PART I

THEORY, SCHOOLS AND PRACTICE

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Schools of Thought in Strategic Management: Fragmentation, Integration or Synthesis

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Over the last thirty years, strategic management has become established as a legitimate field of research and managerial practice (Shrivastava, 1986: 363). In the evolution of strategy research, a diversity of partly competitive and partly supplementary paradigms have emerged. To provide an unequivocal definition would mean ignoring the versatility of strategic management. The choice of a definition and the application of specific strategic management techniques is greatly dependent on which paradigmatic schools of thought in strategic management one prefers. In this book, we will therefore review the various schools of thought and their contribution to the theory and practice of strategy.

   A school of thought is understood to be the range of thought of a specific group of researchers, which has crystallized within the field of strategic management (Brown, 1993). In other words, a school of thought can be seen as an institutionalized paradigm. Besides reflecting on the variety of schools in strategy, we will also sketch out new promising directions in strategy research and practice. Although some strategy scholars have argued that the achieved multiformity in schools of thought signifies an enrichment of the research within the field of study (cf. Mahoney, 1993), other scholars from related disciplines complain about the lack of consistency and coherence (Camerer, 1985). In particular, they argue that the field of strategic management is extremely fragmented and that there is no agreement concerning the underlying theoretical dimensions nor the methodological approach to be employed. In response, many strategists have advocated increased integration of theories within the strategy field.

> What is needed is a greater emphasis on integration rather than differentiation of views. Research needs to be more concerned with reducing conceptual or theoretical barriers between disciplines and literatures and the consequent emphasis on eclectic approaches to explain organizational behaviour. (Hrebiniak and Joyce, 1985: 348)

> Additional synthesis and pluralism is needed to advance integrated theory development – as opposed to fractionalism or applied functionalism – in the field of strategy. (Schoemaker, 1993: 108)

What are the new directions in strategy? Should we just accept the fragmentation in the field, strive towards an integration or even try to achieve a strategy synthesis? This opening chapter has a dual purpose. First we want to review the literature and discuss the issues of fragmentation and integration. What do we mean by fragmentation and what is the evidence that the strategy field is fragmented? There is also the question of why the field has become fragmented. Although not all strategy scholars see fragmentation as an inhibiting factor for progress, there is a general feeling that it is worth pursuing the challenge of integration at this stage in the field's development (see Schoemaker, 1993 and his commentary in Chapter 8 of this book).

A variety of such attempts at integration within the field will be mapped out in this chapter. While the field could make progress via the integration of theories and the development of meta-theories, we suggest another scenario – that of synthesis of theory and practice, along some well-delineated research directions. In particular, we suggest further attention to three synthesizing schools, namely the 'boundary' school, the 'dynamic capability' school and the 'configurational' school. In contrast to the traditional schools, synthesizing schools are based on a number of disciplines and strongly connected to the practical problem areas within the field of study.

The second purpose of this chapter is to provide a roadmap for this book. We want to position the 19 contributors in our discussion of the field, centred around the debates on fragmentation, integration and three synthesizing schools.

The strategy literature provides us with diverse lists of different schools of thought (cf. Chaffee, 1985; Mintzberg, 1990b; Whittington, 1993). In this chapter, we shall shortly review different schools of thought based on a classification developed by Mintzberg (1990b) and Mintzberg et al. (1998). This particular way to distinguish nine different schools illustrates the fragmentation of the field. The over-accentuation of the base disciplines has led to theoretical frameworks that have little to say about the practical problems in strategic management. In contrast with an over-emphasis on base disciplines in the strategy field, Spender argues in Chapter 2, 'Business Policy and Strategy as a Professional Field', that strategy is a professional field with complex links to executive practice rather than an academic science or a coherent body of integrated theory. He debates that a proper balance between theory building and attention to the notion of executive praxis is crucial. Over-emphasis on theory construction may result in a splintering of the field into unconnected academic specialities. Spender does not judge the degree of fragmentation to be alarming. On the contrary, he believes 'that there are several lines of theorizing converging on a new and powerful paradigm of strategic analysis' (see Chapter 2, this volume).

Classifying Schools of Thought

The number of publications in the field of strategic management has greatly increased in size over the last 30 years. In the mid-1960s Andrews (1965) and Ansoff (1965) were the first to give the discipline of strategic management a separate profile. However, they can hardly be considered as the founders of strategic management. Many of the current lines of reasoning or schools of thought within strategic management have not built on their range of ideas or are actually inconsistent with the 'design' and 'planning' schools of thought associated with Andrews and Ansoff, respectively. In a number of classifications their contribution was labelled as the classical perspective (Rouleau and Séquin, 1995; Whittington, 1993). In contrast to many previous classification attempts, the taxonomies devised by Rouleau and Séquin and Whittington try to relate the classification criteria to the underlying principles of the various contributions in strategic management. Whittington's four perspectives differ fundamentally along two dimensions: the outcome of strategy and the process by which it is made. Similarly, Rouleau and Séquin identify four 'forms' of strategic discourse, each of which suggests a particular arrangement of representations concerning the individual, the organization and its environment. These classifications are an improvement on some previous attempts. Distinctions of 'content' versus 'process' and strategy formulation versus strategy implementation are of limited value for a deeper understanding of the principles of these classifications, largely because they relate to practical categories (Rouleau and Séquin, 1995). Mintzberg has also developed a taxonomy that goes beyond the simple dichotomous classifications. In his view the differences between the schools are very much governed by the underlying base discipline. However, the unit of analysis (similar to Rouleau and Séquin, 1995) and the process of strategy (similar to Whittington, 1993) also have an impact on the dividing lines between the distinguished schools in his classification. Among the many typologies (cf. Chaffee, 1985; Whittington, 1993), we have chosen to use Mintzberg's classification of nine schools of thought as a starting point for our discussion, because this classification clarifies on the most detailed level each school's specific contribution to the strategy field. The characteristic contribution of each school is often the result of a clear choice with respect to approach and assumptions about the content, the process and the context of strategy formation. The distinctive contribution of each school can also be related to its roots in a specific base discipline.

The first distinction to be made between the nine schools of thought is between a prescriptive and a descriptive approach. The 'design' and 'planning' schools are both prescriptive in character, as is the 'positioning' school of thought. The other six schools belong to the descriptive category. First, the three more normative or prescriptive schools of thought will be briefly discussed. For each of the three prescriptive schools of thought a clear indication will be given of their own contribution to the field.

The 'design' school is responsible for the development of the Strength Weaknesses Opportunities Threats (SWOT) model. In this model the strengths and weaknesses of a company are mapped, together with the opportunities and

threats in the market place. The data can be used to analyse various strategic options, which both exploit the internal opportunities and anticipate the market situation. Reaching a good fit between the internal opportunities (strengths and weaknesses) and the external circumstances (opportunities and threats) can be considered to be the central guideline of this school of thought. A key role in the strategy formation is played by the board of directors, and in particular by the chairperson. This approach can be further formalized into a more systematic approach. In this perspective, strategy formation consists of developing, formalizing and implementing an explicit plan. This school is known as the 'planning' school; strategy formation is developed not so much by the chair of the board but rather by the planners in a staff division.

The central focus of the 'positioning' school is the industrial–economic angle, with the work of Porter (1980, 1985) being particularly important. Competition and a competitive position are analysed mostly on the basis of economic concepts, and in this approach companies in a certain industry must choose one out of three generic strategies: cost-leadership, differentiation or focus. This school of thought is strongly influenced by economics while the 'planning' school has its theoretical roots in system theory and cybernetics. For the 'design' school it is very difficult to point to a specific root discipline. The approach used there has emerged from an attempt to develop an integrative perspective based on practice.

In the three schools of thought discussed above, the environment is seen as relatively constant. The challenge for strategy formation is to influence the environment, either responding to it or adjusting the organization to it. The underlying assumption here is that the environment can be analysed and that a company's opportunities and threats can be distilled from it. Another assumption is that the company has the time, using a planned or unplanned approach, to realize the potential of a certain strategy. The 'design' school still works on the assumption that the CEO can design an explicit 'grand strategy' for the entire enterprise. Research by Mintzberg and Waters (1985) shows, however, that strategies are not always explicitly formulated, but can come about spontaneously without a priori intentions. It is also shown in empirical research carried out by Burgelman (1983) and the strategic decision-making models of Bourgeois and Brodwin (1984) that strategies often take place bottom-up and that the top management approves of these afterwards ('retrospective sense making'). Likewise the 'planning' school assumes that a correct strategy can only come about by means of frequent and systematic forecasting, planning and control. Empirical research by Fredrickson (1983), Fredrickson and Mitchell (1984) and Mintzberg (1973a) shows that in turbulent environments planning is, however, often insufficient and leads to rigidity. The annual planning rituals within an organization restrict its innovative potential; options are fixed and new options are not noticed.

As a consequence of the untenability of the normative assumptions of the above-mentioned prescriptive schools, the more descriptive schools are increasingly gaining influence in the discipline (see Table 1.1). The latter schools, like the 'entrepreneurial', the 'cognitive' and the 'learning' schools are not prescriptive but they try instead to describe the actual strategy formation in enterprises on the basis of empirical research.

TABLE 1.1   *Normative assumptions of prescriptive schools reconsidered*

Prescription	Description
• Top-down	• Bottom-up
• Planning	• Spontaneous
• Analytical	• Visionary
• Perfect rationality	• Bounded rationality

In the 'entrepreneurial' school, the environment is not a stable factor; it can be influenced and manipulated. Entrepreneurs are capable of bringing new innovative products and services onto the market, developed on the basis of idiosyncratic dynamics, quite detached from the existing 'laws' of the market. Baden-Fuller and Stopford (1994) show that the choice of the branch of industry only determines the profit expectations for a very small part, and that the 'firm' and not the branch of industry is a decisive measure of success. At the same time, these authors argue that successful enterprises like McDonalds, Benneton and Toyota do not opt for a 'generic strategy', but instead opt for a combination of 'low cost' and 'differentiation.' This does not lead to the 'stuck in the middle' effect feared by Porter, because the 'positioning' school does not take into consideration internal organizational factors such as culture and ideology. It is the entrepreneurs with a vision of the future who determine the environment and not vice versa. Strategic management viewed from this perspective cannot be traced back directly to a specific discipline, although the economist Schumpeter (1934) can be seen as its intellectual progenitor.

The next two schools of thought, the 'cognitive' and the 'learning' schools, have psychology as their root discipline. They consider the environment to be very demanding and/or difficult to comprehend. In the cognitive school the individual is the unit of analysis and strategy formation is based on 'mental maps.' March and Simon (1958) and Simon (1976) have made an important contribution to the cognitive school. In particular, the concept of 'bounded rationality' has been important. In these schools strategy will be not so much planned, but rather incremental and 'emerging'. According to the supporters of the 'learning' school, whose pioneers were Lindblom, Quinn and Weick, a strategy unfolds. It was Lindblom (1959) who concluded that strategic management was not a linear process, but an incremental process of 'muddling through'. This incremental vision was confirmed by Cyert and March (1963) and the article by Wrapp (1967) entitled 'Good managers don't make policy decisions'. Etzioni (1968: 282–309) took on an intermediate position, namely 'mixed scanning', whereby strategists must develop a long-term vision while approaching the short-term step by step. On the basis of nine longitudinal case studies in large enterprises confronted with changes, Quinn (1980a) concluded that incrementalism is logical because of the iterative character of strategic management processes and the need to adjust strategies continuously. According to this founder of the 'learning' school, strategic management is necessarily a fragmented process, whereby initiatives arise from different subsystems and top management defines strategies as broadly as possible and leaves options

open as long as possible. On the other hand, Johnson (1988) and others propose, on the grounds of a longitudinal case study, that incrementalism is not logical but a result of cognitive schemes (Weick, 1979), cultural idea systems (Smircich and Stubbart, 1985) or political processes (Pettigrew, 1977). This 'non-logical' incrementalism forms the basis for the 'cultural' and the 'political' schools.

The contribution of the political school of thought to the strategic management field consists of concepts such as power and coalitions. Important studies that brought the factor power into strategic management literature were those of Allison (1971) and Perrow (1970). Strategic in this school means choosing your position and thinking in terms of move and counter-move. Making a distinction between power formation within an organization and between organizations is significant. The latter level of analysis is the meso level in which the environment is clearly malleable. Securing a position in order to be able to determine the rules of the game can be a great influence in the competitive position of an organization. As far as the micro level is concerned, it is often assumed that organizations have a single face, thus ignoring the large differences of opinion and the existence of a variety of power blocks within organizations. The importance of recognizing the different sorts of strategy formation and implementation and the development of these concepts in order to analyse them can be attributed to the political school of thought. It has been clearly demonstrated that this school of thought is strongly influenced by political science.

In contrast to the schools already discussed, influencing the environment has very little to do with the following schools of thought. In the cultural school of thought, developing a common perspective for the organization is the central issue. The contribution of this school lies particularly in the insights offered into the importance of a common company culture for the formulation, and particularly the implementation, of a strategy. A strategy can only be successful if it is deeply rooted in the company culture and, accordingly, the development of common values and insights is a central issue. Strategy formation here is not bottom-up or top-down but must be approached from a collective perspective. The conceptual breeding ground for this school of thought is anthropology, and Normann (1977) has made an important contribution to the development of the theory.

The last school of thought is the environmental school. This school has been strongly influenced by the work of 'population-ecologists', like Hannan and Freeman (1977). By analogy to biology they look at organizations with the aid of the variation–selection–retention model. Strategies are positions in the market and if the favourable conditions that gave rise to the growth of the firm change, the organization is doomed. This approach is exceedingly deterministic and the room available for management to formulate strategies is non-existent.

Each of the nine schools represents a specific angle or approach to strategy formulation (see Table 1.2). The separation of the discipline into clearly defined schools of thought furnishes us with insights into the backgrounds and the often implicit assumptions of a great number of trends in the field. Mintzberg, however, shows that each school of thought is concerned with a certain aspect of the

TABLE 1.2 *Nine schools of thought in strategic management*

	Prescriptive				Descriptive				
Dimensions	**Design**	**Planning**	**Positioning**	**Entrepreneurial**	**Cognitive**	**Learning**	**Political**	**Cultural**	**Environmental**
Key author(s)	Andrews, 1965	Ansoff, 1965	Porter, 1980	Schumpeter, 1934	Simon, 1976	Lindblom, 1959; Quinn, 1980a	Allison, 1971; Perrow, 1970	Normann, 1977	Hannan and Freeman, 1977
Base discipline	None	Systems theory, cybernetics	Economics	None	Psychology	Psychology	Political science	Anthropology	Biology
Vocabulary	SWOT model, fit	Formalizing, programming, budgeting	Analysing, generic strategy	Vision, leadership, innovation	Bounded rationality, map, mental model reframe	Incremental, 'emerging'	Power, coalition dominant	Ideology, values	Reaction, selection, retention
Central actor	President/ director	Planners	Analysts	Leader	Brain	Everybody who learns	Everybody with power	Collectivity	Stakeholders
Environment	Opportunities and threats	Stable and controlled	Analysable in economic variables	Manoeuverable	Overwhelming for cognition	Demanding	Intractable, malleable	Incidental	Dominant, deterministic
Strategy	Explicit perspective	Explicit plan	Explicit generic positions	Implicit perspective	Mental perspective	Implicit patterns	Positions, plays	Collective perspective	Specific position

Source: Mintzberg, 1990b

total picture, ignoring the other aspects along the way. If the contributions, shortcomings, assumptions and context of the diverse schools of thought are made more explicit, the fragmentation within strategic management is made painfully obvious.

Fragmentation: Evidence and Explanation

Looking at the issue of fragmentation solely from the point of view of the number of distinct schools of thought is too narrow. What are the other indicators of fragmentation? In this section the existence of fragmentation in the field is illustrated based on the differences concerning the underlying theoretical dimensions and the variety of methodological perspectives.

Theoretical Dimensions

From the perspective of the nine distinct schools of thought, strategic management would appear to be a fragmented discipline. A variety of entirely idiosyncratic approaches sheds light on the specific aspects of the strategic management process. This can be illustrated by showing the position of each of the schools of thought on some underlying theoretical dimensions (see Figure 1.1). We have distinguished five dimensions, i.e. prescriptive versus descriptive schools, voluntaristic versus deterministic schools, the unit of analysis of the schools, the research area of each of the schools and the extent to which each of these schools applies a static or a dynamic perspective. Concerning the first dimension, it has been argued that the first three schools (design, planning and positioning) can be characterized as prescriptive, while the other six are more descriptive in nature.

In addition to the prescriptive–descriptive dimension, one can also look at the degree to which each school has room for strategic choice (voluntarism) or whether successful strategies are selected by the environment (determinism). An extreme example of the latter is the environmental school (cf. Hannan and Freeman, 1984). This is quite opposite to the cognitive school, in which there is room for slack (Cyert and March, 1963), to the learning school, in which there is leeway for 'strategic choice' (Child, 1972) and to the political school, in which there is room for decisions from the dominant coalition (Thompson, 1967). Although the latter mentioned schools employ a more voluntary perspective, it must be stated that an increasing number of theoretical contributions within these schools assume that the room for choice is limited by internal organizational factors such as the routines that have built up over the years and the cognitive limitations of policy makers (cf. Nelson and Winter, 1982).

The unit of analysis varies greatly too. The entrepreneurial and cognitive schools address themselves in particular to the individual, namely the entrepreneur and the manager. The learning school, however, focuses far more on the group level, while the unit of analysis in the design, planning and positioning schools is the organization. Finally, in the environmental school the branch, the industry or the environment is the chosen aggregation level.
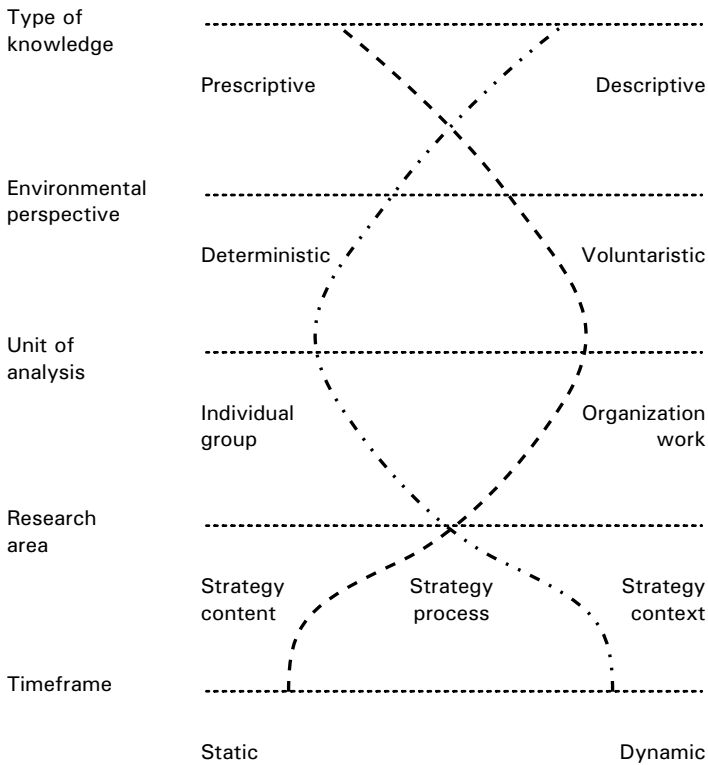
FIGURE 1.1 *Theoretical dimensions of schools of thought in strategic management; – – –, positioning school; – · · – learning school*

In addition to the level of analysis, there are great differences between the schools of thought with respect to their focus on a specific area of interest in strategic management. According to Pettigrew (1990) the research area can be divided into interest in the strategy content, the strategy process and the context in which the process takes place. The positioning school is particularly interested in the strategy content in terms of generic strategies: what is the best generic strategy for management to choose? On the other hand, the planning and design schools are more concerned with the process of strategic management from a prescriptive perspective and the cognitive, learning and political schools from a more descriptive perspective. The environmental and, to a lesser extent, the cultural schools are particularly interested in the strategic context, being concerned with the environmental factors and national or professional cultures, respectively.

Finally, most of the prescriptive schools give a static description of strategy formation, while, for example, the learning school employs a more dynamic perspective and distinguishes different strategic learning routes. On the basis of these underlying theoretical dimensions, each school can be positioned in the profile above. As an example, the positioning school and the learning school

have been filled in as two antipoles (see Figure 1.1). The differences between the schools concerning the underlying theoretical dimensions can be seen as an illustration of the fragmentation in the field.

Methodological Perspectives

Another way to examine the degree of fragmentation in the discipline is to look for common elements in the methodological perspective. Methodology is the way in which knowledge is acquired for strategic management questions. According to Camerer (1985), in his much discussed article 'Redirecting research in business policy and strategy', it is the lack of a disciplined methodology that is the cause of the fragmentation in strategic management.

> For all the energetic research on strategy and policy, the state of the art is disappointing. Theories are ambiguous, untested and tend to replace other theories with little apparent progress. (Camerer, 1985: 5)

The author argues that many concepts are ambiguous and that there is no clarity on definitions. The distinction between 'strategy' and 'policy' is, for example, extremely vague. He also mentions that theories and checklists are seldom tested or compared with competing theories. Most research in strategic management is inductive and based on a limited number of case studies. The result of this weak methodological basis is that there is no accumulation of knowledge, only a substitution of theories and schools of thought. Camerer therefore proposes a strictly hypothetical–deductive approach to research in strategic management, which according to him flourishes best in 'harder' theories such as 'agency-theory', 'game theory', 'industrial organization' and 'decision theory'.

In contrast to the Popperian Camerer, Teece (1990) argued, in the same way as Lakatos (1970), that within strategic management progress could only be made by developing dominant research programmes such as the traditional 'competitive forces' perspective or the 'resourced-based' perspective.

> Until there is a framework and some accepted core of theoretical ideas, the field cannot build cumulatively. One cannot have meaningful exchanges in any field until there is some agreement on terminology, assumptions, causal structure and recognition of where different approaches may be applicable. (Teece et al., 1990: 3)

While Camerer opts for a disciplined methodological approach and Teece for dominant research programmes, Mahoney (1993) chooses the opposite, the more pragmatic approach of methodological pluralism under the pretext of 'good science is good conversation'. According to Mahoney, or equally Daft and Buenger (1990) and Hambrick (1990), these authors employ a strongly instrumental approach, which excludes new insights that do not fit within a hard theory or dominant research programme. Furthermore, these so-called harder sciences face the same problems in that their concepts are also often ambiguous and not clearly defined. Instead of looking for universal methodological criteria, Mahoney argues that the continual attunement of rivalling schools of thought in strategic management should be promoted (see also Cooper, Chapter 7, this volume).

To summarize, Camerer is very unhappy with the present state of fragmentation, Teece wants to reduce this fragmentation to some extent by developing dominant research programmes and Mahoney, on the contrary, appreciates the versatility of the field. On the basis of this heated debate concerning the 'best' methodology, it is clear that the differences not only refer to content but also to the methodological approach.

Causes of Fragmentation

In the previous sections we provided some evidence of the fragmented character of the strategic management field. A large number of distinct schools, diversity in underlying theoretical dimensions and different views on methodology give an indication of what can be seen as important characteristics of fragmentation. This provides an answer to the question of what we mean by fragmentation, but it leaves open the question of why. What are the causes of the observed fragmentation? The analysis by Whitley (1984) provides valuable insights into examination of the why issue.

A fragmented discipline can be characterized according to Whitley by a high degree of task uncertainty and a low degree of co-ordination of research procedures and strategies between researchers. The existence of a great degree of uncertainty can be explained by the fact that three target groups can be isolated, each with its own criteria for research and research procedures, namely the strategy field, the base disciplines and management as the end-users. In addition to the criteria within the first target group, which strategic management researchers have more or less accepted, one can also look at the criteria that are valid for the different base disciplines. The base disciplines upon which strategic management builds can be seen as the second target group. The demands that can be made, for example, of economic research, are different from those for research into strategy. In many cases this is due to the distinction between monodisciplinarity and interdisciplinarity. The third distinct target group can be seen as the management. Ultimately, users employ their own criteria for the assessment of research. The existence of these three groups alongside one another leads to task uncertainty, resulting in fragmentation of the strategy field if no conscious attempts are made towards integration and synthesis. Researchers and research institutes are not dependent on any of these three groups for their assessment or for obtaining, for example, financial support. If one group rejects research proposals then the researcher can turn to one of the other groups. Quality control is not in the hands of an elite, which is often the case in the more theoretically oriented monodisciplines.

The relative independence of research efforts means that alignment and co-ordination are not seen as being an absolute necessity. This conclusion on the fragmentation within strategic management is in line with the observation that many potential scientific conflicts are conceivable within the field but that the factual conflicts and/or heated debates are limited. The escape routes for assessment and financing are numerous compared to most of the social sciences.

For further development of strategic management a certain degree of integration and synthesis is necessary, but the required degree of integration varies. In

this book we can distinguish different categories of reaction to this assertion in order to reach a satisfactory degree of integration. The first reaction is very much in line with Mahoney (1993), who favours pluriformity and only a limited degree of integration. It is considered acceptable that only certain fundamentals are established and agreed upon. This position is argued and defended by Patrice Cooper in her chapter entitled 'Fragmentation in Strategic Management', in which the fragmented nature of the research efforts on acquisitions is reviewed (Chapter 7, this book). In her chapter three distinct schools of acquisitive research are identified: the Capital Market School, the Strategic School and the Organizational Behaviour School. Each addresses different questions/issues at different levels of analysis and with different methodologies. It is argued that the evolution of these diverse perspectives had facilitated rather than slowed the advancement of knowledge within this area. And for future research Cooper consequently recommends greater attention to understanding the similarities and differences among existing schools, as opposed to the development of integrative approaches or metatheories.

The second reaction to fragmentation is integration of these diverse strands of research. Three chapters in this book, by Patrick Regnér on multiple rationalities (Chapter 4), by Thomas Ericson, Anders Melander and Leif Melin on the role of the strategist (Chapter 5) and by Frans van den Bosch on time (Chapter 6) are examples of integration approaches. The authors explore the possibilities of integrating complementary perspectives of the different strategy schools. Their approaches are in line with the suggestions of Schoemaker (1993). In the next section we will shortly discuss these three different approaches to accomplishing integration.

The third reaction to fragmentation is synthesis in a very pragmatic way. This synthesis, in our view, should be concentrated on bringing together the three distinct groups. Varying clusters of problem areas must be connected to a combination of perspectives and schools of thought. This results in three synthesizing schools. The third part of this book is devoted to examining the synthetic approach in more detail.

Perspectives on Integration

A variety of authors are convinced (Bowman and Hurry, 1993; Chakravarthy and Doz, 1992; Schoemaker, 1993) that further theory formation within strategic management can be achieved now by integration. Segmentation and fragmentation will hamper the development of the discipline. A number of integration approaches will be discussed, in particular Schoemaker's proposals. He has distinguished three more or less related approaches. These integration approaches are based on the complimentary rather than conflicting aspects of the different schools.

In the first approach, the underlying assumptions must be as close to reality as possible. In Schoemaker's terminology, they must show 'assumptional fit'. In a number of cases the strategic problem of the firm will be relatively clear cut, because assumptions about high efficiency levels, rationality and common

goals are more or less compatible with the situation concerned. The rational schools of thought such as the planning and positioning schools can be used for the analysis. These schools would be unsuitable if there were a dominance of opposing interests and conflicting ideas about the aims to be pursued. Problem fields that are characterized as such might be studied on the basis of the political school. The fit of the assumptions to reality emphasizes the complementarity of the various schools and thereby brings about a certain integration.

Chapter 4 by Patrick Regnér, 'Complexity and Multiple Rationalities in Strategy Processes', deals with different assumptions about rationality. Strategy processes are handled by firms and managers through bounded and variable multiple rationalities. Depending on the complexity of the situation, rationality varies. According to Regnér the applied nature of strategic management acquires a multi-dimensional view, incorporating diverse complexities, rationalities and strategies. The contribution by Regnér can be positioned on the intersection between economics-oriented dynamics, resource-based models and the behavioural-based organizational learning models. The former emphasize mechanisms for capability creation and the latter focus on the firm as a cognitive entity. The purpose of his chapter is to integrate these different strategy approaches by looking for a fit between different complexities and multiple rationalities.

A second approach tries to realize complimentarity by employing the 'unit of analysis' as an important criterion for the choice of a specific school of thought. Chakravarthy and Doz (1992) use that criterion to illustrate the complimentarity between strategy process and strategy content research. Schoemaker argues that the design and positioning schools are applicable to problems in which the external development and their impact on the strategy of a firm are the key issues. On the other side of the continuum, the emphasis appears to lie on the detailed developments within a firm, whereby individuals, teams and their mutual relations are central to research. With this kind of focus, the learning, cognitive and cultural schools will be able to provide more insights.

It is exactly that combination of schools that is centre stage in Chapter 5 by Thomas Ericson, Anders Melander and Leif Melin. In 'The Role of the Strategist', they discuss the contribution of the strategist in strategy formation. The strategist is used as an 'umbrella concept' to focus on the human actor who may play a crucial role in strategy processes. They adopt a multilevel approach, examining simultaneously the firm level, the industry levels and the individual actor. Concerning the role of the strategist, they make a distinction between the formal role of top management and the role of the strategist. A review of the literature is presented on the role of the strategist, which results in a typology. This typology helps us to understand why the strategist is either over-emphasized or under-emphasized and seldom put into a process context. According to the authors, the process context of the strategic arena is defined through the dialogue around issues that are strategic to the local organization. The analysis and decision making concerning these issues provide a platform 'to integrate and use a wide set of schools to create a more holistic understanding of the interplay between different forces influencing strategic change processes', (Ericson, Melander and Melin, Chapter 5).

The third approach, working on the basis of the different models being complementary, makes use of the dichotomy presented by the presence or absence of equilibrium. This concerns the degree to which a firm is able to adjust to a constantly changing environment. Schoemaker argues that in the last decade there have been different periods in which firms were fairly well equipped to react to new market situations. In such a situation of relative stability, schools based on the rational actor model, such as the positioning school, are appropriate. A more turbulent environment with a great level of uncertainty, for example with the introduction of new technology or a change in the rules of competition, can lead to disequilibrium. In this situation, firms need structural alterations or organizational innovations (Chandler, 1977) to adapt to the continually changing situation. Other schools are more appropriate in these circumstances, for example, schools in which the emphasis lies on core competences, capabilities and invisible assets (cf. Amit and Schoemaker, 1993; Itami, 1987; Prahalad and Hamal, 1990) or the entrepreneurial school in which the creation of new combinations is relevant.

This type of complementarity is used by Frans van den Bosch in Chapter 6 'What Makes Time Strategic?'. He examines, for example, the punctuated equilibrium model to elaborate on the concept of the nature of strategic change over time. This model allows us to investigate simultaneously the incremental and revolutionary change of organizations and how these different types of change are connected. The punctuated equilibrium model is one of the three dynamic theories of strategy analysed in van den Bosch's chapter, the other two being the commitment approach of Ghemawat (1991) and the chain of causality approach of Porter (1991). One of the main questions is how these theories deal with the concept of time. In order to answer that question van den Bosch distinguishes three key strategic characteristics of time. These are irreversibility, nature of strategic change and interconnectedness. The core of the analysis is to see whether and how these three strategic characteristics of time are reflected in the three dynamic theories of strategy. Following that analysis, van den Bosch discusses how the strategic time construct can contribute to integration efforts in the strategy field.

In his commentary 'The Elusive Search for Integration', Paul Schoemaker examines two key questions. Why is integration so challenging in the domain of strategy and is it worth pursuing vigorously at this stage in the field's development? The difficulties for integration are largely the result of the diversity of the field concerning the domain, approach and purpose of the inquiry. The difficulty, according to Schoemaker, is to achieve integration on all those attributes. However, most integration efforts in the field and also in the chapters in this book focus on one or two of those attributes. Schoemaker offers two approaches to the challenge of fully fledged rather than partial integration.

The various attempts at integration or the positioning of the different schools of thought in an integrative framework are of importance for further theory building. This means that the similarities and differences between various concepts are clarified and the boundaries of the different schools are put into perspective. However, it is questionable whether developing a grand design or meta-theory

is realistic if the current state of affairs is taken into account. The theoretical problems within the different integrative approaches have not yet been solved; it is not clear on what grounds certain situations or problems should be classified into an integrative framework. The theoretical basis and consistency of concepts poses serious problems. We suggest a modest and practical attempt at synthesis. In our approach, the development of a meta-theory is not the central focus, but the search for a restricted number of schools, making the link between theories and some clusters of practical problems of the greatest importance. It is a practical approach (see also the contribution of Foss in Chapter 9) and it is in line with Spender's arguments (Chapter 2) about strategy as a professional field.

One of the key issues in the fragmentation versus the integration debate is the integration of valuable insights from the base disciplines into an integrating framework of strategic management. Apart from the difficulties already mentioned in realizing such a meta-theory, it also remains to be seen if such an approach really will reduce fragmentation. According to Whitley's analysis (1984) such an approach does not tackle the causes of fragmentation. The integration effort is limited to a linkage between the field of strategic management and the contributing base disciplines. The third group involved in Whitley's analysis, the practical field, is left aside. As a result, an important source of knowledge is not used in theory building. Knowledge stemming from practice and the field experience of prescriptive do-statements and theory driven consultancy is of importance for the development of the discipline, whether dealing with either practical or theoretical problems. Bearing in mind the causes of fragmentation, strategic management should provide a synthesis between theory building and the use of various base disciplines on the one hand and the knowledge developed in the practical arena of the business community on the other.

A Synthetic Approach: Three Emerging Strategy Schools

The attempts at integration discussed so far do not actually contribute to a reduction of fragmentation in the field of strategic management. The over-accentuation of base disciplines and the 'artificial' searching processes for common dimensions has led to theoretical frameworks that have little, if anything, to say about the practical problems in strategic management. Neither do they offer new perspectives for scholars in the strategy field.

Bowman (1990: 17) quite rightly remarks that no central paradigm can be developed in strategic management. The most important cause in Bowman's view is the great dilemma between theory-oriented schools and more practically oriented design schools. To give a polarized view, one could maintain that within the field of strategic management there is an extreme separation between analytical approaches (Volberda, 1992), which are strongly anchored in a specific base discipline, and clinical approaches, which are strongly concerned with the development of concepts and techniques for strategic management (see Figure 1.2). Following Whitley's terminology (1984), we could argue that within the analytical approach the strategy researcher chooses a base discipline as the target group,

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                    ┌─────────────────────┐
                    │   Problems within   │
                    │ strategic management│
                    └─────────────────────┘
                       ↙               ↘
          ⬡                              ⬡
       Analytical                     Clinical
        research                      research
        approach                      approach
```

◆ Scientific   ◆ Problem solving
◆ Inductive/deductive   ◆ Inductive
◆ Descriptive/explanatory/predictive ◆ Prescriptive
◆ Restrictive   ◆ Non-restrictive approach
◆ Disciplines methodology   ◆ Weakly disciplined methodology

      ↓   ↓

Consistency of theory/paradigm/model   Adequacy of solution

                ↘   Synthesizing approach   ↙

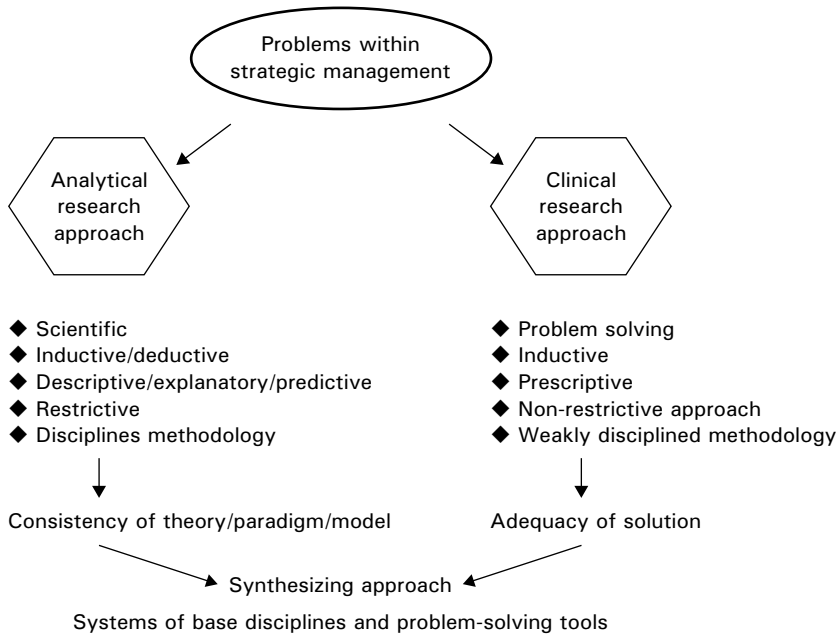   Systems of base disciplines and problem-solving tools

FIGURE 1.2 *The synthesizing research approach in strategic management (Volberda, 1992)*

while in the clinical approach the researcher focuses primarily on management as the target group.

The analytical approach is a theory-oriented and scientific approach based on systematic observation and measurement, employing an absolute separation between the researcher and research object. The formal inductive and deductive logic applies results in descriptive, explanatory and, at most, predictive knowledge. In this restrictive or monodisciplinary approach, the central focus is on the consistency of the underlying theory of the school of thought. All the researchers in such an analytical school in strategic management act according to the same strict methodological principles. In this respect one could label the positioning, cognitive and environmental schools as analytical schools.

On the other hand, the clinical approach is far more problem oriented. This inductive approach is based on the experience of the researcher, subjective assessment, trial and error and mainly qualitative data. The result is prescriptive knowledge in the form of concepts, 'tools' and 'do's and don'ts' for the strategist. In this clinical approach to strategic management, the researchers are not building on one specific theory. Furthermore, they do not apply generally accepted methodological rules. It is more of a multidisciplinary approach whereby the most important assessment criterion is the adequacy of the solution. The design and planning schools in particular are based on this clinical approach. Researchers with a great deal of practical experience in the field of strategic management (in particular Ansoff, 1965 and Selznick, 1957) and strategy consultants

have contributed to these prescriptive schools and the development of concepts and methods.

The disadvantage of the analytical schools of thought is that they address themselves to the relatively unimportant problems that fit into their analytical framework (Schön, 1984). Often the researcher who is not involved in the strategic problem area, uses indirect measuring techniques such as large-scale surveys and focuses on quantifiable data. The knowledge provided, in the form of general hypotheses, is often very trivial for practitioners and is not directly applicable for the strategists (cf. Lindblom, 1987: 512; Thomas and Tymon, 1982; Weick, 1989: 516). On the other hand, the clinical schools have not developed any explicit criteria by which knowledge may be evaluated. In many situations, practical relevance and feasibility dominates, and this often leads to opportunistic research behaviour without ex-ante methodological considerations. Many concepts in strategic management, such as the SWOT analysis, the Boston consultancy matrix, the GE business screen and the 7 S's model are often applied but seldom tested. It is therefore not surprising that many of the excellent enterprises raised by Peters and Waterman (1982), which were consistent according to the 7 S's model, were not successful the following year.

In summary, the discipline suffers from a discord that is leading to great fragmentation. We therefore advocate a more synthesizing approach, which is both theory oriented and problem oriented (Volberda, 1993). The fragmentation in our discipline will not be solved by choosing one school at the expense of another, but by synthesis. Schendel puts it this way:

> This tension between base disciplines versus more practically oriented scholars in strategy (and perhaps the entire business school) is best seen and solved not as a choice of one field and perspective over the other, but in relative, balanced terms. A good metaphor is that of the engineer, who has one foot firmly planted in physical sciences and theory, with the other just as firmly planted in practice and problem-solving. (Schendel, 1991: 2)

An important guideline in our attempt at synthesis has been the result of Whitley's analysis of the causes of fragmentation in a field like strategic management. Synthesis serves to integrate the three different target groups of research, namely the base disciplines, the body of knowledge of strategic management and, finally, management as the user. In this context, synthesizing schools differ from the prevailing analytical and clinical schools in strategic management in the sense that they:

- are based on theories from various base disciplines (T) with an explicit reference to these disciplines
- are related to a cluster of problem areas (P) in strategic management
- develop clear problem-solving tools (T') from a chosen range of theories (see Figure 1.3).

In other words, a synthesizing school of thought in strategic management consists of more than one base discipline and one set of problem-solving techniques to deal with a specific range of strategic problems. The application of specific tools
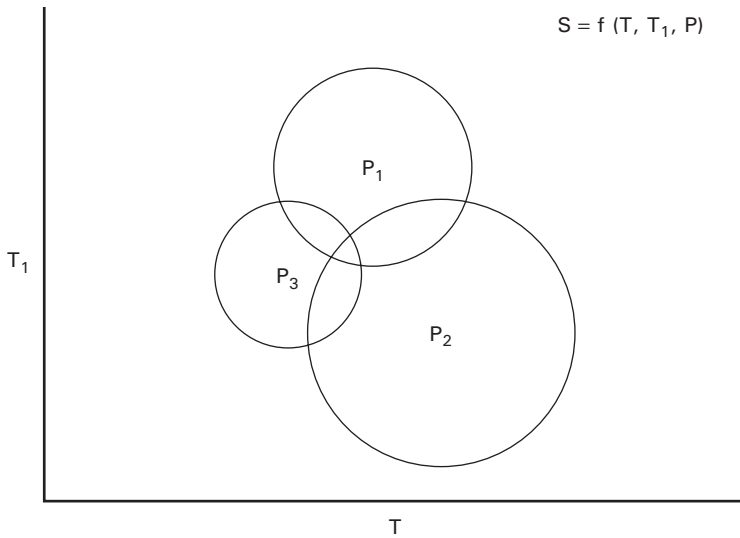
$$S = f(T, T_1, P)$$

T₁ label and figure diagram with circles labeled P_1, P_2, P_3; axes labeled T (horizontal) and T_1 (vertical).

FIGURE 1.3   *Synthesizing schools in strategic management; P, cluster of problems areas; T, base disciplines; T₁, problem-solving tools; S, synthesizing schools of thought*

for strategic problem areas may even lead to an adjustment of the basic theories. In this book, we shall attempt to describe synthesizing schools of thought (see Parts III, IV, and V). Of course, such a description can never be complete. On the basis of a literature study, we have distinguished three emerging schools of thought with synthesizing characteristics: the boundary school, the dynamic capability school and the configurational school. Each of these schools will be examined in more detail in Parts III, IV and V. In the following paragraphs we briefly discuss the main research questions and summarize the aim and contributions of the chapters are summarized.

The Boundary School

In the 1980s, the vertically integrated firm as guiding principle became increasingly controversial. The advantages of scale and control appeared to be losing ground to the disadvantages of bureaucracy and inflexibility. Partly due to the influence of increased international competition, the blurring of the boundaries of industry and uncertainty, companies increasingly turned to their core activities. They tried to enhance their flexibility and innovation. Thus, the strategic response to these new developments was that firms should not make everything themselves, but concentrate on their core competences while contracting out the other parts of the production process to other specialists (Mahoney, 1992). This question of make or buy does not only apply to existing production processes, but also to the development of new products and services. Besides the make or buy options, we can distinguish a third hybrid option of co-operation, for example minority and majority participation, joint ventures and network structures (cf. Jarillo, 1988; Powell 1987). As a result of these make, buy and co-operate

decisions the boundaries of the organization are becoming increasingly vague. Research into the boundaries of the organization is therefore the central focus of the boundary school. Important research questions for this school are as follows.

- What are the advantages and disadvantages of doing it yourself and contracting out, respectively?
- When is co-operation preferable to doing it yourself or contracting out and how must co-operation be organized?
- What are the strategic implications of make, buy or cooperate?
- How can make, buy or cooperate decisions be implemented and how should these dynamic relationships be managed?

In the boundary school strategy is a boundary decision and it basically concerns two issues: where to draw the boundary and how to manage the fuzzy dividing line between the firm and its environment. The issue of where to draw the boundary of the firm has a bearing on questions concerning outsourcing, partnering, alliances, virtual organizations and also diversification. The way a firm responds to these challenges has a direct impact on its competitive position and, therefore, these boundary questions are directly related to the core of strategy formation. The boundary questions are, however, addressed and answered in different ways by different perspectives in the social sciences. In fact, research dealing with boundary questions is rooted in various base disciplines, varying from economics to sociology and from psychology to history.

In Chapter 9 Nicolai Foss discusses a number of theories that may be seen as constituting the boundary school. He reviews the contributions to the boundary school of transaction cost economics, the resource-dependency approach by Pfeffer and Salancik (1978), the networks perspectives and lastly the capabilities approach to firms. He explores how some of these theories are related and can be harmonized. For example, there are some parallels between the (sociological) resource-dependency approach and transaction cost economics, and many network arguments can be given a straightforward transaction cost interpretation. However, besides this similarity Foss also examines the extent to which these theories are fundamentally different or are even in conflict. Foss maps out the common and complementary aspects of the diverse constituent theories of the boundary school. He addresses in particular the issue of where to draw the boundary of the firm. His emphasis is therefore on the content rather than the process of strategic management. The process part is closely connected to the second main issue in the boundary school, i.e. how to manage across the divide.

In Chapter 10 'Managing Beyond Boundaries: the Dynamics of Trust in Alliances' Koenig and van Wijk focus on the processes underlying co-operative relationships. One of the unanswered questions in the alliances literature is how trust, power and information processes affect the outcomes of co-operation. It is exactly this problem that Koening and van Wijk address. Their purpose is to present a new perspective on the dynamics of co-operation. The building blocks of that perspective are the concepts of trust, contracts and interaction.

They examine these concepts in detail and trace the variety of their academic roots. They view trust as a learning process, which grows out of interaction and is not solely derived from shared norms and values. The analysis of the key concepts is followed by an examination of the relationships between them. For example, trust is not excluded by contracts; they are complementary or even mutually reinforcing. Trust is what allows contracts to emerge and is also secured by these same contracts.

The last chapter contributing to the boundary school blends the content and process perspectives. Chapter 11 on strategic alliances by Stiles investigates what influences a firm to act in a co-operative or a competitive way within the alliances, and how this has an impact on the organizational arrangement. Stiles evaluates six major theoretical streams in terms of their potential contribution in order to enhance our understanding of the development of alliances. These are strategic choice or positioning theory, international business theory, negotiations theory, transaction cost theory and resource-dependency theory. These theories are used in an eclectic way to identify the factors that are likely to influence the extent to which firms adopt a co-operative and/or a competitive stance. These stances should not be viewed as opposing and mutually excluding factors, but as a combination of characteristics. Stiles develops a framework based on the potential ability of the partners involved to realize the competitive and/or co-operative stance. This framework may help us understand the dynamics in alliances and it may be used as an instrument for managers evaluating and shaping alliances.

Charles Baden-Fuller discusses the chapters in Part III in his commentary. He examines the added insights of the chapters concerning two main questions of the boundary school: where should an organization draw its boundaries, and how should it manage across the divide?

The Dynamic Capability School

The dynamic capability school considers strategic management as a collective learning process aimed at developing distinctive capabilities that are difficult to imitate. The theoretical basis of the dynamic capability school is largely based on the work of Amit and Schoemaker (1993), Barney (1991) and Prahalad and Hamel (1990), Teece et al. (1990). This synthesizing school is not focused on developing an optimal strategy through industry and segment selection and the manipulation of market structure to create market power (Porter, 1980). Instead of using such an outside-in approach where the importance lies with the environment, the dynamic capability school employs an inside-out approach. If markets are in a state of flux, then the internal resources and capabilities of a firm would appear to be a more suitable basis for strategy formulation than the external customer focus that has traditionally been associated with the marketing orientation to strategy (Grant, 1996). On the basis of a reservoir of developed capabilities and acquired resources, the firm must exploit a distinctive competence in different end-markets. The most important research questions for this school are these:

- How do organizations develop firm-specific capabilities?
- How can organizations develop new capabilities that are complementary or that substitute existing capabilities?
- What are the determinants of successful development routes?
- How can one determine or measure the collective capabilities of a firm?

In Chapter 13 Ron Sanchez gives an overview of the dynamic capability school. He has expanded the name of the school to 'resources, dynamic capability and competence' to emphasize the progression of concepts, each of which significantly extends the ability to achieve integration of diverse approaches to strategy theory. Sanchez first reviews the concept of resources for the integration of ideas about the firm and its competitive environment. The notion of dynamic capability is portrayed as an extension of the concept of resources. His perspective on dynamic capability is the firm's relative ability to use current resources, to create new resources and to develop new ways of using current or new resources. The concept of competence is examined as it builds on and extends the concepts of resources and dynamic capabilities into a theory of competence-based competition. Finally, Sanchez discusses how these conceptual building blocks may provide a foundation for integrating a number of approaches to strategy theory. He argues that the emerging theory of competence-based competition appears to facilitate integration of separate approaches, such as process and content, competition and co-operation views of strategy and internal and external approaches to understanding competitive dynamics.

   The conceptual review is followed by Chapter 14 on modularity and dynamic capabilities by Ron Sanchez and Joseph T. Mahoney. Here the authors argue that modularity in an organization's product and process architecture can improve strategic flexibility and organizational learning. Achieving strategic flexibility by modularity can be understood as the ability to substitute component variations, thereby increasing the variety of products a firm can develop in a relatively short period with relatively small costs. Cutting down the design process into modular components facilitates the concurrent development of components by loosely coupled development organizations, which is important for producing products in turbulent markets. Concerning learning capability, Sanchez and Mahoney suggest that modular product architectures may provide a framework for improving organizational learning processes.

   In Chapter 15 Paula Kirjavainen aims to increase our understanding of how learning affects the processes of strategy formation and strategic change in knowledge-intensive firms. This chapter is based on case-based research at the leading Finnish knowledge-intensive firms. It is argued that the strategy of a knowledge-intensive firm may be seen as the development of capabilities to transform the firm's diverse individual and organizational knowledge resources into core competences that consistently provide superior value to clients or customers. The concept of strategic learning is introduced and depicted as a cyclical process that occurs at two levels – learning and meta-learning – and involves intertwined changes of the knowledge of individual managers and the development of a collective paradigm of the group of significant actors. Thus

strategic learning is characterized as a learning process through which a firm develops its portfolio of competences. In the conceptualization of strategic learning, Kirjavainen suggests the need for and the possibility of integrating three levels of analysis – individual, organizational and paradigmatic – of learning processes.

The commentary in Part IV on the dynamic capabilities school is written by Howard Thomas. He not only reflects on the three chapters but also gives his view on the development of the dynamic capabilities perspective within the field of strategic management research. Furthermore, he addresses a set of issues that may guide future competitive strategy research.

The Configurational School

This school considers strategic management as an episodic process in which certain strategy configurations dominate, depending on the organizational environment. The configurational school was posited by Mintzberg (1990b) as a collective school for all nine distinct schools in his classification. In each episode, a certain strategy school can dominate depending on the context. This school mainly focuses on the following research questions.

- In what environment are specific strategy configurations effective?
- What are the relevant dimensions that explain the variety of strategy configurations?
- How can an organization pass through a transition from one configuration to the other?

The configurational school is mainly oriented towards explaining the variety of strategic configurations and has resulted in numerous ex-ante taxonomies and ex-post typologies in the form of strategy modes, archetypes, configurations, periods, stages and life cycles. This school came to development through the work of Khandwalla (1977), who has given a systematic categorization of relevant dimensions, Miller and Friesen (1980), who have developed a typology of strategic archetypes and, of course, the work of Mintzberg himself (1973a, 1978) concerning strategy modes and organizational configurations.

In contrast to an integrative research approach, this school does not only show interest when certain configurations are plausible but also tries to explain dynamic trajectories of change. In doing so, its work is based on socially oriented organizational sciences, which, with the aid of ideal examples, try to explain the variety in strategy and structure configurations (cf. Lammers, 1987; Perrow, 1986; Weber, 1946). At the same time, this school has strong roots in business history, seeing certain business 'recipes' as dominant in certain periods (cf. Chandler, 1962).

In Chapter 17, Mintzberg, Ahlstrand and Lampel reviews the historical antecedents and some of the key contributions of this school. Furthermore, they discuss some of the criticism raised in the literature concerning the foundations of the configuration school. The basic idea of the configuration approach dates back to the findings of Khandwalla (1970). The effectiveness of organizations could be

related to a set of complementary characteristics. Later work at McGill University, Canada and elsewhere added the factor 'time' in the analysis, and transitions of one configuration to another became the central focus of the configuration perspective. These research efforts and their results are examined in Chapter 17, which provides the conceptual ground for the next two chapters on configurations.

The main concern in the second chapter on configurations, 'A Framework for a Managerial Understanding of Strategy Development' by Andy Bailey and Gerry Johnson, is to understand how managers perceive the strategy process. This process cannot be captured through one-dimensional analysis and therefore the authors propose and test a multidimensional framework for analysing managers' perceptions. On the basis of the literature they draw six perspectives – planning, incrementalism, cultural, political, command and enforced choice. Survey data are used to test the extent to which these perspectives adequately describe the strategy development process as understood by those managers. The results are used to advance a number of propositions that explore specific configurations in the strategy development process.

In his chapter 'Strategy Configurations in the Evolution of Markets' Michael Lawless explains configurations in terms of the co-evolution of firms and markets. He defines a configuration as a set of capabilities and strategies common to a particular group of firms in a market over time. The empirical basis of the configuration school has been much more developed than the theoretical underpinning. Lawless' aim is to come up with an explanatory mechanism to enable us to understand why configurations emerge and persist. He wants to complement the empirical basis of the configuration approach with a theoretical grounding. Evolutionary economics and resource-oriented strategy literature provide the theoretical concepts to give insight into the underlying mechanisms of the dynamics of configurations.

The chapters in Part V are discussed in the commentary on configurations by Johannes Pennings. The focus of the discussion is on the added value of the chapters to theory building in management science and in particular to the configurational school. Pennings also addresses the issue of the boundaries of the configurational school. Furthermore, he makes a distinction between studies coming up with typologies of an 'armchair variety' and investigations in which the typology is based on statistical data reduction techniques, each of which has a particular role in theory building.

Conclusions

In this introductory chapter we have systematically discussed a variety of schools of thought in strategic management. The fragmentation in the field was illustrated by considering the underlying theoretical dimensions of the schools and the various methodological perspectives applied by strategy researchers. The questions this throws up are: what are common theoretical dimensions, and are methodological differences reconcilable? By considering various theoretical dimensions, we concluded that it is not possible to reach a definite clustering of schools of thought. Reduction of fragmentation in this way is difficult to

realize. A similar conclusion was drawn with respect to the search for a common methodological perspective. In view of the clear differences, it is not likely that fragmentation can be reduced by means of a disciplined methodological approach.

Should we then accept fragmentation in the strategy field? According to Howard Thomas' commentary (Chapter 16) the use of multiple lenses for viewing phenomena, increased precision in the definition of various strategy constructs and the measures used to test them, and a focus on multiple units of analysis will all contribute to a further understanding of the ways companies co-operate or compete for sustained advantage. By contrast, accumulation of knowledge and further development of the central concepts in strategic management can, in many researchers' view, only come about through integration of the various schools in the strategy field. This dilemma of differentiation versus integration raises the question of whether we should pursue integration more vigorously or keep expanding our knowledge base in a pluralistic fashion. What is the best balance? According to Schoemaker (Chapter 8), the field of strategy is well beyond the classification stage, as evidenced by the explosion of research in the past few decades and the rich plurality of concepts, theories and approaches. He concludes that considering the current stage of development of the strategy field, more differentiation is probably counterproductive to the field's cohesion and progress. On the other hand, we have to admit that various attempts at integration have led to theoretical frameworks that are relatively separate from actual problems in strategic management.

In escaping this differentiation–integration dilemma, we suggest an increased effort toward synthesis. Synthesis is less far-reaching than integration. It does not attempt to develop a single paradigm consisting of universal concepts and laws covering the entire strategic management field. Instead it is anchored in a few clusters of strategic management problem areas, which we have called synthesizing schools. In this book an attempt is made to distinguish the main dimensions of the synthesizing schools. Synthesis serves to develop a coherent body of knowledge for each of the identified problem areas by combining the insights from the three different target groups of research, namely the base disciplines, the body of knowledge of strategic management and management as the user. To start such a synthesis, we provide three emerging schools of thought in strategic management, namely the boundary school, the dynamic capabilities school and the configurational school. Each of these synthesizing schools of thought consists of more than one base discipline and one set of problem-solving techniques for tackling a specific range of strategic problems. As far as methodology is concerned, the synthetic schools try to span the divide between the analytical and clinical approaches. These three synthesizing schools of thought are designed to neutralize the causes of fragmentation at the source. In this sense, our proposal for three schools of thought is new. It is not a repeated attempt to arrive at a meta-theory for strategic management and neither is it a classification of schools of thought that harbour inherent fragmenting powers. Further development of the three distinct synthesizing schools of thought will meet the widely experienced need to accumulate insights and knowledge in the field of strategic management.

In this book we will further elaborate these synthesizing schools, discuss their central research questions, the base disciplines upon which they build and the problem-solving tools they offer. They provide a useful guide for the discovery of the new directions in strategic management. Moreover, from a practitioner's perspective, the application of these synthesizing schools may open up new sources of competitive advantage.