Introduction

BASIC IDEA AND RESEARCH FOCUS

How recurrent creation enables companies to compete successfully in dynamic industries is a key concern of strategy research (Porter, 1991; Teece et al., 1997; Hargadon, 2003; Rumelt, 2011) and a central strategic topic in managerial practice (Drucker, 1985; Burgelman, 2002a; Burgelman and Grove, 2007; Verganti, 2009). Recurrent creation means that companies invent and establish new products and technologies – as well as developing and implementing new organizational procedures and management practices – on a regular basis (Meyer and Heppard, 2000; Schendel and Hitt, 2007). So it can be of strategic importance for management to engage for recurrent creation, especially in situations of intense competition, innovation and change (Christensen, 1997; Brown and Eisenhardt, 1997; Teece et al., 1997; Birkinshaw et al., 2008). In recent years, technology corporations like Intel (Burgelman, 2002a; Burgelman and Grove, 2007), design agencies like IDEO (Hargadon and Sutton, 1997; Brown, 2009), and scientific laboratories like IBM research (Burgelman et al., 2004) have provided prominent examples of organizations that have successfully realized recurrent creation strategies over extended periods.

Our study focuses particularly on describing and understanding how strategic management can advance recurrent creation successfully. We understand strategic management as encompassing the entrepreneurial actions of those focusing on the advancement of an organization in its entirety (Barnard, 1938; Baecker, 2009), and as inherent in the managerial actions of those enacting specific organizational procedures and practices with a view to how the organization will move forward (Drucker, 1967; Rumelt, 2011). This echoes observations we have made in recent years while studying medium-sized organizations and large technology corporations in such diverse areas as software engineering, information technology, life sciences, fashion design and robotic research, where we found strategic management focusing on enacting specific performances of operative procedures, particular initiatives and organizational routines, and – at the same time – engaging for those procedures, initiatives and
routines in ways that contribute to companies’ abilities to achieve recurrent creation ‘at the edge’ of their industries.

RESEARCH QUESTION AND RESEARCH ISSUES

So our research question is: How does strategic management engage for recurrent creation ‘at the edge’? This research question embraces four research issues.

First, it is important to understand how recurrent creation is enacted in and emerges from organization-specific practices. Taking recurrent creation seriously implies understanding the organization-specific premises that enable a company to create recurrently. As avant-garde fashion designer Rei Kawakubo, creative director of Comme des Garçons, argues: ‘my work takes place where creating a company as a whole and creating clothes overlap. It cannot be one or the other’ (Shimizu and NHK, 2005). She sees the challenge of leading her company not just in how to create avant-garde nouveautés, but also in how she enables her organization to do so repeatedly and remain avant-garde – ‘at the edge’ – with each new collection, several times a year, over many years.

Second, it is important to explore what it means to move at an industry’s edge, which involves a consideration of performance, not as something externally judged, but as based on an organization-specific definition of ‘the edge’. So strategic management faces fundamental uncertainties. In his study of a world-class, Nobel Prize-winning scientific laboratory, Hans-Jörg Rheinberger describes the importance of enacting experimental systems ‘as the smallest integral working units of research (…) designed to give unknown answers to questions that the experimenters are not yet able to ask clearly. Such setups are “machines for making the future”’ (Rheinberger, 1997: 28). This requires specifying, and continually re-interpreting, what ‘the edge’ means.

Third, the two quotes above indicate the importance of the managerial enactment of recurrent creation. Peter Drucker, the doyen of management, points out ‘executives know that they have ultimate responsibility, which can neither be shared nor delegated. But they have authority only because they have the trust of the organization’ (Drucker, 2004, cited in Drucker, 1967 [2006]: xxii). This illustrates the close relationship that exists between how organizations advance, how strategic management enacts that process, and how organizational development gives strategic management its agency and thus defines an action space for the organization and its management, with respect to how it will move forward.

Fourth, we raise the question of how the dynamic interplay between
managerial action and organizational advancement can be explored. The
design entrepreneur Branko Lukic (formerly a senior designer at IDEO)
gives an illuminating description of managerial action as a design process
that moves forward, from the existing to the new, from the known to the
unknown: ‘The impossible drives the possible. A designer’s motto should
always be: “What if?”’ (Lukic and Katz, 2011). While strategic manage-
ment is concerned with assessing and ensuring the performance of current
organizational operations and procedures, at the same time it must focus
on how to advance, in order to remain at – and ideally to shape – the edge
of its industry.

RELEVANCE TO STRATEGY RESEARCH AND
MANAGEMENT PRACTICE

A more detailed theoretical conceptualization and empirical description of
strategic management for recurrent creation ‘at the edge’ is a timely focus
for strategy research. The discussion of our research question resonates
with four agendas, which are current in strategy research: first, strategy
research is invited to study strategy making as taking place through mul-
tiple managerial and non-managerial activities, which are embedded in
organizational practices (Johnson et al., 2003; Vaara and Whittington,
2012). Second, we see an interest in exploring routine dynamics as rel-
vant to strategy, as enabling both continuity and change (Salvato and
Rerup, 2011; Feldman and Orlikowski, 2011), and thus being important
for understanding recurrent creation (Hargadon and Sutton, 1997). Third,
strategy research is invited to explore the specificities of managerial
actions and practices more precisely (Mintzberg, 2009; Tengblad, 2012).
Fourth, a recurring call invites research to deconstruct taken-for-granted
concepts of performance, so as to uncover how performances are enacted
through organizational actions and practices (March and Sutton, 1997;
Grand and Bartl, 2011).

At the same time, studying recurrent creation as a strategy for compet-
ing at the industry edge has been identified as a research area in its own
right, resulting from an interest in exploring strategizing, organizing and
managing in relation to technological innovation (Burgelman et al., 2004;
Ellul, 1964), in the context of the so-called knowledge economy (Choo
and Bontis, 2002; Tsoukas, 2005), and particularly in the creative indus-
tries (Spinosa et al., 1997; Boltanski and Chiapello, 1999; Florida, 2002;
Verganti, 2009; Grand and Weckerle, 2010). Specifically, we observe an
interest in exploring strategy making processes as creative action (Tsoukas
and Knudsen, 2002), as knowledge creation (Floyd and Wooldridge, 2000),
as technology brokerage (Hargadon and Sutton, 1997), as dynamic capabilities (Regner, 2008; Salvato, 2009) and as continuous change (Brown and Eisenhardt, 1997). Responding to this call requires consideration of strategic management as enacting uncertainties (Spender, 1989; Callon et al., 2001; Burgelman and Grove, 2007), of the epistemological issues implied in strategic management (Spender, 1996; Tsoukas, 1996, 2005), of management innovation (Hamel, 2007; Birkinshaw et al., 2008; Damanpour, 2014) and of the role of strategy research in relation to strategy innovation and strategic renewal (Chakravarthy and Doz, 1992; Melin, 2007).

Finally, answering our research question is of considerable practical relevance. Managerially enacting recurrent creation ‘at the edge’ is a valid strategy for an organization aiming to compete – and to succeed – in areas as diverse as fashion design and software engineering, experimental research and technological innovation. Exploring routine dynamics and managerial engagement for such recurrent creation can serve as a source of inspiration, reflection and action for executives leading their organization in this strategic perspective (Golsorkhi et al., 2010). And research on the strategic management of recurrent creation ‘at the edge’ can serve as a resource for innovating strategic management and for strategy making itself, advancing managerial practices and routines as themselves sources of recurrent creation (Birkinshaw, 2010). Here, we agree with Feldman and Orlikowski that ‘contemporary organizing is increasingly understood to be complex, dynamic, distributed, mobile, transient, and unprecedented, (…) and as such, we need approaches that will help us theorize these kinds of novel, indeterminate, and emergent phenomena’ (Feldman and Orlikowski, 2011: 1240) – but also to help us to manage recurrent creation in such contexts.

THEORETICAL PERSPECTIVES: CHAPTERS 1, 2 AND 3

To advance our theoretical conceptualization of managerial engagement for recurrent creation ‘at the edge’, we benefit from recent advances in three related research areas. First, we observe an interest in relating strategies and routines, as a topic relevant to many areas of strategy research, but as a particularly promising opportunity for progressing a strategy-as-practice perspective on strategy making and strategic management (Johnson et al., 2007; Golsorkhi et al., 2010; Vaara and Whittington, 2012). Second, we observe a recent and highly relevant development in routine research, exploring routines as generative systems responsible for both continuity and innovation, for stability and change, as a particularly
promising opportunity for advancing our understanding of routine dynamics (Salvato and Rerup, 2011; Feldman and Orlikowski, 2011; Parmigiani and Howard-Grenville, 2011), and thus improving our understanding of recurrent creation as an organizational and strategic phenomenon. Third, we observe a growing interest in exploring managerial action as being embedded in organization-specific repertoires of practices and routines (Mintzberg, 2009; Tengblad, 2012) (for an overview, see Figure I.1).

Our theoretical approach explores these three research areas as particularly relevant for our research question, and thus for answering the question of how strategic management engages for recurrent creation ‘at the edge’.

First, we explore the development of a very persuasive argument for a more careful study of strategy making as being both enabled by and constrained by prevailing organizational practices and routines (Whittington et al., 2006; Golsorkhi et al., 2010). We follow strategy-as-practice research to re-think taken-for-granted premises about strategy (Johnson et al., 2003), in relation to strategic management (Melin, 2007), studying strategic agency as embedded in webs of practices (Vaara and Whittington, 2012), and also as related to organization-specific routines (Salvato, 2003; Jarzabkowski, 2003; Whittington et al., 2006). Chapter 1 of our study reviews the current strategy literature on how strategies relate to routines, and how they emerge from routines, to try to develop answers to open issues in strategy-as-practice research, but also to show how a practice perspective on strategies and routines advances strategy research, in particular with respect to recurrent creation for advancing at the industry edge, in contexts of intense competition, innovation and change.

Second, when strategy research refers to routines, it predominantly explores the stability and coordination of organizational decisions (March and Olsen, 1989; Rumelt, 2011), the regularity of organizational action (Nelson and Winter, 1982; Bower and Gilbert, 2005), or the alignment of distributed expectations (Coriat and Dosi, 1998; Burgelman, 2002b). Routine dynamics has recently been emphasized as being underexplored, and thus as providing opportunities for seeing how routines can shape non-routine processes (Weick and Sutcliffe, 2001), including change (Feldman, 2000, 2003; Rerup and Feldman, 2011), creation (Hargadon and Sutton, 1997; Sutton and Hargadon, 1996) and innovation (Salvato, 2009). It is argued that ‘organizational routines are still underappreciated because their potential for change has not been sufficiently explored’ (Feldman, 2000: 611). Chapter 2 explores how much research on routines in relation to strategies can benefit from research on routine dynamics (Feldman and Orlikowski, 2011), which describes routines as practices
and resources, enabling and restricting action, providing the basis for agency, while being mobilized and enacted through action, and as operating as generative systems, which shape continuity as well as innovation, stability as well as change (Feldman, 2000, 2003; Feldman and Pentland, 2003, 2008).

Third, we address calls for research on managerial action in relation to organizational practices and routines. The development of a systematic conceptualization of managerial action and strategic management from a practice perspective has only recently begun (Mintzberg, 2009; Tengblad, 2012). In the context of strategy making, managerial action has been described as enacting organizational routines and operational procedures, while at the same time relating such enactment to the entire organization (Barnard, 1938; Drucker, 1967; Baecker, 2009), but a sound theoretical conceptualization of managerial action from this perspective is still under construction (Tengblad, 2012; Rüegg-Stürm and Grand, 2015). In Chapter 3, we approach managerial action and strategic management from the perspective of practice theory. We focus particularly on how practice theory considers uncertainty as essential for understanding action (de Certeau, 1984; Joas, 1992, 1996), conceptualizes situated action as related to organizational phenomena (Thévenot, 1990, 2001a, 2006), and addresses the specificities of management as being strategic, by exploring how managerial action enacts performances ‘at the edge’, based on repertoires of so-called ‘engagement regimes’ as organization-specific coordinate systems (Thévenot, 2001a).

EMPIRICAL RESEARCH: CHAPTERS 4 AND 5

To advance our empirical understanding of strategic engagement for recurrent creation ‘at the edge’, we benefit from two empirical studies (for an overview, see Figure I.1). In Chapter 4, we report an ethnographic study on Jakob Schläpfer (www.jakob-schlaepfer.ch), renowned for recurrently creating the most prestigious haute couture textiles for the global fashion industry, while at the same time advancing the whole industry’s technological frontiers. This work allows us to study routines as strategies for recurrent creation ‘at the edge’ and to understand how the company’s management enacts routines as strategies, allowing it to create singular products and technologies, and to do so repeatedly. And we report a process study on AdNovum Informatik AG (www.adnovum.com), an entrepreneurial Swiss software engineering company, which produces highly reliable, scalable, distributed high-end software systems. We have been following this company for a decade now: this study focuses
specifically on issues surrounding the first to second generation succession of the company’s ownership and executive management, and how the company managed to ensure continuity in its innovative operations, while changing its managerial engagements.

In particular, we describe Jakob Schläpfer’s recurrent creation of haute couture textile fabrics, to understand the organizational and managerial processes enabling such recurrent creation at the extreme edge of a fast moving industry. Specifically, we are interested in three related aspects: first, how is the recurrent creation of novelty enabled by an organization-specific repertoire of routines which ensure the creation of individual fabrics, entire collections, and series of collections over time; second, how does the creation of new collections relate to technological innovations and dynamic capabilities, which transcend individual collections and enable radical originality across series of collections; third, how does management strategically enact the company’s creation routines in view of its organization-specific engagement regimes and their interpretation in multiple situations. The study allows us to empirically explore some of the open issues identified in Chapters 1, 2 and 3. As Chapter 1 discusses, strategy research identifies different types of routines as strategically relevant – our empirical study explores creation routines and shows how they generate novel and significantly different results each time they are performed. As Chapter 2 notes, routine research discusses how the dynamic interplay of routines and their multiple enactments shape the emergence of particular organizational outcomes. And as we discuss in Chapter 3, it is important to consider different notions of performance – in how routines are
enacted, interpreted and assessed through the mobilization of engagement regimes – as a third focus of our empirical study.

In Chapter 5, we follow AdNovum’s transition over three years from being run by its founder-owner-CEO to a new executive management. We study this transition process at different management levels – owner, supervisory board, executive management and senior management – focusing particularly on the formation of the new executive management, the emergence of a specific repertoire of management routines, and the re-interpretation of specific engagement regimes into managerial action. We specifically examine how multiple managerial engagements are routinized as recurrent patterns of action, by multiple managers and board members, in the face of uncertainty, leading to a description of management routines and their routinization. We further explore how an organization’s engagement regimes – as its coordinate system for specifying ‘at the edge’ of development – are re-interpreted in transition, so affecting the enactment of managerial routines. Finally, we describe how the enactment of management routines and engagement regimes, as well as their mobilization and development over time and their dynamic interplay, shape how the organization moves forward in its entirety, and thus how strategic management and realized strategies relate. This research focus is timely for management research: in describing and conceptualizing managerial action from a practice perspective (as noted in Chapter 3); and for strategy research in the strategy-as-practice perspective (as discussed in Chapter 1); and it complements current research on routine dynamics (as discussed in Chapter 2) with a particular focus on management routines.

CONCLUDING REFLECTION

In the conclusion, we reflect on a particular issue raised by strategy-as-practice research (Melin, 2007; Golsorkhi et al., 2010; Whittington, 2012), but also by research on managerial action in the practice perspective (Mintzberg, 2005, 2009; Rüegg-Stürm and Grand, 2015), as well as (to some extent) in research on routine dynamics (Feldman and Orlikowski, 2011): the relationship between scientific research, societal development and managerial practice. This is a timely issue, identified as particularly pressing for the strategy research and strategic management areas (Whittington et al., 2003; Vaara and Whittington, 2012). At the same time, it is inherent in the practice perspective, which explicitly reflects how scientific research and social practice relate (Bourdieu, 2001; Schatzki et al., 2001; Latour 2012).

We identify four major arguments for a closer consideration of this
relationship: first, a deep ambivalence with respect to the relevance of strategy research in dealing with contemporary management uncertainties (Mintzberg, 2004, 2009); second, the need to consider management innovation by looking for new perspectives on strategic management (Birkinshaw et al., 2008; Volberda et al., 2014); third, a call for strategy research to enter the debate about what are desirable, attractive and productive concepts of strategy and management (Mintzberg, 2004); and fourth, the growing awareness of strategic management as being itself a strategic resource with competitive implications – implying that strategic management and engagement make a difference (Drucker, 1967, 1985; Bower, 2007; Rumelt, 2011). Both strategic management and strategy research are involved in these debates, and should reflect on their impact on strategic engagement ‘at the edge’.