Cultural Semiotics in Strategy Conversation: Taking a Position on Strategy Through Knowledge Transfer

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Abstract: This study reviews knowledge management as a construct for analysing strategy discourse; identifying key strategy artefacts; and how they may be interpreted by key stakeholders engaged in strategy discourse. The importance of storytelling and narrative in the development of strategy is recognised. In developing the notion of strategy as a people orientated construct, this study provides a theoretical foundation for the determination of how stakeholders in strategy may take a position on strategy. This study defines an organisational model of the social interactions affecting knowledge transfer within organisations arising from problems of knowledge location, retention, and transfer. This ontological enquiry captures the epistemological characteristics of strategy artefacts interpreted by stakeholders in a senior management team. This paper goes on to underpin the value of a semiotic view as a diagnostic tool to determine the position that stakeholders take in the context of existing strategy discourse. From an etymological perspective this study posits a typology based upon a semiotic framework to help diagnose how stakeholders take a position based on their interpretation of key strategy artefacts; and to understand the nature of interpretation as a means of intervention by which the strategy narrative may be reshaped. What is of interest is how storytelling and narrative empowers individuals as they seek to disseminate and transfer knowledge from the past to shape the future. This study reveals the inflection that individuals may exert on knowledge artefacts; and the motivation of those who trade in knowledge assets, through storytelling and narrative, as players in the game of strategy search for coping strategies to adapt to the new reality. Ultimately this study provides new insight into the power of semiotics in the early stage; and constructivism in the later stages of the knowledge management continuum; and describes how participants in strategy adopt a position on strategy.

Keywords: knowledge management, knowledge transfer, critical discourse analysis, semiotics, strategy discourse, storytelling and narrative

1. Introduction

There is a symbiotic relationship between knowledge management and strategy discourse in seeking to control strategic outcomes through storytelling and narrative (Sloan, 2017). There is a considerable weight of argument (Jelenc, 2009; Loncar, 2017; Skokan et al., 2013; Sloan, 2017) that views strategic thinking as an intent-driven approach to strategy formulation that includes inquiry, reflection, and discourse as knowledge is transferred through a dialogue that continually tests and challenges the underlying premise of the strategy. At the heart of successful business strategies is the ability of senior and middle managers to interpret meaning, and transfer that meaning through storytelling and narrative (Jorgensen & Boje, 2006). This interpretation suggests that interaction between stakeholders within the business seems to change the meaning of strategies through the interpretive lens of Semiotics.

(Mouritsen, 2004) develops this line of enquiry by asserting that intellectual capital gains its legitimacy from its capacity to intervene in the worldview of others. state that these human constructs are not innocent concepts, tools, or methods; they are instruments used by stakeholders in changing social reality and therefore cannot be separated from relations of power. (Chandler, 2007) views semiotics in the same way that (Blackman & Smith, 2006) do, but from a knowledge transfer perspective all of this is based upon (Stamper et al., 2001) and (Miles et al., 1978). It is this concourse that ultimately led to Semiotics in Strategy by (Smith, 2013).

1.1 Strategy Discourse

Strategy can be framed as a knowledge management issue if it can be regarded that knowledge transfer is a construct of strategy discourse (Zheng et al., 2010). Knowledge management combines several theories (Baskerville & Dulipovici, 2006) from existing research into a caucus of innovative concepts of its own. Knowledge may be framed as beliefs, norms and values that provides a framework for evaluating and contextualising new experiences. Originating in the minds of others, in organisations, it may become documented in routines, processes, practices, norms and folklore through storytelling and narrative (Davenport & Prusak, 2000).

It is this concept of strategy as discourse that is of increasing interest (Ezzamel & Willmott, 2008). Academic researchers have drawn on a variety of discursive approaches to study strategy in this context adopting a post-
structuralist approach (Knights & Morgan, 1991), critical discourse analysis (CDA) (Balogun et al., 2014), narrative perspectives (Barry & Elmes, 1997; Fenton & Langley, 2011); and rhetoric (Samra-Fredericks, 2005) to better understand the linguistic aspects of strategy discourse.

While CDA is rooted in the study of applied linguistics and explores the power implications that may exist in social intercourse through strategy discourse (Laine & Vaara, 2007), it also focusses on storytelling and narrative practices more generally (Balogun et al., 2014). A narrative perspective encourages a focus on storytelling in organisations (Boje, 2001). According to (Johnson, 2006) strategic conversation is separable from the related construct of strategic thinking in that:

1. It occurs throughout the organisation and not just in the senior management domain.
2. It involves explicit communication between staff members.
3. And recognises that strategy conversation is quite separate from strategy planning and occurs before, during and after strategy planning in both a formal and informal basis.

There has also been work examining how strategy discourse is used to legitimise and naturalise particular actions, activities and artefacts such as airline alliances in (Vaara et al., 2004); or strategic plans (Vaara et al., 2010); and (Samra-Fredericks, 2005) examined how actors can use rhetorical skills to position themselves as knowledgeable in terms of strategic planning, enabling them to obtain power and authority. Here the focus is on strategy not as a noun (what an organisation is or has) but as a verb (strategise); what strategy does.

(Fontanille, 2012) argues that this semiotic function occurs as actors accomplish a division between our exteroceptive and interceptive worlds. This world view takes the form of “taking a position”. The transitive nature of “taking a position” is the act of prolonging an existing axiom whilst in the process of creating a new axiom via the process of semiosis

1.2 The Semiotic Landscape
The field of semiotics as characterised by Saussure, and Peirce et al (Jastroch & Marlowe, 2010), follows the notion that communication is based on codes consisting of symbols and signs interpreted by cultural convention, which has numerous implications for the sourcing, sharing and use of knowledge. The underlying hypothesis of semiotics is that any communication system works on the basis of codes. Codes are systems of symbols which are determined by cultural convention for the purpose of representing information and transferring it from a point of origination to a destination (Jastroch & Marlowe, 2010). They must be shared so that decoding becomes possible.

Semiotics involves the study of ‘signs’ (codes) in language, and of anything which ‘stands for’ something else. In a semiotic sense, signs take the forms of words, images, sounds, gestures, and objects (Chandler, 2007). Semiotics is the study of signs and sign-using behaviour. It focuses on meaning derived rather than the choice of words. This theory of signs tries to generate laws & principles that explain the signification process. Peirce categorised signs into three main types:

1. An icon, which resembles its referent (such as a road sign for an accident-prone area);
2. An index, which is associated with its referent (as smoke is a sign of fire); and
3. A symbol, which is related to its referent only by convention (like the red light at a traffic signal).

(Peirce, 1931) demonstrated that a sign can never have a definite meaning, and that the meaning must be continuously qualified. This implies that even though people seemingly use the same language, generation of meaning is a unique internal experience, which means that no two people will generate identical meanings from any given construct. Peirce in (Bergman, 2009) focuses on communication as an ongoing process of signification. Peircian semiotics is seen as a philosophy of communication, in addition to its being a theory of signs that may be applicable to the study of rhetoric (strategy discourse). Peirce defines rhetoric as a condition under which a sign may determine the interpretant sign of itself and of whatever it signifies, or may as a sign, bring about a physical result (Bergman, 2009).

This paper develops the notion of knowledge management as a basis for organisational learning set in strategy narrative. And develops this philosophical position through the lens of semiotic theory, and the importance of semiotics, to storytelling and narrative in the context that regulate behaviour toward establishing a position in strategy. In this paper, the focus is not so much on the stakeholders of discourse, but rather the influences on why strategy conversation changes as the nature of the story is changed.
1.3 The Basis of a Semiotic Approach
It is this sense of meaning making as stakeholders transfer knowledge, which requires a semiotic view on the interpretation of signs and codes in storytelling and narrative that lies at the heart of this enquiry. In his work on the Semiotic Ladder (Stamper, 1973), Stamper’s view on signs as physics, empirics, and social world; are not that far removed from Peirce’s triadic semiotics defined as Representamen, Object and Interpretant. The purpose of these constructs was to define a process by which individuals make sense of signs and codes. What they have in common is context in the sense that stakeholders in strategy seek to establish a position through their interpretation of signs and codes inherent in strategy narrative (Warren, 1999) in (Smith, M., 2010).

Storytelling and narrative in strategy is the product of formal and informal relationships between individuals and groups. This interpretative process requires an articulation and application of strategy artefacts, facilitated through interaction and shared experience (von Krogh et al., 2012). (Inkpen, A. C., 2000) also identified transparency or openness in interpretation, as critical for consensus in strategy. (Robichaud et al., 2004) argue that language, spoken or written in texts, is the key to understanding how an organisation can be both a single entity and be made up of many different entities, and it is through an analysis of organisational discourse that a meta-conversation can be identified. Meta-conversation is presented as a bridge to opposing views that are seen at one and the same time, to be pluralistic and unitary; multivocal and univocal.

Thus, semiotics is a theory of how actors produce, interpret, and negotiate meaning of strategy through signs. A sign which the interpreter has signified gives us an insight into their ‘stance’ in the world, with respect to a specific part of the world, that part framed by the interest of the interpreter. The caliginous nature of the sign sets the intensity of the process of interpretation by the observer as they seek to reduce ambiguity and doubt; and acclimate to a new convention. In so doing, observers start to adopt a spatial relationship where world views approximate either in a univocal or plurivocal stance. This semiotic function of deconstructing and contesting the realities of signs will therefore reveal whose realities are privileged and those who are not (Chandler, 2007).

1.4 The Research Gap
Substantial research and existing literature resources seem to have a preoccupation and focus on the outcomes of strategy in terms of failure or success. The problem with this focus is that the genesis of success or failure of strategy is spatially quite far removed from the outcome of strategy. The gestation and development of strategy is an intensely people orientated process; and to that end, the success or failure of the strategy is fundamentally reliant on how key stakeholders (actors) interpret a wide array of data and information (artefacts) as part of a dynamic strategy narrative that seeks consensus in forming objectives usually in a shifting dynamic strategy environment. (Gagne, 2009) acknowledges that the study of knowledge in organisations has included studies on the nature of knowledge and on the process of knowledge sharing but she also asks for a more complete diagnosis of strategy narrative intervention, as well as the critical evaluation and review of existing models of knowledge-sharing behaviour. (Emenalo, 2011) further discusses what is described as the human-centric theory without detailing the politics that may motivate the trading of strategy artefacts. In recent years there has been an attempt to codify organisational culture within the field of strategy as practice (Johnson, G. et al., 2008); and there is a burgeoning caucus of literature on the science of semiotics as a means of intervention in advertising (Chandler, 2015), and wider social research (Chandler, 2007).

However, there has still been no serious attempt at using semiotic theory to diagnose the durability of the strategy narrative. Nearly 10 years later not much seems to have change according to (Sitz, 2008) who proposed a ‘semiotic’ analysis from a hermeneutic perspective on discourse analysis. While Jastroch and Marlowe (2010) recognised the need to research changes in meanings attached to strategy discourse through a semiotic process.

Many readers of strategy have flirted with the notion of semiotic theory in the field of strategy as practice, but the flirtation is fleeting and does not attempt to read strategy from a semiotic locus in depth. This hasn’t stopped some readers from advocating that this is perhaps an area of future study. As far back as 2000 there was an appreciative research gap into the use of semiotics to diagnose strategy narrative (Easterby-Smith, M., 1997; Easterby-Smith, Mark, 1999; Evans & Easterby-Smith, 2000).

2. Methodology
The locus of this research was the senior management strategy team at Solent University. The university had just invoked a new strategy that invoked organisational change as it faced challenge market conditions in the
provision of higher education in the United Kingdom, which had been subjected to significant deregulation pursuant to Government policy changes.

The research was both exploratory, in the sense that this research seeks to understand the interpretation of artefacts in strategy that influence stakeholders in taking a position using existing semiotic theory; and exploratory in the sense that this research attempts to elucidate why stakeholders in strategy may take such a position and uncover the abductive reasoning (Atkin, 2008; Peirce, 1931) (also called abduction, abductive inference, or retroduction) of logical inference starting with an observational set of variables (signs, codes, and icons).

Each code was enveloped in a short narrative to identify meaning for the respondents. To seek the simplest and most likely explanation for taking a position as a means of management intervention; as a form of pragmatism, an approach that evaluates beliefs in terms of the success of their practical application. This research used a Q-Sort methodology (Krivokapic-Skoko & O'neill, 2011; Watts, S. & Stenner, 2012; Zabala et al., 2018), that helped establish a discovery of how stakeholders in strategy take a position and explore the possibility that the semiotics of strategy may elucidate a more instructive set of statements for the Q-Set Concourse.

2.1 Why Q Sort?
Q Methodology yields more nuanced and complex opinion (Kamal et al., 2014). It offers a middle ground between the structure of surveys and the depth of interviews and combines the advantages of both. It is most frequently administered with individuals, and in such cases, it is relatively free of certain psychological biases such as dominance effect (Mukherjee et al., 2015), which can affect methods administered in groups (e.g., focus group discussions) (Rastogi et al., 2013). Thus, the Q-sort should identify what the participants’ perspectives give to the subject, not just their perspectives in general but the social viewpoint (Watts & Stenner, 2012).

2.2 Concourse and Condition of Instruction
In Q Methodology the term concourse is used to refer to the totality of communication on a topic. It also acts as a ‘condition of instruction’ (Watts, S. & Stenner, 2005) for the participants and guides the sorting process. It is intentional that the construct of each statement was generic for each of the 47 codes identified as having meaning in the strategy narrative, based upon the ubiquity of the symbols and artefacts in strategy discourse.

The condition of instruction provides the context by which respondents interpret each of the 47 codes and place them on the grid: To what extent do you agree with the following statements in regard to the current Solent University Strategy?

The research question plays an important part in any Q Methodology study. It dictates the nature and structure of the Q-Set generated. It also acts as a ‘condition of instruction’ (Watts & Stenner, 2005) for the participants and guides the sorting process. In addition, (Wint, 2013) mentions that it is a suitable research approach for a sensitive topic, such as strategy development, where the participants could express their opinions based on their experience by sorting the Q-set, without embarrassment or fear of sanction.
Figure 1: Q-Set Concourse

2.3 Sampling
The primary interest of this study is to establish key dynamics in strategy and how these may influence the outcome of strategy. To that end the Senior Management Team at Solent University was identified as a possible locus for this research. This stakeholder group was involved in the development and implementation of a strategy in a large city-based University challenged by significant changes in the higher education market. The strategy had been agreed three years prior to this study and the senior management team was actively involved in the operationalising of this strategy. There were 18 people in this group that included the Vice-Chancellor; Head of Strategy Development; and the Heads of School from across the organisation.

2.4 Data Collection and Extraction
The research tools were sent to all members in the senior management group. URLs were provided for online access to the survey instrument, and this solicited 10 respondents out of the 18 that constitute the group, a 55% response rate. There was some intervention by the researcher with some respondents who required assistance to help them navigate through complexity in the online tools. The methods of data extraction techniques used IBM SPSS 24 software calculating the Q Sort data derived from the respondent base. The basis of this analysis was used to interpret the data and justify findings from the source data. The relationship of variables to the underlying factors was determined by the weighting in the eigenvalues and factor loadings using factor analysis techniques. These loadings were indicative of perceptions held because of interpretation of strategy narrative codes.

3. Data Analysis and Findings
This initial investigation by factor analysis suggested a strong univocal voice in the strategy narrative and it appeared that the level of ambiguity was low. (Chandler, 2007) defines a univocal narrative as one where there is clear consensus, however the lower factor loadings do suggest a pattern of divergence from this univocality concourse. (Robichaud et al., 2004) suggest an alternative approach to that presented above in the notion of meta-conversation conferred as a means of illuminating opposing views to be ‘pluralistic and unitary; or multivocal and univocal. As Chandler, (2007) defines a plurivocal (‘polyvocality’ where there are multiple voices) narrative as one where there is partiality in the way stakeholders interpret strategy narrative, since strategizing involves multiple contexts where competing goals and interests abound (Balogun et al., 2014).

The incidence of divergence from a univocal narrative gave rise to the notion of the existence of groupthink within the strategy group. Groupthink is a psychological phenomenon that occurs within a group of people in which the desire for harmony or conformity in the group results in an irrational or dysfunctional decision-making outcome (Janis & Mann, 1977) and this may give rise a tendency to filter narrative, a standard agency problem, where managerial disclosure preferences are not aligned with those of key stakeholders. Factor analysis was conducted on the Q Sort data to identify clusters of the variables (or items) and how they are inter-related to produce factors. The clusters of variables resulting from this analysis served as a reference to further investigate meaning as a strategy discourse (Asnawi et al., 2012).
Figure 2: Factor Analysis Component Plot in Rotated Space by Respondent

The suggestion of sub-groups within the strategy group supports the (Watts & Stenner, 2012) view that the benefit of Q Factor Analysis is its focus on the correlation and analysis of similitudes among individuals, and at the same time is ideal for the purpose of development a typology. In this regard cluster analysis, to identify profiles and types of individuals that respond similarly to a certain set of variables. Consequently, individuals are factorised based on responses to variables, and not to variables based on responses given by individuals.

A suggestion in the data is one of a top-down strategy discourse that may be exhibiting the characteristics of discourse orthodoxy. According to (Johnson et al., 2008) rationality is a central component of the orthodox language of strategy and from a management perspective, appearing rational is key to making strategy, to be rational is to be seen within the strategy group to be making persuasive sense (Green, 2004). They may adopt this form of strategy discourse not just because they are themselves persuaded of the logic of a strategy, but because they believe that by doing so their arguments carry more weight with others, it is the typical way in which strategy is communicated or because, by so doing, it positions themselves as indispensable to strategy (Knights, 1992).

Failure in strategy is primarily due to widely divergent interpretation of strategy artefacts. In the process of habituation, it leads to a final logical interpretant that may lack stasis; is ambiguous, uncertain, anxious, and sometimes antagonistic (Bergman, 2009). This antagonism develops and intensifies as strategy narrative forms around the artefacts and is subsequently earned in a hostile environment full of agency that demands contingency. The success of contingency ultimately depends on the ability of strategy stakeholders to interpret new artefacts and habituate new logical interpretants safely.

3.1 Cluster 1 Characteristics – The Choir

Factor analysis on this respondent base elicited a set of factors that were defined as Doubting; Spatial Relevance; Fluid Habituation; Estrangement; Valence; and Syntactic Compound. In turn, doubting arose through a lack of confidence in the way the strategy narrative presented the strategy artefacts. This doubting seemed to create a feeling of spatial distance from the artefacts and their relevance to the stakeholders in situ. There is an identifiable ambiguity that may be leading to a very fluid and loose habituation in the sense that respondents in this cluster moved their position regularly regarding the strategy, the interpretation of this factor may be defined as a form of fluid habituation in that stakeholders are trying to achieve consensus in interpretation but perhaps the lack of community contradicts this effort (Bergman, 2009).

This form of disorientation was also evident in a sense of respondent estrangement from the strategy artefacts. Peirce states that qualsign is a quality of the representamen that functions like a sign but cannot act like a sign until it is embodied (Short, 2007). In this sense the lack of participation in the strategy narrative may point to strategic drift. There is a strong individual valance (interpretation) of artefacts that does not translate into a
consensus interpretation, and this will undermine team effort as players play the game in isolation of others. Participants struggling with the syntax of interpretation calls into question the strategic orthodoxy. This inability to define a relationship may lead to a feeling of isolation and partiality; and participants will begin to question their own contribution and that of others as they struggle with conventional syntax within the strategy. (Nobre, 2019) recognises the social constructivist perspective within organisations, which are viewed as social constructs, is also relevant to organisational semiotics. Information is a central concept that may be analysed through diverse perspectives and semiotics offers a framework which allows us to interpret information at syntactic, semantic, pragmatic, and social levels. Syntax deals with signs without regard to their meaning; semantics deals with the signification of signs in all modes of signifying; pragmatics deals with the origin, uses and effects of signs within the behaviour in which they occur.

3.2 Cluster 2 Characteristics – The Architects

Factor analysis on this respondent base elicited a set of factors that were defined as Conviction, and Scepticism. The main factor from this group could be defined as one of conviction through a strong involvement in strategy and therefore awareness of artefacts and assumptions being rendered by laws that make it conventional. The strong factor loadings suggest a closeness to the development of strategy and a strong belief in the interpretation of strategy artefacts that lead to a consensus. Further analysis defined those respondents’ individual as being very much involved in the development of the original strategy narrative. This may lead to the cluster as being doctrinal and maybe even pontifical in their beliefs. This analysis may be delineating a spatial gap between top down and bottom-up strategy discourse where managers are trying to reconcile capacity and perhaps even the viability of their own domain guided by a bottom-up strategy discourse with that of a top down, command-and-control strategy discourse where the strategy narrative outlines the scope of strategy.

Surprisingly there was another significant factor identified that can only be considered a scepticism in this respondent base. It appears that the architects of strategy value personal benefit and autonomy perhaps driven by the need to engineer strategy as objective orientated. There seems was an emerging level of doubt in the clarity of strategy that is weakening their commitment to it. Primarily driven by a lack of faith in the respondents in Cluster 1 being able to carry out the objectives in the strategy narrative. According to this (Johnson et al., 2008) stakeholders may seek to resolve this discourse from different perspectives; implementation and control; sense making; reinterpretation and adjustment as they seek to adjust to a new strategy paradigm.

4. Conclusion

The striking thing of note is the significant dissimilarity in the factor loadings extracted between the two Clusters. These loadings in Cluster 1 were significantly lower than those in Cluster 2 who may be seen as ‘following’ strategy. Their remoteness from the construct of artefacts in some instances makes it difficult for these stakeholders to associate the value of these artefacts to the discourse of the strategy. This left them free to question the validity of these artefacts and create spatial distance between some artefacts as well as the aims and objectives of strategy.

That said, the strong closeness to the development of strategy by the stakeholders in this group may have given rise to a forced interpretation to achieve consensus, in other words group think. There was some evidence that the orthodoxy of The Architects of strategy were not confident in The Choir’s ability to achieve strategy goals. This lack of confidence seems to come from the respondents questioning the resources available to those in Cluster 1. Being sceptical of others’ ability should not be confused with cynicism. However, there is a conviction in the strategy narrative that is perhaps not matched by the quality of the artefacts that it is based upon.

Identifying and studying the stakeholders involved in strategy is particularly important since stakeholders can then be invited to participate in sessions where cognitive mapping techniques can be used to identify and justify the means of intervention with as systematic and interdisciplinary approach. A collaborative approach can effectively engage the stakeholder group in a more meaningful discourse to tackle the challenge. The existence of a plurality of points of view will allow those concerned with strategy discourse to examine possible approaches to the problem, different intervention methods, and decision-making protocols. Therefore, the methodological process combines stakeholder’s analysis with cognitive mapping (Eden, 1988) for purposes of knowledge acquisition and problem structuring.

Cognitive mapping is a casual-based mapping technique where concepts representing elements of a complex problem are organised and structured using the semiotic square. Hence, elements or concepts are represented
as nodes, while bubbles represent the level of perceived influence in the strategy narrative. In particular, cognitive mapping is well suited for complex problems where many aspects and dimensions of the problem are difficult to comprehend adequately, or in some cases may even be totally indeterminate (Ferretti, 2016).

It was surprising that few theories of semiotics in strategy existed, but that did not stop many commentators attesting to the fact that this should be an area of key academic theory development. So, the implication for the researcher was clear, an examination of existing independent, isolated and in some cases sovereign theories that could be rendered by combination into a concourse on the semiotics of strategy. The disadvantage was the arcane nature of semiotic writing based on theories that are nearly 100 years old in some cases, particularly so as modern teaching in semiotics tends to concentrate on the advertising and media landscape. This study may act as point of reference and a pylon for future research work in strategy as practice.

References


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