

The strategist's bookshelf

A comprehensive guide to strategic management and its future

Liam Fahey

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Strategic Management: *State of the Field and Its Future*, edited by Irene Duhaime, Michael Hitt and Marjorie Lyles (Oxford University Press, 2021), 784 pages.

In *Strategic Management: State of the Field and its Future*, editors Irene Duhaime, Michael Hitt and Marjorie Lyles have taken on a herculean task. This monumental tome is written by serious academics for serious academics. The editors are blunt and specific about the book's scope and intent: "We address the major streams of research and major research approaches that have helped to develop the field to its current state." But the editors also believe, "The highest potential value is the extensive and insightful discussion of promising future opportunities and research agendas."

Without question, this ambitious book fills a glaring void in the strategic management literature. No other source comes close to achieving a comprehensive documentation of the state of academic research in the strategic management field. It also offers detailed guidance for what the research agenda should be going forward. Although they are not the target audience, both strategy consultants and practitioners will find several productive uses for the book.

The book's structure reflects the scope of the strategic management field, at least as viewed within the halls of the academy. The book has

eleven Parts and thirty-seven chapters. Each Part details the state of a major topic area: "Evolution of Strategic Management Research," "Corporate Strategy," "Strategic Entrepreneurship and Technology," "Competitive and Cooperative Strategy," "Global Strategy," "Strategic Leadership," "Governance and Boards of Directors," "Knowledge and Innovation," "Strategy Processes and Practices," "Microfoundations and Behavioral Strategy" and "Critical Factors Affecting Strategy."

Each Part consists of a lead chapter that provides an overview of the topic area, followed by several chapters, all written by academics, which burrow into the details of key sub-topic areas. For example, one topic area of particular interest to practitioners, "Strategic Leadership," provides a chapter overview of recent research developments; it is followed by chapters on "Top Management Teams" and "CEO Succession."

Each chapter provides the key sub-topics researchers have to date addressed, the key research findings they have generated, advances that have occurred in the relevant research methodologies, and frequently key gaps in the issues and questions addressed. The second section of each chapter then lays out the research agenda the authors believe is necessary to advance the state of knowledge on the topic. The chapters' second section delivers on

the promise of the book's subtitle—the state of the field and its future.

Given the editors' intent to proceed from an academic perspective, corporate executive could justly ask, where do practitioners fit in this picture? Regrettably, implications for the practice of strategic management are not explicitly addressed in most of the chapters. Rather, the editors assume that enhancement of research findings, resulting from posing more interesting research questions and ever more sophisticated research methodologies will be translated into useful guidance by the astute practicing strategist.

Yet we must not refrain from pressing the question – what is the relevance of this book's depiction of the state of strategic management research and its future direction to executives and others practicing strategic management within organizations? The thoughtful and inquisitive strategist on the front line of strategy making will find multiple ways to extract value from this book. I propose three ways that a top management team, and indeed, middle managers who shape the details of a strategy, can benefit from reading and reflecting on the authors' research analysis and proposals.

First, anyone who has been involved in shaping and executing strategy in a corporate setting has observed how commonly key concepts are imbued with different meaning by well-intentioned team members. The result: managers talk past each other; shared meaning is almost impossible to attain; and analysis bottlenecks become the norm. Thus, one valuable exercise for the practicing strategist: go to the index of this book, identify a key concept, and then read the

material relevant to that concept in the pages indicated in the index. Here is my suggested list of initial key concepts that are often misinterpreted: alliances, assets, competitive advantage, competitive strategy, ecosystems, entrepreneurship, innovation and resources. For example, if you choose competitive advantage—surely one of the most ill-defined, misunderstood and misused terms in the entire strategic management lexicon—you will discover alternative definitions and their implications, the consequences of different business models, reasons why advantage dissipates, the role of resources in shaping and sustaining advantage and how advantage varies across different industry states. Armed with a more refined understanding of the notion of competitive advantage, you will be able to ask more penetrating questions and to guide strategy deliberations toward addressing and achieving real advantage.

Second, those of us familiar with the strategy research literature, and who also spend considerable time in strategy conversations inside real organizations, never cease to be amazed at the disconnect between the focus and output of academic researchers and the concerns and challenges faced by strategy practitioners. This need not be; this should not be. And culpability needs to be owned by both sides.

My suggestion for the intrepid practitioner: Given that strategic management continues to evolve, review the introductory chapter in each of the book's Parts to learn what academic strategy scholars are or will be investigating that might inform their practice. As an example: The lead chapter, "Strategy in Nascent

Markets and Entrepreneurial Firms," in Part 3, "Strategic Entrepreneurship and Technology," focuses on nascent markets, a critical context for executive strategists envisioning new business models. Nascent markets "are often new markets but can also be existing markets that are experiencing significant technical, regulatory or institutional shifts that fundamentally disrupt market order." The chapter expands the scope of research in nascent markets to include extreme ambiguity, high velocity change, unpredictably of change in product evolution, rivals' actions and customer responses. Strategists coping with the challenges inherent in strategizing in a market with these characteristics should find especially useful the chapter's distinction between adapting strategies – learn about uncertainties and form strategies in response to generated insights – and shaping strategies – seek to exploit uncertainties and form strategy to organize uncertain and ambiguous markets. Again, the discerning strategist can reflect on whether they typically adopt an adapting or shaping orientation, the questions they should ask within each approach, when it is appropriate to adopt one approach or the other and how each approach affects the strategy choices they create and select.

Third, going beyond my first two suggestions, the strategist committed to keeping up with the latest academic thinking might be well advised to treat this book as an opportunity to undertake a self-designed MBA-like course in strategic management. At a minimum, this will familiarize the thoughtful reader with the dominant concepts and language of the advancing field. You will be better prepared when you need to assess whether the next highly touted shiny new concept is a fad or a truly transformational idea. You will be prepared to ask pertinent, penetrating

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and revealing questions that may stimulate a productive dialogue.

In sum, this is that rare volume that offers a formidable education for adventurous academics and practitioners willing to put in some extra effort.

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Full disclosure: I was a Ph.D. candidate colleague of Irene and Marjorie at the University of Pittsburgh in the previous century.