustrative of where process and activity is privileged over substance, interactive relatedness over discrete individuality, productive energy over descriptive fixity, and emergence over stasis (cf. Rescher, 1996; Whitehead, 1925). It offers an insightful understanding of the relationship between process, practice and outcomes and reveals the *immanent* strategy (SIP) always already present in socio-cultural practices.

Socio-Cultural Moorings of Strategy-In-Practices at eBay and Alibaba

The contrasting practices deployed by eBay and Alibaba provides another illustration of the SIP perspective. It does so by demonstrating how socio-cultural influences shaped each organization's *modus operandi* which in turn led to the emergence of strategies that ultimately impacted organizational outcomes.

eBay was founded in 1995 by Pierre Omidyar and is based in San Jose, USA. It became popular for offering goods through online auctions, with the transactions taking place between consumers themselves. This pioneering online auctions model allowed eBay to create an e-marketplace for private buyers and sellers. In 1999, Jack Ma founded Alibaba.com as a business-to-business (B2B) website to provide an outlet for millions of small Chinese factories to market their manufactured goods overseas. Since small factory owners lacked the skills and

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had to rely on state-owned trading companies to sell their goods overseas, Alibaba offered the opportunity to cut out these ‘middlemen’ by connecting suppliers directly with buyers.

In 1999, the whole of China had 2m Internet users or less than 1% of the country’s population online. Yet by 2002, China was the world’s fifth largest online market. Attracted by this exponential market growth, eBay entered China in March 2002 by acquiring a 33% stake in EachNet. EachNet was a website founded by Shao Yibo who sought to replicate eBay’s online auctions model in China (eBay, 2003). This acquisition made eBay a leading player within Chinese e-commerce. The numbers received a bigger boost in 2003 after the breakout of the Severe Acute Respiratory Syndrome (SARS). SARS convinced millions of Chinese, afraid to go outdoors, to try shopping online instead (Erisman, 2016). eBay’s planned mode of strategizing on entering the Chinese market contrasted sharply from Alibaba’s *emergent* approach to strategizing. In the words of eBay’s Senior Vice President William Cobb: “It was quite clear this market was taking off. [Shao Yibo] had studied eBay up one-side and down the other and had really tried to adapt a lot of the eBay principles to the market” (in Clark, 2016, p. 154).

In contrast Jack Ma’s struggle to give coherence to the multitudinous acts of everyday practical coping at Alibaba to convince investors is evident when he remarks: “We don’t really have a clearly defined business model yet. If you consider Yahoo a search engine, Amazon a bookstore, eBay an auction centre, Alibaba is an electronic market. Yahoo and Amazon are not perfect models and we’re still trying to figure out what’s best” (in Clark, 2016, p. 121).

Concerned that eBay would eventually encroach and compete in Alibaba’s B2B space, Jack Ma launched Taobao in May 2003. Yet SIP at Taobao differed markedly from that at eBay. Taobao (meaning treasure hunt) unlike eBay was a platform consisting of storefronts run by individuals or small traders. These micro-merchants could set their stalls up on Taobao for free and this “effectively gave these small retailers a place to market their wares online...(and)

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introducing features such as instant messaging and elaborate seller rating systems that allowed for convenience, communication and trust building” (Erisman, 2016, p. 193). But, unlike eBay where prices for the auction start low and got bid up, in Taobao prices often start high and got haggled down. Taobao, thus brought the vibrancy of Chinese street market’s much-loved haggling practices to the online shopping experience (Shiyong & Avery, 2009). We thus find the Chinese socio-cultural practice of haggling pitted against the American practice of auctioning embedded in the respective strategic *modus operandi* of Alibaba and eBay.

eBay responded by buying out EachNet thereby achieving a 95% market share and making it instantly the largest player within Chinese e-commerce (Bloomberg Businessweek, 2004). This large market share prompted eBay to monetize its e-commerce platform by charging merchants using its platform a listing fee and introducing commissions on all transactions. Taobao, by contrast, was free from the outset. Buyers did not have to pay to register or transact nor did sellers have to pay to list their products or sell online. This ‘freemium’ model meant that unlike eBay, Taobao did not have to worry about preventing vendors and buyers from figuring out ways to use the website simply as a place to connect with one another, then conducting their transactions offline or through other means. Erisman (2016, p. 90) explains: “Afraid that buyers and sellers might circumvent its system and avoid paying eBay’s commissions, eBay went out of its way to keep buyers and sellers blind to each other and unable to communicate with one another before a purchase”.

In order to overcome the strategic challenge of the ‘trust deficit’ between the buyers and sellers that was inhibiting Chinese e-commerce participation, eBay and Alibaba again adopted contrasting practices. Alibaba introduced an escrow-based payment system called Alipay. “Consumers know that when they pay with Alipay their accounts will be debited only when they have received and are satisfied with the products they have ordered” (Clark, 2016, p. 18). In contrast, eBay responded by acquiring PayPal for \$1.5b and introduced this direct payment

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service between buyers and sellers. eBay's fee-based auction business model depended on keeping buyers and sellers apart till the sale was processed, its main priority was to improve the velocity of trade by slashing the time internet users spend completing transactions (The Economist, 2004). PayPal helped slash payment transactions time and eBay offered payment protection on goods sold by eligible traders (those who have built up good reputations within eBay's ranking system). Alibaba's indigenous escrow-based payment system and eBay's import of a trader ranking system transplanted from their American operations represents two contrasting local coping attempts at overcoming the trust-deficit within Chinese e-commerce and therefore contrasting modes of SIP.

The resulting strategic divergence - one involving tighter control of transactions (eBay) the other entirely open and loosely regulated (Alibaba) favoured Alibaba, whose approach reinforced the practical logic of China's street markets and 'freemium' socio-cultural *modus operandi*. When Henry Gomez, then eBay's Vice President Public Relations, publicly questioned Alibaba's strategic practices by issuing a press release declaring "'Free' is not a business model" (Erisman, 2016, p. 164), Jack Ma, reflecting the 'win-win' Chinese philosophy retorted: "Well, there are a lot of ways we can make money...right now our website is totally free, because we want to attract new members. *Once our members make money, we will make money.*" (in Erisman, 2016, p. 31, our emphasis). In December 2006, eBay exited the market by selling off its Chinese subsidiary, eBay-Eachnet, to Tom Online; a venture backed by Hong Kong businessman Li Ka-Shing. Figure 2 summarises the contrasting local coping actions we call strategy-*in-practices*.

INSERT FIGURE 2 ABOUT HERE

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The eBay versus Alibaba example offers three profound insights into the analytical potential of the SIP perspective. First, since the SIP perspective is anchored in *Process* metaphysics, it is able to illuminate *how* the uniquely unfolding dynamics of socio-cultural practices shapes strategy emergence and subsequent organizational outcomes in both instances. By emphasising ‘*what is going on*’, the SIP perspective is able to demonstrate how contrasting socio-cultural practices - auctioning, trader ratings and a fee based model in the case of eBay and street haggling, escrow accounts and a freemium model in the case of Alibaba- led to contrasting strategy emergence that then impacts organizational outcomes. Second, openness to an *immanent* strategy developed here, allows us to appreciate the existence of a *modus operandi* which enables strategic actors to “act before everything is fully understood to respond to an evolving reality rather than having to focus on a stable fantasy” (Mintzberg & Waters, 1985, p. 271). The contrasting *modus operandi* at eBay and Alibaba are alluded to by Porter Erisman (2016), the former Vice President of the Alibaba Group when he remarked:

“When Chinese and Western management styles come together, the Chinese management style resembles flowing water, whereas the Western management style resembles the rocks. [...] In...an entrepreneurial market, going with the flow like water was much more important than standing in the water’s way like a rock” (p. 233).

Third, the SIP perspective offers an analytical lens to investigate the strategic ‘effectiveness’ of contrasting socio-culturally infused practices and *modus operandi* within firms in specific socio-cultural contexts. While eBay responded by embracing a planned approach to its local coping actions, Alibaba responded by embracing the wider socio-cultural *milieu immanent* in practices that allowed its members to feel “their way’ *through* a world that is itself in motion, continually coming into being through the combined actions of human and non-human agencies” (Ingold, 2000, p. 155, *emphasis in original*). Alibaba was therefore able to leverage the logic of Chinese street markets, and the dynamic vibrancy of direct interactions

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through haggling practices between Chinese traders that it entails. On the other hand, eBay had sought to apply a logic rooted in American auctions and tightly controlled business practices onto a market-place imbued with a very different, historically constituted market logic. eBay's strategy was the result of socialization within a set of socio-cultural norms that did not find resonance in the Chinese market. Alibaba's intimate understanding of a distinct set of socio-cultural practices that resonate with Chinese shoppers gave it a strategic advantage.

Summary

As the Ikea and eBay versus Alibaba examples illustrate, the SIP perspective shows how broader socio-cultural practices predispose firms via a *modus operandi* that orients them in their engagements with the external world and this is how strategies emerge; strategy is *immanent* in socio-cultural practices. This is evident in the emergence of Ikea's strategy of offering self-assembling flat-pack furniture at affordable prices, where the SIP perspective demonstrates how an effective strategy can emerge from a firm's operational strength derived from its history of practical coping. Likewise, the SIP perspective is able to account for the different responses of eBay and Alibaba as they competed for the Chinese market; one based on acquisition, market domination and a principle of auctioning, the other based on evolutionary growth through offering a free platform and capitalising on the Chinese penchant for haggling. The SIP perspective also explains how and why practices at eBay and Alibaba resulted in the emergence of two contrasting strategies and the eventual organizational outcome.

STRATEGY-IN-PRACTICES PERSPECTIVE: IMPLICATIONS FOR THEORY AND PRACTICE

Both SP and SAP research have struggled to satisfactorily explain strategy emergence (Vaara & Whittington, 2012; Jarzabkowski, et al., 2016a; 2016b; Burgelman, et al., 2018). The inability to reconcile tensions between the *macro/micro* dualisms and the resulting

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process/practice quagmire are indicative of the theoretical dissonance between the SP and SAP perspectives. Our SIP perspective, by reverting to a processual understanding of the “practice turn” (Schatzki, et al., 2001), circumvents these tensions and offers an alternative ‘*third-way*’ for understanding strategy emergence that links directly with organizational outcomes.

An *immanent strategy*, as both examples demonstrate, is a strategy born out of socio-cultural predispositions manifested in organizational practices. Practices shape the coping actions taken when dealing with an ever-changing world. Even before organizational strategies are formally explored, discussed and deliberated upon in strategy workshops, reviews or meetings etc., strategic tendencies are always already influenced by an acquired *modus operandi* that inevitably shape the choices arrived at on these occasions. SIP brings the *macro* inherent in SP research and the *micro* inherent in SAP research together by identifying socio-cultural practices as the basis for explaining strategy emergence and the organizational outcomes that subsequently ensue. The presence of an *immanent* strategy explains how and why eBay’s strategic approach led to a negative outcome as well as how and why Ikea’s and Alibaba’s emergent strategizing led to positive ones. Immanent strategy is the underlying substrate that unifies strategy ‘process’ and ‘practices’ and helps explain ‘outcomes’.

Instead of assuming a two-tier *Substantialist* reality that attempts to combine *micro practices* with *macro processes* (e.g. Burgelman et al., 2018), a SIP perspective based on *Process* metaphysics, settles for a one-tier ontology of process alone (Rescher, 1996). In so doing, it replaces the troublesome ontological dualism of *micro-practices* (SAP) and *macro process* (SP) with a more nuanced understanding of the fundamental co-constitution of practices and process as they enfold and unfold into each other. These are the vital insights implied by the “practice turn” that has yet to be countenanced by either SP or SAP advocates. SIP, therefore, offers an opportunity to develop an integrative understanding of strategy emergence that begins with the multitude of seemingly innocuous everyday coping activities

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taken *in situ* and that ends with broader strategic consequences for the organization. This *processual* understanding that strategy is always *immanent* in practices is what we mean by strategy-in-practices (SIP). The differences between the SP, SAP and SIP perspectives are summarised in Table 1.

INSERT TABLE 1 ABOUT HERE

The SIP perspective has several implications that can further unlock and advance strategy research, theory and practice. First, the SP notion that strategy is something that an organization *has*, and the SAP notion of strategy as something that individuals in an organization *do*, sets up a false dichotomy that obscures the reasons why practices are immanently strategic (cf. Jarzabkowski, et al., 2016b). SIP's notion of *immanent* strategy clarifies this relationship. This 'immanent' strategy is expressed through the socio-culturally shaped *modus operandi* inherent in everyday practical coping. It explains why an organization's coping practices matter in strategy emergence and how these practices often lead to unique and idiosyncratic strategic outcomes. Investigating how practices congeal and give rise to a *modus operandi* within a firm is therefore a topic that is ripe for future research.

Second, whilst the case for a complementary approach between the SAP and SP traditions in a SAPP perspective (Burgelman, et al., 2018, p. 533; Kouamé & Langley, 2018) is laudable, it is still predicated on a *Substantialist* metaphysics that misses the wider import of the practice turn in social philosophy and theory. It perpetuates the *micro-macro* and operational-strategic divide by continuing to view the *micro* as individual practices, practitioners and praxis, and the *macro* as behaviours, capabilities, cognition, control systems, organizational performance and so on. This limits the possibility of studying communities, institutions, governments, organizations and societies as "either features of, collections of, or phenomena instituted and

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instantiated *in practices*” (Schatzki, 2001, p. 6 our emphasis). Therefore, the SIP perspective requires a methodological orientation that allows theorists to not just *observe practices*, but to actually “*watch what is going on*” (Ingold, 2011, p. 233 emphasis in original). It requires theorists to shun the distanced and disinterested contemplation of ‘strategizing’ by ‘*seeing what is out there*’ through ‘non participant observation’ (Lê & Jarzabkowski, 2015, p. 444), and instead opt for techniques that capture and describe effective socio-culturally infused coping practices with an accuracy and sensitivity honed by detailed observation and prolonged first-hand experience.

Third, a SIP perspective clarifies the theoretical relationship between process and practice by showing how process and practices enfold and unfold into each other and are culturally imbued. Their separation into either abstract processes within SP approaches, or strategizing episodes in SAP approaches limits their analytical capacity to explain strategy emergence. A SIP perspective encourages scholars to move beyond such false dichotomies inherent within a *Substantialist* metaphysics by taking the “processual reality of strategy as the starting point” (Sminia & de Rond, 2012, pp. 1334-1335). Researching strategy through the SIP lens requires a ‘study *with practices*’ (Ingold, 2011, p. 241) rather than a ‘study *of practices*’ (Jarzabkowski, et al., 2016a; 2016b). This necessitates deploying an armoury of research approaches and methods to uncover the *modus operandi* within organizations (e.g. Johnson et al., 2007; Burgelman et al., 2018), and by doing so to seek a more fine-grained understanding of the strategy *immanent* in socio-culturally infused practice.

Fourth, while identifying the relationship between practice, process and organizational outcomes remains elusive to strategy scholars, a SIP perspective enables us to interrogate consequents from a practice perspective and this allows for different types of outcomes aggregating into performance through the logic of practice. While this might require, to some degree, a ‘leap of faith’ called for by Langley (1999), from a SIP perspective, organizational

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outcomes, be they performance or otherwise, are effects of wider historically constituted socio-cultural practice-complexes that are themselves merely momentary instantiations of an ever-changing organizational reality.

Finally, a key implication of the switch from a *Substantialist* to a *Process* metaphysics is a renewed appreciation that the central *foci* of strategy research –institutions and organizations- are brought into being and sustained by socio-cultural practices. The SIP perspective encourages researchers to “relax their core assumptions about the reified nature organizations and institutions” from one where organizations and institutions are conceptualized as “enduring formal objective structures detached from the actors who authored them” to one where such social entities are temporarily stabilized effects of socio-cultural practices (Suddaby, et al., 2013, p. 338). It can therefore be theoretically deployed to pry open the black box of ‘strategizing’ and ‘institutional work’ undertaken in creating and sustaining ‘organizations’ and ‘institutions’. By enabling theorists and practitioners to probe the ‘what’, ‘why’ and ‘how’ that makes the underlying socio-cultural practices strategic, SIP offers refined insights into the inner workings of strategy emergence.

CONCLUSION

Both SP and SAP underestimate the significance of the practice turn in social philosophy and theory. In order to restore this significance and to overcome the theoretical impasse between the two, our paper investigates the relationship between process, practice and their links to strategy emergence and organizational outcomes (e.g. Burgelman, et al., 2018; Vaara & Lamberg, 2016; Vaara & Whittington, 2012; Chia & MacKay, 2007; Chia & Holt, 2006). Our key argument here is that a *processual* understanding of the ‘practice turn’ is necessary for fully appreciating how the everyday operational, the socio-cultural and the strategic can be coherently linked together in an integrative framework for explaining strategy emergence.

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Therefore, what differentiates the SIP perspective from SP, SAP or SAPP is an underlying metaphysical outlook that embraces process as the basis of reality and the notion of practices as our primary means for extracting order, stability and coherence from an otherwise fluxing and uncertain reality (e.g. Chia, 1999; Tsoukas & Chia, 2002; Langley & Tsoukas, 2010; MacKay & Chia, 2013). Such an *immanent strategy-in-practices* (SIP) perspective allows us to see how socio-cultural predispositions inevitably shape our strategic tendencies and how everyday organizational coping actions taken at operational levels can feed into and influence strategic emergence and outcomes.

An *immanent* SIP, therefore, offers an alternative ‘third-way’ of explaining strategy emergence and organizational outcomes. It helps us to acknowledge that strategizing activities are themselves dependent upon prior practice-shaped, socio-cultural predispositions so that agents are never fully autonomous in their strategic deliberations and hence the choices made. From this SIP view, the actions of practitioners are simultaneously constrained and enabled by their acquired *modus operandi*. This *modus operandi* originates from seemingly innocuous multitude of local, coping actions taken at the firm/environment interface that subsequently congeal into an established set of sensitivities and embodied practices that then provides the capacity to respond to the uncertainties of an ever-changing environment. It is this *modus operandi*, as an *immanent* strategy-in-practices that is idiosyncratic to an organization, and this makes possible the strategy emergence that is captured in our SIP perspective.

The SIP perspective developed here seeks to go beyond the idea of practice as the ‘doings’ of strategy actors (cf. Jarzabkowski et al., 2016b) and to overcome the *macro/micro* distinction implicit in SP and SAP perspectives. It shows how strategies can emerge inadvertently because of the *immanent* presence of socio-cultural *modus operandi* which provides the generative principle behind strategy emergence. We have shown that such a perspective exhibits fidelity that is consistent with the more radical implications of the ‘practice

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turn' in social philosophy and theory (e.g. Borudieu, 1977, 1990; De Certeau, 1984; Dreyfus, 1991; Schatzki, et al., 2001; Rouse, 2006). We also demonstrate how such a perspective can have a significant impact on strategy scholarship and the understanding of strategy emergence (cf. Pettigrew, 2012). The SIP perspective offers scholars and practitioners new conceptual and empirical frontiers for theorizing strategy emergence that resonates with the lived experience of practitioners. Future research can direct attention towards questions related to the *immanence* of strategy as expressed in a socio-cultural *modus operandi*, the advantage-gaining nature of practices, and organizational outcomes as an aggregation of innocuous coping actions of numerous actors.

In sum, for those genuinely committed to the practice turn, practices are collectively *embodied* sets of dispositions that make us who we are and how we respond to the circumstances we find ourselves in. In effect they contain an *immanent* strategy directed towards gaining advantage in any circumstance we find ourselves in. The same applies to organizations or society. From this perspective, practices develop regularities, “patterns in streams of actions” (cf. Mintzberg & Waters, 1985, p. 257) that can be construed as an *immanent* strategy. In this regard, it is easily possible to see how a coherent strategy can also emerge inadvertently and non-deliberately through the coalescing of coping actions taken at the coal-face of an organization. This is the key insight that the practice turn in social philosophy and theory affords us; it enables us to reintegrate the wider social and the operational with the strategic and the outcomes they subsequently produce.

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TABLES

Table 1: Comparative analysis: SP, SAP and SIP perspectives

	Strategy as Process (SP)	Strategy-As-Practice (SAP)	Strategy-in-Practices (SIP)
Metaphysical Outlook	<i>Substantialist</i>	<i>Substantialist</i>	<i>Process</i>
Onto-epistemological commitments	Process <u>OF</u> Reality Process is epiphenomenal	Practice <u>OF</u> Reality Practices are epiphenomenal ‘doings’ of people.	Process <u>IS</u> Reality Practices are attempts at stabilizing reality
Strategy	Deliberate or Emergent	Planned / Deliberate	<i>Immanent</i>
Conceptual Framing	Process, Practice and Outcomes are distinct and inter-related	Process, Practice and Outcomes are distinct and inter-related	Process, Practice and Outcomes are unified and entwined
Empirical Framing	Events are <i>successional</i>	Practices are <i>successional</i>	Both Processes and Practices are <i>processional</i>

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Reality of Practice	<i>Sub-occurrent to process</i>	<i>Occurrent</i>	<i>Recurrent</i>
Perspective	<i>Macro: Strategy emerges through whole processes</i>	<i>Micro: Strategy is a result of micro-practices, behaviours and interactions of strategy actors</i>	<i>Macro/Micro distinction is redundant. Strategy is immanent in social practices.</i>

FIGURES

Figure 1: Strategy-In-Practices at IKEA

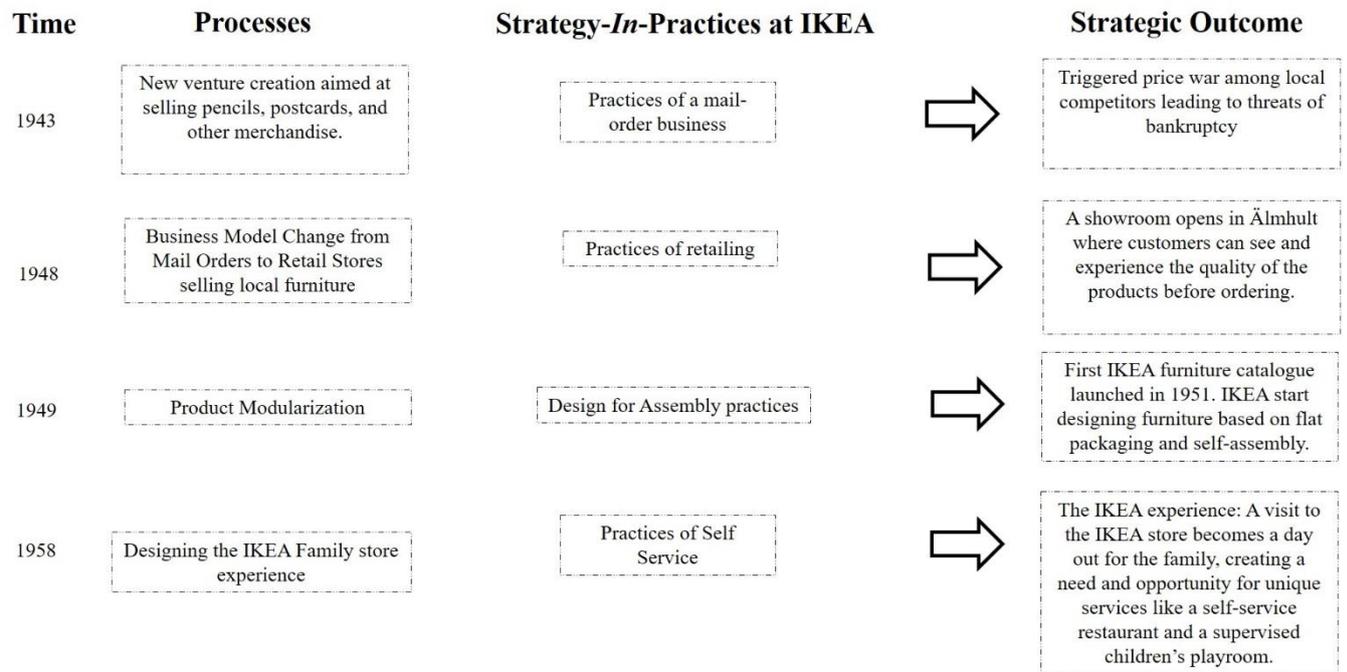


Figure 2: Strategy-In-Practices at eBay and Alibaba

